



September 3, 2019

Corporate Relationship Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Fort, Mumbai 400001

Capital Markets - Listing

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex, Bandra (East),
Mumbai 400051

Dear Sir,

Sub: Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Re: Stock Code: 500337 (BSE) / PRIMESECU (NSE)

Pursuant to the provisions of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report for the Year ended March 31, 2019.

This is for your record and information.

Thanking you,

Yours faithfully,
For **Prime Securities Limited**


Ajay Shah
Company Secretary
(ACS-14359)

Prime Securities Limited

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Nariman Point, Mumbai 400 021.
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PRIME SECURITIES LIMITED
ANNUAL REPORT 2018-19

ROIp RONw

HOW PRIME SECURITIES IS
LEVERAGING THE POWER OF
KNOWLEDGE AND NETWORKS TO
ENHANCE VALUE



ROIp & RONw

HOW PRIME IS LEVERAGING THE
POWER OF KNOWLEDGE AND
NETWORKS TO ENHANCE VALUE



In 1768, a Swede called J. Westerman observed his country's shipyards and ceramic factories and concluded that they were only half as productive as compared with their British and Dutch counterparts.

He wrote a report called 'On the Inferiority of Swedish Compared to Foreign Manufacturers Because of a Slower Work Organisation', which showed that Swedes and their competitors used essentially similar machinery.

But what he concluded was different: it wasn't the fixed assets that gave the British and Dutch the decided advantage.

It was the intelligence with which equipment was employed that made all the difference.

Perhaps at no time in the recorded existence of humankind has the power of knowledge become as evident as a differentiator as in this Information Age.

Information is everywhere; how this information is aggregated into a body of specialised knowledge, how it is leveraged, adapted and used makes the difference between people.

At Prime Securities, we have dedicated this Annual Report to how the power of intellectual capital has helped us transform from a capital-intensive finance company into a knowledge-driven solutions boutique.



ROI_p ROI_{NW}

RETURN ON INTELLECTUAL
PROPERTY AND RETURN ON
NETWORKS



The age of using an increasing quantum of cash to generate additional cash is on the decline.

The new world is looking at companies that consume virtually no capital, generate substantial / sustainable surpluses and significantly enhanced stakeholder wealth.

Prime Securities aspires to be one such Company.

The Company combines capital-lightness at one end and the possibility of generating substantial returns at the other.

THROUGH A PRUDENT LEVERAGE OF RETURN ON INTELLECTUAL PROPERTY (ROI_{ip}) AND RETURN ON NETWORKS (RON_w).



ROI_p

Return on Intellectual
Property and Prime



The power of knowledge is becoming an increasingly potent factor in driving organisational competitiveness.

It took Britain more than 100 years to double its economic output per person during the Industrial Revolution. The US took more than 50 years to do the same. More than a century later, China doubled its GDP per capita in 12 years.

India took 60 years to reach a trillion dollars in economic size; it took only seven years to replicate this; each successive addition of a trillion dollars to India's economy is expected to take less time.

This acceleration in growth is the offspring of the Information Age. During this Age, human intelligence and intellectual resources represent a Company's most valuable assets. Columbia University professor Frank Lichtenberg measured the return on investment for spending on new plant and equipment versus the return on R&D spending and concluded that a dollar spent on research generated 8 times compared to a dollar invested in new machinery. Walter Wriston described this phenomenon in his influential book *The Twilight of Sovereignty*: "Indeed, the new source of wealth is not material, it is information, knowledge applied to work to create value."

The conclusion is that if an organisation can be described as a tree, then what is visible is a fraction; half the tree mass (or more) lies underground. The knowledge and creativity of employees (tree mass) are represented by values, culture and philosophy. It is the applied power of this domain skill and creativity that translates into enhanced competitiveness.





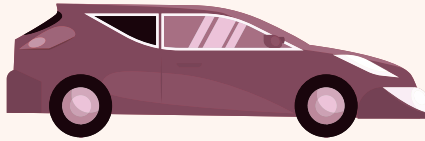
Besides, there is a progressive re-interpretation of the word 'skill': from a conventional time when it largely indicated manual craftsmanship to something that is more mental.

At Prime Securities, we have combined and permuted that knowledge aggregated across more than two-and-a-half decades. We have applied and adapted our capabilities; we have drawn from one experience or engagement to apply in another; we have explored different routes to arrive at desired solutions.

At our company, the principal objective is to maximise our return from that rich knowledge pool, translating into effective client solutions, repeat engagement and increased referrals.

**TRANSLATING INTO INCREASED REVENUES, MARGINS,
SURPLUS AND SHAREHOLDER VALUE.**

THE POWER OF THE
INFORMATION AGE



Cars have no drivers.

Hyperloop can shrink three hours
of mass rapid commute to a few
minutes.

A vehicle can run more than 400
kms on a single charge of electricity.

A typical modern automobile has
more microchips than sparkplugs.

A car's electronics cost more than
the steel in it.



RON^w

Return on Networks
and Prime



There is a powerful new belief in the Information Age: the five people who will make the biggest difference in your life the next year are people you have not even met till now.

This statement underscores the power of small networks over large silos.

Networks aggregate knowledge, information, references, insights and experiences. Networks were earlier linear; networks are now driven by the ubiquitous smart-phone.

The result is that what would have been locked inside the minds of a few can, using modern technologies, be shared with a larger number in no time using communication technologies like Whatsapp groups, LinkedIn, Group email and Facebook.

The effectiveness of these communication platforms cannot be over-emphasised.

Conventional networks were limited; *modern networks are multi dimensional.*

Conventional networks focused on specific age groups; *modern networks address all ages.*

Conventional networks focused on specific locations; *modern networks address people from across the world.*

Conventional networks focused on time-staggered information sharing; *modern networks share information in real-time.*

Conventional networks focused on small groups; *modern networks address large focused communities.*

Conventional networks addressed individuals one knew and met; *modern networks address people you have never met.*

The result is that the modern world holds out infinite possibilities of connecting, collaborating and engaging – and in doing so, turning the candle power of those networks into the wattage of the corporation, rather than into something that goes out at 6 PM.



The exciting world of Prime Securities Limited

Ethos

Vision: To be recognised as a group founded by knowledge, guided by integrity, nurtured by experience and driven by our passion to provide bespoke solutions in investment banking and corporate advisory services.

Mission: To achieve our objectives in an environment of fairness and equity towards our clients, employees, shareholders and society at large

Core values

- To be a knowledge-driven business and encourage creativity.
- To maintain the highest possible standards of ethics and integrity in corporate governance.
- To inculcate a meritocratic work environment with respect for individuals, fostering teamwork and collaborative effort.
- To inspire a sense of ownership and commitment among all team members and cultivate a corporate culture of excellence.
- To ensure that client interest is of paramount importance in every aspect of a life.

Management

Employee driven, board managed Company, including N. Jayakumar (Managing Director and Group CEO, Prime Securities Limited), its senior management team comprising S. R. Sharma (Chief Financial Officer & Director, Prime Securities Limited and Managing Director, Primesec Investments Limited) and Akshay Gupta (Director, CEO & CIO, Prime Research & Advisory Limited). The Company is headquartered in Mumbai, India's financial capital.

Offerings

The Company is engaged in providing services that address the apex of the consulting pyramid in terms of organisational criticality, fees and repeat engagement possibilities.

The Company also offers value-added advice to clients on complex strategic and financial decisions as well as transactions focused around fundraising, mergers and acquisitions, private equity and debt placements, initial public offerings, corporate advisory and capital restructuring.

The Company's team engages in due diligence, negotiating and closing financial terms to cater to client needs and capital market demands.

Clientele

Prime Securities Limited has developed a strong client roster comprising prestigious Indian customers like Edelweiss Financial Services Limited, Dewan Housing Finance Corporation Limited, MEP Infrastructure Developers Limited, IRB Infrastructure Developers Limited, Balrampur Chini Mills Limited, Apollo Hospitals, Avanse Financial Services Limited, JSW Steel Limited, Jindal Stainless Limited, among others.

People

Prime comprises a small focused team of 19 (as on March 31, 2019) with key executives involved in every transaction without the people-intensity and overheads of large organizations. The Company's agility is reflected in an agile, nimble, market-driven team constantly responding to market stimuli and client needs with eyes and ears trained to capture moods and sentiments.

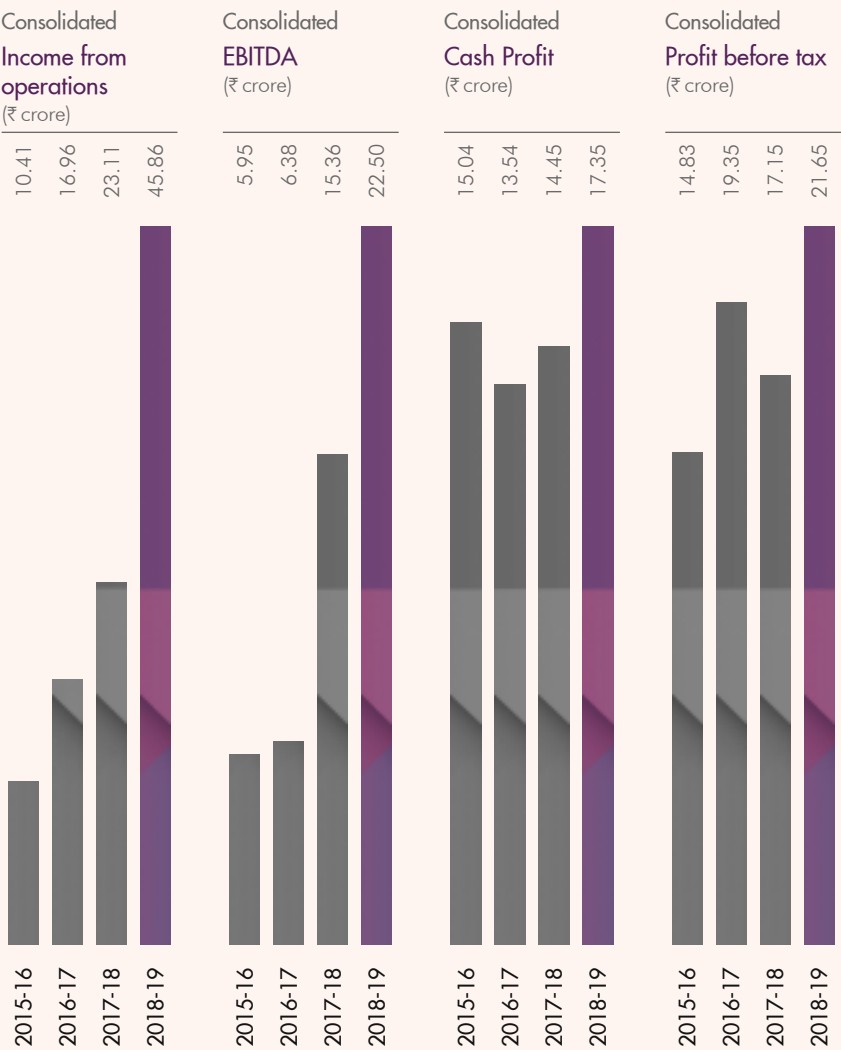
Customers

The Company has long-standing relationships with domestic and international clients, including corporations, foreign institutional investors, financial institutions, banks, mutual funds, insurance companies and high net worth individuals.

Listing

The Company has been listed on the NSE and the BSE since 1994. The Company enjoyed a market capitalisation of ₹110.44 crore as on March 31, 2019.

How we have transformed our financials over the years



Balance Sheet ratios

| Ratios | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|----------------------|---------|---------|---------|---------|
| Earnings per share | 5.36 | 5.06 | 5.39 | 6.40 |
| Book Value per share | (0.15) | (1.63) | 3.82 | 13.46 |

Profitability ratios

| Margins | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--------------------------------|------------|----------|---------|---------|
| EBIDTA margin (%) | 57.21 | 37.62 | 66.46 | 49.06 |
| Net profit margin (%) | 136.42 | 79.11 | 61.89 | 36.99 |
| Return on assets (%) | 7.00 | 59.80 | 65.99 | 36.59 |
| Return on capital employed (%) | 5.77 | 49.45 | 84.10 | 55.96 |
| Return on equity (%) | (3,510.34) | (310.55) | 141.34 | 47.54 |

Liquidity and solvency ratios

| Ratio | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--|----------|---------|---------|---------|
| Debt-equity ratio (including working capital) | (219.97) | (3.93) | 0.79 | 0.11 |
| Debt-equity ratio (only long-term debt) | (9.97) | (0.95) | 0.21 | 0.03 |
| Interest Cover | 654.56 | 281.64 | 813.42 | 126.86 |

110.44

Market
capitalization,
March 31, 2019
(₹ crore)

109.93

Enterprise value,
March 31, 2019
(₹ crore)

The ratios indicated above are based on the Company's consolidated financials

CHAIRMAN'S LETTER TO SHAREHOLDERS

Pradip Dubhashi,
Chairman &
Independent Director,
Prime Securities and
Primesec Investments



Dear Shareowners,

IT IS THAT TIME OF THE YEAR WHEN ONE SITS DOWN TO WRITE HOW PRIME FARED IN THE LAST ACCOUNTING YEAR.

IT IS, HOWEVER, DIFFICULT TO FREEZE THE FRAME FOR A CERTAIN TWELVE MONTHS BETWEEN APRIL 2018 AND MARCH 2019 WHEN THE WHOLE BUSINESS WORLD AROUND WAS, AND STILL IS, IN TUMULT.

IN MACRO-ECONOMIC TERMS, THE COUNTRY ACHIEVED GDP GROWTH OF 7% +/-; ACTUAL FIGURE DEPENDS ON WHO YOUR FAVOURITE ECONOMIST IS AND HIS/HER ESTIMATE.

THE HEALTH OF VARIOUS BUSINESS SEGMENTS AND COMPANIES THEREIN WAS FAIRLY UNEVEN. AND THUS DEMANDS MADE ON A FINANCIAL SERVICES COMPANIES LIKE PRIME CONTINUED TO BE VARIED.





Performance

Be that as it may, your Company turned in a fairly fine performance despite the uncertainty. If you recall, I had said in my last annual letter that your Company is offering tailored services and 'whether it's an aspirational situation or one of desperation, your Company's team has some solid service to offer'!

This versatility has stood the Company in good stead. Income from operations on a consolidated basis nearly doubled to ₹45.86 crore. The consolidated EBITDA increased by about 47% and PBT by 26%. Since opportunities were not evenly distributed, the performance of companies in the group was rather uneven. Primesec Investments Ltd (Primesec) accounted for nearly half the consolidated income and contributed to 77% of the total EBITDA and nearly 4/5th of before-tax profits. Primesec offers restructuring services and that should tell you that it helped many in dire distress. I hope that in the current year we get to balance our services portfolio a little more; a beginning has been made. If some of you have noticed, Prime Securities Ltd (Prime) has been a frontline participant (one of the four) in the hugely successful ₹2000 crore QIP by Yes Bank just a few days ago.

Knowledge & Networks

Your management believes that its assiduous cultivation of networks and intellectual property has pulled the performance wagon. With each engagement, the network will continue to grow exponentially. I believe the clients we helped when in distress shall bring in others to the table and also remember us during times that shall inevitably turn good. Similarly, the knowledge culled from each engagement, unique that each bit has been, will create knowledge assets. This will enable the Company to scale. My intelligent colleagues have dilated on this aspect in pages that follow. I can only say that the key lies in extracting knowledge bits from each engagement and archiving them single-mindedly. If it is left in the heads of team members, it may walk out of the door with them once in a while. Leading international consulting companies have mastered this art and have benefitted hugely. Prime needs to commit a part of its surplus to this.

New Lines of Business Status

Last year, we had reported that the Company had decided to move into adjacent lines of business. We had accomplished that by taking a team on board

and housing it in Prime Research & Advisory Ltd (PRAL). The team, it was expected, would bring skills in wealth management *et al* and importantly, steady its annuity income. While PRAL contributed 32% of the consolidated income and 9% of the margin, its annuity business ran into structural roadblocks. Your management has taken immediate steps to cut costs and that meant letting go of a substantial part of the team. It was difficult but it had to be done. I hope these measures help grow the productive part and improve margins in the current year as costs are trimmed.

Board Management

During the year, the Company Board had to contend with some significant churn. Mr. Vineet Suri, Executive Director, resigned during the latter half to pursue his personal goals. But it was Independent Director Mr. Anil Dharker's resignation in November that was personally disconcerting. Mr. Dharker was on the board when the Company went through tough times. He was fiercely independent and a trusted source of counsel for the Board and support for me; he never minced words. I will miss him.

During the year, we added two new Independent Directors. Ms. Namrata Kaul and Ms. Smita Affinwalla joined the Board in Q4 2018-19. While Ms. Kaul, an IIMA alumnus, has been an inveterate banker for two decades-and-a-half, Ms. Affinwalla, an alumnus of Jamanalal Bajaj Institute, has spent years in reputed Investment Banks in their operations and then in HR. They bring rich experience and intellectual acuity to the Board's deliberations. With Ms. Parida, Independent Director, also on the Board, your Board now boasts of a compelling gender diversity amongst Indian companies. Interestingly, a research paper written by Prof. Jaya Sarkar and Prof. Ekta Selarka of Indra Gandhi Institute of Development Research found that women Directors on the Board not only improved governance but also improved the valuation of companies. With three distinguished and fiercely independent women Directors on Board, you cannot go wrong!

In my last annual letter, we had promised that we would put in place a comprehensive Risk Management Framework. The management had commissioned a consulting firm to study the business and processes. Their report

has been received and I am happy to say that the system would be instituted by Q3.

Our Management

This letter won't be complete without a word of praise for the management team led by Mr. N. Jayakumar (aka Jakes). The team led by Jakes and assisted by Mr. Subramanian Sharma at PrimeSec has done great multi-tasking to establish a satisfied and happy client base. Their enthusiasm for jobs at hand is electric. In my last letter I had likened the Prime Team to Special Forces (Para Commandos) of the Indian Army. If you have watched the film URI, based on the surgical strike by Para Commandos across the border, you will remember Major Shergill (Vicky Kaushal) who led the team. He frequently asked his para team "Kaisa hai josh?" The resounding war cry every time was "High, sir!".

If any of you come to the Prime office and ask "Kaisa hai josh?", you will also get a similarly energetic answer. High sir!

Thank you,

Pradip Dubhashi,
Chairman & Independent
Director, Prime Securities
and PrimeSec Investments

PERFORMANCE REVIEW AND POSITIONING

N Jayakumar,
Managing Director &
Group CEO



"I AM OPTIMISTIC THAT OUR IMPROVEMENT IN 2018-19 REPRESENTS THE BEGINNING OF A STRONG J-CURVE THAT ONLY ENHANCES OUR RELEVANCE, REVENUES, MARGINS AND RESPECT ACROSS THE FORESEEABLE FUTURE"

Over the last year, I have often been asked: 'How did Prime Securities escape the slowdown in the Indian financial sector?'

The answer is that in the last few years, the Company graduated from a conventional presence in the country's financial sector.

The result has been a contrarian presence: whereas most financial sector companies in India depend on the growth of the financial sector, Prime Securities depends on activity levels in the corporate sector, rather than being linked to the futures of the financial sector.

Business model changes

During the last few years, the Company made some relevant changes in its business model.

One, most financial companies depend on cash-intensive models to grow their business; Prime Securities requires virtually no capital to grow its business.

Two, most financial companies generate an income from the deployment of financial assets where the consultancy and advice – the most critical determinants of the effectiveness of the return – are priced virtually free; Prime Securities has created

a business model where the client pays largely for the consultancy and execution and there is virtually no role for a cash corpus to build the business on.

Three, most conventional finance companies are rate-driven; Prime Securities has invested in a knowledge-driven model where the remuneration is influenced by the extent of impact.

Four, there are a number of full-service finance companies where restructuring consultancy advisory and execution accounts for a small part of the operating model, resulting in a dilution of focus; Prime Securities is a focused player specialising in financial advisory services and implementation.

Solutions provider

The result is that Prime Securities is now positioned as a one-stop solution provider – a nutritionist that can advise clients in restructuring practices, a gym trainer that can advise clients in the right operating drill, a general physician that can engage in a diagnosis of corporate realities, a surgeon that can facilitate organisational restructuring through the engagement of various functional arms and a nurse that can handhold the client through convalescence to recovery.

This wide range of engagement has resulted in Prime Securities being perceived as a responsible, committed and engaged partner through the transaction lifecycle with extensive responsibility in guiding a client's Balance Sheet back to health.

The result is that at Prime Securities we see our role as destiny-transforming, value-accretive and relationship-strengthening.

Ground shift

The second question that one is often asked is whether there could be a sustainable future for companies like ours. The inference is obvious: it is easy for a company like ours to generate reasonable business at a time the economy is at an inflection point and when the broad Indian economy is slowing. Will our Company be able to generate reasonable traction when the economy has rebounded?

At Prime Securities, we believe that there has been a ground shift in the country's corporate sector in the last few years. This ground shift will ensure that the relevance of a specialised player like Prime Securities will only grow in the coming years.





There are a number of reasons for this.

One, India is passing through an inflection point in its existence related to the inability of companies to repay bank debts. In the past, there was a tendency to provide financially-challenged companies with more loans, making it possible for them to repay their earlier debt. This helped a number of such companies postpone their defaults on the one hand and protect the 'viability' of lending banks and institutions on the other. However, realities have transformed in the last few years: companies defaulting on their loan payments are being acquired by lenders, promoters are losing control of their companies and there is a greater focus on restructuring Balance Sheets with speed than go out of business. This transformation has enhanced the role of specialised service providers like Prime Securities.

Two, the extent of liberalisation that has transpired has not been matched by the extent of governance. The result is that even as companies have experienced quantum growth in their business, this has not been matched by corresponding systemic robustness or revenue quality. For instance, during the year under review, two

large Indian non-banking finance companies found it difficult to address their liabilities. One of these companies was sizable enough for the failure to set off a crisis in confidence that resulted in a liquidity paralysis within the Indian economy; the other Company was engaged in a secure home financing sector where loans are secured by home assets. If just two companies in a vast nation can have kick-started or deepened the slowdown then it only goes to indicate the extent to which the Indian economy is vulnerable.

Three, it was once believed that the mid-sized or small companies are vulnerable to systemic challenges and that large companies possess shock absorbers, alerts and managerial depth to ride through such challenges. After 2018-19, no one is sure about how protected large companies are. This has created a fear that no Company is immune from.

Four, sometimes the crisis does not have to be internal to the companies; there is a growing feeling that a challenge in a sector in a country could have ripple implications extending across the world, India included. In an inter-connected world there is no company that can claim

to be completely immune, secure and protected.

Five, the complexity of the global financial system is another reason why some challenges cannot be predicted. Despite the prevailing governance requirements getting increasingly stringent, the sheer number of variables ensures that there is always scope for some area to remain uncovered, exposed and vulnerable.

Six, the addressable market of around 10,000 listed companies and a large number of unlisted companies is only expected to get larger. Each of these companies will focus on strengthening their Balance Sheets in an increasingly competitive world, widening our relevance.

Unpredictability of the Indian economy

Seldom in recent times has the unpredictability of the economy, sectors and corporate health been as manifest as during the last financial year. During the first half of the financial year, the Indian economy grew attractively. GDP growth was 7.4% and 7.6% in the first two quarters. Thereafter, GDP growth declined to 6.6% and 6.4% in the last two quarters. In the fourth quarter, India reported its slowest growth in past several quarters.

The sharp growth decline was showcased in the slowdown of the country's automobile sector. During the last quarter of 2018-19, India's automobile sector grew -6.0%; during the first quarter of 2019-20, the growth was down to -10.53%; the country's largest automobile manufacturer reported a 18.0% decline in sales, moderating its annual sales growth to the low single-digits and announcing a reduction in its temporary workforce.

There was a time a few years ago, when debt and equity were easily available within the country to finance growth. As long as this reality persisted, the focus was on sustaining growth and scale without a corresponding attention to the size of Balance Sheets. There was really no compulsion to restructure or engage in systemic tightening as long as corporates kept growing and stakeholders were happy.

The import of the sudden turnaround in the fortunes of the country's automobile sector starting 2018-19 turned the national sentiment around, extending to the economic landscape. Most sectors staggered their capital investment programmes; those who proceeded to make

investments found it difficult to raise capital; in a country where the equity and debt markets possessed adequate liquidity to sustain capital investments, there was now a crisis of mobilisation and investment confidence.

This reality compelled most companies, now finding it difficult to mobilise growth capital, to restructure. A number of companies focused on shrinking the debt on their books; a number focused on raising growth capital at a low cost; a number sought to strengthen their terms of trade (and working capital management); a number of corporate leaders began to shift their attention from revenue growth to stronger capital efficiency (measured by RoCE and RoE).

Prime's distinctive capability

This is where a Company like Prime Securities comes in.

What kind of a company is Prime Securities? What capabilities does it possess to address growing corporate challenges? What differentiates it from other companies of its kind?

The nearest explanation that I can provide to questions like these is that Prime Securities resembles the Navy Seals (United States

Navy Sea, Air and Land) teams. These Seals are the US Navy's primary special operations force and a component of the Naval Special Warfare Command.

This is what makes them special: they engage in small-unit operations; they possess a range of competencies; they bring a competence honed by years of training (their intellectual capital); they engage in surgical operations as opposed to fighting conventional wars.

Prime Securities is no different. We bring a distinctive capability to the client's table – a super-specialist boutique reconciling art and science resulting in a creative application of knowledge around customised solutions.

These capabilities are sharpened by hands-on experience of having addressed near-similar projects in the past; we are focused on achieving our core objectives in the shortest time; we engage in mandates comprising restructuring, fund raising, merger and acquisition, early stage funding as well as debt / equity funding, the complement of which could help companies transform into sustainable businesses; we complement





regulatory insight, corporate finance and governance understanding to provide a focused solution; we leverage our rich intellectual capital (people knowledge and network access) to enhance solution effectiveness.

Increasing relevance

We believe that a super-specialised boutique like Prime Securities will be increasingly relevant for good reasons: as the assuredness of global realities declines and uncertainties account for a growing component of the global business fabric, our services will be increasingly warranted. I am pleased to state that in the last couple of years, companies have graduated from addressing their challenges through proprietary capabilities to seeking external assistance. Besides, there is a growing willingness to pay higher fees. There is also an openness of repeat engagement for various other ongoing corporate requirements, evolving a

one-off engagement into an ongoing relationship.

At Prime Securities, this transformation has begun to reflect in the quality and quantity of our financials. In the last couple of years, there has been a sharp increase in the throughput of assignments received; the size and complexity of projects have increased with a corresponding increase in average fees; our ability to carve out a larger share of the client's spending has strengthened; in a number of cases, we have evolved from first-time client engagement to a consistent partner and confidante enjoying first recall.

The ground-shift in the external environment, coupled with our nimbleness, has translated into increased revenues, margins and profits. During 2018-19, Prime Securities reported a 98.39% growth in revenues and 18.57% growth in profit after tax. EBITDA margins declined from 66.46% to 49.06%,

Return on Capital Employed declined from 84.10% to 55.96%.

By the close of the last financial year, our concurrent 50-deal pipeline was the highest in our history; the number of in-process deals was more than twice the number we had closed during the last financial year; the average ticket size per transaction was appreciably higher than in the past and half a dozen customers of the last financial year extended into the second round of their engagement with us.

Optimism

I am optimistic that this improvement represents the beginning of a strong J-curve that only enhances our relevance, revenues, margins and respect across the foreseeable future.

N Jayakumar,
Managing Director & Group
CEO

(34.36)

₹ crore, Net Worth,
2015-16

(4.32)

₹ crore, Net Worth,
2016-17

10.12

₹ crore, Net Worth,
2017-18

35.68

₹ crore, Net Worth,
2018-19

Above figures are based on consolidated financial accounts.

Why Prime’s focus on knowledge capital is more relevant now than ever before

According to QBE’s Unpredictability Index, the world is a less predictable place for businesses than in the past. Almost all the ‘least predictable years’ computed by the Index have occurred in the last two decades (majority in the last decade).

This sharp increase in the global uncertainty has been enhanced by the economic and political fallout from the 2008 financial crisis (Source: QBE Europe). The index has factored actual results against expectations - GDP growth against forecasts, volatility of election results, rainfall against historical

benchmarks – from 1987 onwards across business, economic, environmental, political and societal factors.

Political and economic risks comprise two of the highest-ranked global risk determinants.

Politics is the biggest influence of global unpredictability. The role of politics increased especially after the 9/11 terrorist attacks in the US, complemented by increased electoral and policy-related instability. Economics is a growing area of concern, especially in the wake of the global financial crisis of 2008.

At Prime Securities, we draw our increasing relevance from growing uncertainties. Our services are directed to help our clients develop a long-term strategy to counter uncertainties. We hedge perceived uncertainties and future-proof their Balance Sheets. Our services have helped companies strengthen their competitiveness and business sustainability, strengthening our long-term relevance.

The history of unpredictability

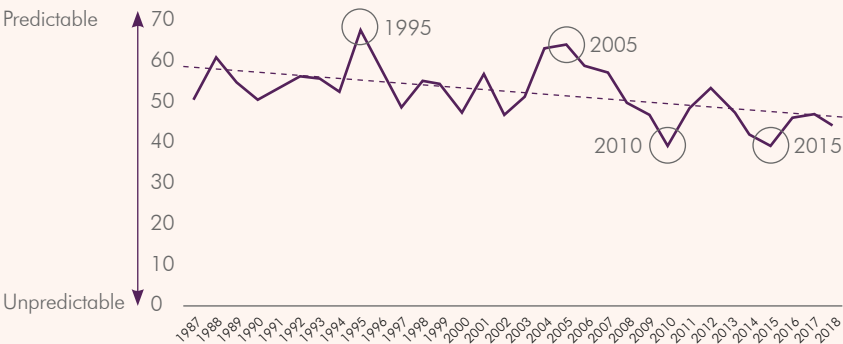


Fig: The QBE Unpredictability Index – 2019

OUR PERSONALITY

What we are and what we are not

We are not a financing company; we are a purely advisory company with no capital-intensive activity

We do not provide a cookie-cutter offering; we provide customised solutions

We do not just provide advice; we provide implementation capabilities as well

We are not a large company by conventional standards; we are a niche company

We are not excited by simple routine engagements; we embrace complex challenges

We do not provide services that address small improvement areas; we provide business transformation solutions

We are not obsessed as much about the size of our fees; we are driven by the prospect of win-win goodwill (companies, bankers and ourselves)

Conventional finance companies

The Prime Securities difference

Fund-based businesses ➤ Fee-based

Over-crowded markets ➤ Relatively niche presence

Declining margins ➤ Growing margins

Affected by technology-driven competition ➤ Insulated from technology-based competition

Asset-based /cash-based ➤ Knowledge-driven

Patchwork solutions ➤ One-stop solutions

No room for differentiation ➤ Room for innovation

Transaction-driven ➤ Relationship-driven (retainers)

Leverages the Balance Sheet ➤ Does not leverage the Balance Sheet

Cash-intensive ➤ Cash-accretive

High people expense ratio ➤ Low people expense ratio

5

ways in which we
expect to enhance
shareholder
value

Deal quantum

Prime intends to enhance deal quantum, the increased throughput translating into enhanced revenues and profits

Platformisation

Prime is engaged in the creation of a consolidated platform of non-fund advisory services, each synergistic to the other, making it possible to carve out a larger share of the customer's wallet

Holistic people remuneration

Prime intends to strengthen its remuneration mix – through direct means (salary cum performance bonus) and indirect means (ESOP), enhancing people retention, which is the lifeblood of our network-driven business

Deal ticket size

Prime intends to increase the average ticket size of each deal through progressively complex engagements that generate commensurately higher fees

Value-creation

The Board is committed to look at every option available to enhance shareholder value on a sustainable basis

Our financial advisory and capital market business

Akshay Gupta,
Director, Prime Securities and
Director, CEO & CIO, Prime
Research & Advisory



PRIME SECURITIES IS ENGAGED IN CORE CORPORATE FINANCE ADVISORY SERVICES ON THE ONE HAND AND INVESTMENT ADVISORY SERVICES ON THE OTHER.

THE PROSPECTS OF BOTH BUSINESS SEGMENTS ARE COMPLEMENTARY. COMPANIES THAT ENGAGE US FOR RESTRUCTURING ARE LIKELY TO GENERATE SURPLUSES, WHERE OUR EXISTING RELATIONSHIPS COULD TRANSLATE INTO FINANCIAL ADVISORY AND CAPITAL MARKET BUSINESS REVENUES.

We also believe that through a complement of the two businesses, it is possible to present customers with a larger solution: starting with the diagnosis of the corporate challenge, suggested restructuring and surplus deployment, a one-stop solution. The ability to provide clients with a complementary one-stop solution has strengthened our brand around creative engagement and a client's peace of mind.

The extension into this business has also represented a validation of our conviction that the power of our network is more potent than our net worth. In this advisory business segment, trust and timing are critical. On the one hand, the client seeks complete anonymity related to financial resource mobilisation as well as a confidante who can seamlessly execute the transaction. There is a growing premium on the need to extend beyond standard deals and engage





The Company reiterates its commitment to design indices to transparently appraise financial instruments. This will provide investors with an insight into the quality of financial instruments being offered, resulting in informed decision-making.

in surgical strikes that complete transactions with speed and effectiveness.

Even as the overall market slowed visibly during the last financial year affecting short-term prospects, there was a base optimism that this business remained attractive from a long-term point of view. The current slowdown notwithstanding, there is evidence to suggest that India is passing through a phase of unprecedented wealth creation. Disposable incomes have increased; the number of dollar millionaires in India has increased from only 1,00,000 a decade ago to around 3,50,000 today and projected to grow to 5,00,000 by 2022. On the institutional side, treasury size (across asset classes) has increased from around \$ 50 bn to about \$ 250 bn during this period.

Growing role of secondary income

There has been a growing recognition of the role of secondary incomes. Primary income comprises income generated from one's core profession or business. There is a greater propensity for such large primary income earners to create a corpus of this surplus that can be deployed into financial instruments to generate a steady secondary income. The wider the prosperity

circle extends, there will be an increase in the number of affluent individuals and a corresponding growth for specialised investment advisory capabilities.

Prime is attractively placed to provide this service.

The Company addresses different asset classes and customers. The Company insources solutions across all asset and domain classes (equity, debt, tax, insurance and real estate etc.), making it possible to stitch a composite solution over competing companies who provide only some services but need to outsource the rest. Besides, this proactive investment in proprietary capabilities showcases the Company's long-term commitment.

Complementary engagement

There is a synergistic complementary engagement – in terms of products, investors and customers – between our corporate financial advisory and capital market businesses. The Company has accessed pension fund markets; it now places real estate, debentures, other structured products and assets classes that extend beyond the conventional in a systematic manner.

The complement of corporate asset finance advisory and capital

market advisory services has widened our operating platform, resulting in a larger and more complete product basket; it has extended the Company from being a mobiliser of capital (for restructuring clients) to becoming a deployer of capital (representing high net worth customers). This dual responsibility has empowered the Company to market a wider range of NBFC / mutual fund products and address increased opportunities.

The Company reiterates its commitment to design indices to transparently appraise financial instruments. This will provide investors with an insight into the quality of financial instruments being offered, resulting in informed decision-making.

Governance and Prime

The Company reaffirms its commitment to

governance whereby all recommendations to customers are made on the basis of the investment attractiveness proposition, independent of any consideration related to the quantum of commission or brokerage being generated.

The Company believes that this business is aligned with the overall advisory service of the Company; it will not require investments to grow the business, will prove cash-accretive with a reasonable transaction throughput and possibility of generating annuity revenues.

Prime acquired a company that was focused on wealth management. This complement of Prime's corporate finance advisory business has widened the Company's capability and client pool.

Going ahead, the Company will address a complementary set of

clients – family offices, venture capitalists, private equity players, provident funds, mutual funds, alternative investment funds and insurance companies (as investors and clients). On the other hand, the business will provide diverse products (debt, equity, real estate, commodities and international products). The combination of assets under management and assets under advisory is expected to generate growing fee revenues.

Through this relationship-strengthening proposition, we expect to provide our clients with a one-stop service that enhance mutual value.

Akshay Gupta,
Director, CEO & CIO, Prime
Research & Advisory and
Director, Prime Securities

Prime: Plugging investment advisory market gaps

The Company is optimistic about the growing potential of this space for the following reasons.

The mismatch between the sizable quantum of assets under management (AUM) and low service provider experience represents an opportunity

The sector is emerging; two of the largest wealth management companies were not in existence a decade ago.

The evolving nature of products warrants new competencies, enhancing our relevance.

We market products coupled with service and client hand holding.

The culture of Prime Securities



Akshay Gupta,
Director, CEO & CIO,
Prime Research &
Advisory and Director,
Prime Securities

SR Sharma
Director & Chief
Financial Officer,
Prime Securities and
Managing Director,
Primesec Investments

Alpana Parida
Independent Director,
Prime Securities

Smita Affinwala,
Independent Director,
Prime Securities

Namrata Kaul,
Independent Director,
Prime Securities

PRIME SECURITIES.

Driven by governance



Akshay Gupta,

"In a business where one is advising clients on the prudent and profitable deployment of their hard-earned resources, there is a premium on governance: being able to work with complete integrity, provide a completely unbiased opinion in the client's interest and possessing the conviction to walk away from a deal where we could have generated a fee but would not have serviced the client's complete interest."

SR Sharma

"At Prime, we were comprehensively tested: in 2012-13, we suffered trading losses, a number of our clients turned defaulters, we chose to shut some business lines, Proprietary Investments, Brokerage and Portfolio Management Services along with client relationships. We reviewed our governance practices and resolved to avoid capital-driven businesses. Today, we are

a completely knowledge-driven professional services firm focused on enhancing values through a combination of risk-aversion coupled with value-creation. Our governance comprises a simplified business model driven by the power of a network and intellectual capital. The business is diversified. We pride on the simplicity of our P&L Account. We have a diverse Board. The result is a clean, trusted and debt-free Balance Sheet. The validation of our governance-centric approach is that our shares appreciated from ₹1 – ₹2 in 2012-14 to around ₹40 today."

Alpana Parida

"What sets Prime apart from peers in the financial advisory business is its capacity to look at problems not as obstructions but opportunities. Its adaptability to change is what adds value to operations. It enhances stability in a

financial sector where customers seek guidance and creative solutions. We help companies in their restructuring journey, helping create opportunities to grow. Prime's fee-based advisory service has reduced its exposure to market volatility. Besides, Prime is agile, moves fast and thinks on its feet. Governance is a balancing act between ensuring agility and holding down certain processes - Prime seems to have got the balance right! Besides, Prime's willingness to think outside the box has been strengthening. What I would like to see is how Prime can scale this growth through resources, processes and revenues. The best part of the Company's governance is Director independence: the freedom to known to speak their mind. Prime has more women Directors on board than the guidelines require!"

PRIME SECURITIES.

Equipped to address a VUCA* world



Akshay Gupta,

“At Prime, we balance an interesting divergence: protect clients from an unstable environment even as we carve out a profitable existence by capitalising on instability.

Our governance is reflected in the transparency of our accounts, qualification-free audit reports and complete compliance, the result of systems-driven decision decision-making.

Over the last few years, we have capitalised on market asymmetry to prudently advise clients, acting as a buffer between a volatile market and client security.

Whereas most advisory firms deploy junior resource persons complemented by a handful of seniors managing this function, Prime has deployed senior, seasoned and knowledgeable resources.

We are a knowledge-driven firm, not a capital-driven one. We do not possess financial capital to ‘play with’ and we do not possess surplus funds to trade. By the virtue of being an advisory, we would rather sweat our intellectual capital than financial capital – and that represents the big difference.

This knowledge-based positioning has been validated: the Company has emerged as one of the survivors of the recent meltdown.”

*An acronym used to describe or reflects “Volatility, Undertainty, Complexity and Ambiguity

PRIME SECURITIES.

Leveraging knowledge effectively



Akshay Gupta,

"Growth capital is easily available; intellectual capital and network capital are not. The proof: large banks sitting on sizable assets under management are reporting large financial bases, unable to compete with smaller and nimbler sharper banks with wider networks and deeper knowledge networks. The result is that intellectual capital and network – physical and digital – are determining business success more than ever and the companies that are doing this are being valued higher by the market as well. The biggest advantage of such a model is that capital flows can vary, economic trends may fluctuate, but intellectual capital and network capital only appreciate. As a result, companies aligned with this model will be more stable and sustainable. At Prime, we expect to grow our financials in a sustainable way across the future."

SR Sharma

"The world is being driven by ideas and concepts today. Similarly, financial services companies have evolved from transactions to solutions. At Prime, we have made the complete transaction from the deployment of capital to generate revenues and profits to a superior leverage of intellectual capabilities and enhance nimbleness. The result is that one hundred per cent of our business is generated from advisory capabilities."

Alpana Parida

"When one says that 'the world-order is changing' what is meant is the prior 'giants' are being challenged in every category – small start-ups are taking over. The result is that intellectual property is being driven by original ideas and thought processes. The biggest advantage of this model is that it is not replicable. An action can be replicated, but you can't replicate intellectual capabilities. I think that is the greatest value we bring to the table. The result is a distinctive reputation that Prime has carved out in a challenging financial services sector. Besides, Prime is broad-basing its organisation and competence, strengthening sustainability."

PRIME SECURITIES.

Leveraging knowledge effectively *Continued...*



Smita Affinwala,

"The world is moving towards a knowledge economy from a manufacturing economy. Society has moved from a focus on necessities (*roti, kapda aur makaan*) to value-adding services translating into a customised and delightful experience. When it comes to networking, there is growing evidence that despite machine-learning and artificial intelligence, the human connect takes the world ahead. Prime has combined these two realities into its business model, which serve as some of the blocks on which the Company expects to generate sustained growth."

Namrata Kaul,

"Traditionally, the concept of growth has been linked to the use of resources (labour, capital, natural resources etc.) Now we are facing increased labour cost, natural resource depletion, environmental damage and stagnation in capital returns. On a macro-level the emphasis had to shift to strengthening technologies and innovation-led growth. As a result, investments in intangibles have been prioritised over investments in tangibles - the ability

to build networks (Uber, Amazon or AirBnB) that were not present even as recent as a decade ago. Prime has taken taking the right step; instead of seeking a vertically-integrated business model, it is moving to unique cost-efficient solutions to complex problems in a rapidly changing world. This has been marked by one-stop advisory solutions. The advantages: asset-lightness, flexibility, speed and superior profitability."



Our strengthening business context

The principal message that we wish to send out is that the rationale for our existence in business is becoming more pronounced.

Prime is a non-fund-based financial company focused on funds mobilisation for clients in addition to knowledge-based advisory services.

By leveraging capital plus knowledge, Prime is underlining its effectiveness. The Company leverages its knowledge and network to attract business.

The business environment has progressively weakened across the number of years, enhancing a premium and urgency in implementing corrective action.

This weakness is the result of demonetisation, GST implementation, currency volatility, sustained product imports, commodity price movements (including oil), global trade war and high debt cost.

The result is a growing need for intermediaries to provide a complete and one-stop customised restructuring solution. Besides, this challenging environment warrants specialised advisories working with companies seeking to restructure, enhance their liquidity, strengthen their debt repayment and empower banks to recover dues – a win-win proposition.

Prime Securities is competently placed to address this reality. The Company is focused and nimble, providing focused solutions.

The Company is a multi-vertical non-fund-based consulting and full service corporate advisory company, addressing unmet needs and enhancing organisational value.

Our differentiated business model

THE CONTEXT OF OUR BUSINESS

Uncertainty: The growing incidence of Black Swans (unexpected events) and uncertainty is growing.

Disruptive world: The convergence of disruptive technologies is affecting job creation and corporate longevity, a reality that could only increase.

Banking crisis: The incidence of non-performing assets among Indian banks and NBFCs is increasing, the result of inadequate controls.

Bad loans: The quantum of bad loans within the Indian economy has increased; a number of banks are applying stronger filters in recognising bad loans; the government is encouraging banks to clean their books.

Market: The number of businesses needing restructuring is large and growing even as corresponding competence is largely inadequate.

Corporate inadequacy: Most companies possess manufacturing and marketing competencies; the inadequacy of financial competence makes it necessary to outsource capabilities from specialised service providers (one-time and ongoing).

HOW PRIME SECURITIES IS EQUIPPED TO ADDRESS THIS REALITY

Innovative: Prime has extended academic soundness to innovation, enhancing overall effectiveness.

Governance: Prime has consistently prioritised systems over an ad hoc approach, enhancing corporate stability and systemic predictability.

Diversity: Prime's Board diversity helps bring different ideas to the table, encouraging alternative points of view

Go-getting: Prime is 'two steps ahead', making it possible to lead clients towards business-strengthening solutions.

Market: The number of businesses needing restructuring is large and growing even as corresponding competence is largely inadequate.

Culture: Prime embraces complex assignments through proprietary (intellectual) or outsourced capabilities (leveraging its wide network) comprising diverse domains (manufacturing, engineering and finance).

PRIME'S DISTINCTIVE APPROACH

Focus: Prime has selected to be present in an underpenetrated advisory niche of a mature financial sector.

Revenue flows: Prime's business is marked by lumpy revenues, which could make it difficult to appraise the business from a quarterwise perspective.

Integrated: Prime provides advisory and implementation services, accelerating project success and closure.

Non fund-based business: Prime will focus on non-fund intermediation that does not leverage its tangible Balance Sheet.

Solutions: Prime provides restructuring services addressing the apex of the service consulting pyramid.

Network-driven: The Company's business is catalysed by its collective network (peers, capital providers, capital deployers and policy makers), helping in opportunity identification, competent analysis and ability to work with different agencies.

PRIME DISTINCTIVE APPROACH *Continued.*

Flexible: Prime recommends the use of debt or equity in proposing client solutions (as opposed to peer companies who may be restricted by the use of either).

Pitches: Prime specialises in non-mandated first-mover pitches to prospective clients, ring-fencing from competition.

Responsiveness: Prime moved with speed, matching proprietary resources with corresponding deals. The Company assumes projects it can competently address and walks away from deals not matching its time allocation.

Larger wallet share: Prime seeks to carve out a larger customer wallet share by marketing a larger number of products.

Revenue renewal: Prime will grow its existing revenues while adding new revenue engines (showcased when it entered the wealth management advisory business effective from April 1, 2018), deriving a third of its revenues from businesses that did not exist three years ago.

ESOPs: Prime strengthened its people retention through an Employee Stock Option Scheme (superior remuneration without outflows from the Profit & Loss Account).

OUTCOMES OF OUR BUSINESS MODEL

Profitable growth: Prime reported a 98.39% growth in revenues in 2018-19 complemented by a 18.57% increase in profit after tax. The year under review was the 3rd successive year of profitable growth.

EBITDA margin: Prime's new-found competitiveness following business restructuring was validated by high margins for the 3rd successive year in 2018-19. EBITDA margin was at 49.06% in 2018-19.

Capital efficiency: Prime's capital efficiency was validated during the year under review. Return on Capital Employed was at 55.96% in 2018-19.

Productivity: Prime reported a per person productivity (measured through pre-tax profit divided by number of employees at the year-end) of ₹0.99 crore in 2015-16 that increased to ₹1.41 crore in 2018-19. Prime enjoys possibly one of the lowest expense ratios within its niche (27.04%, 2018-19) translating into high margins and business sustainability.

Debt: Prime had no debt on its books in 2018-19, the 2nd successive year when the Company remained debt-free. The Company had ₹35.68 crore of consolidated net worth on its books during the year under review.

Our Board of Directors



Mr. Pradip Dubhashi

*Chairman & Independent
Director, Prime Securities
and Primesec Investments*

Mr. Dubhashi holds a BE in Electrical Engineering and a post graduate diploma in Management from XLRI, Jamshedpur. He held senior executive positions in SICOM, Mahindra Group and Venky Group. He has in-depth knowledge of various industries such as, engineering, cement, chemicals and specialties, software and biotechnology. He has consulted for Indian and foreign companies. He was also nominated on the Boards of Directors of various companies including as a nominee director of financial institutions. He has attended several courses conducted by IIM Ahmedabad, IEEE, NCST, ASCI, among others, in advanced finance, management and technology areas.

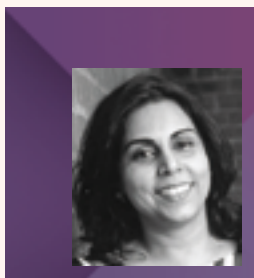


Mr. N. Jayakumar

*Managing Director & Group
CEO, Prime Securities,*

*Director, Primesec
Investments and Prime
Research & Advisory*

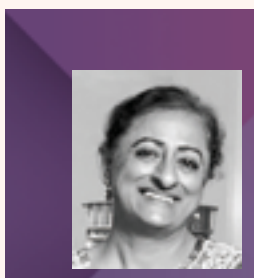
Mr. Jayakumar joined Prime Securities in 1993. He holds a B. Tech in Mechanical Engineering from IIT Delhi (1978-83) and an MBA from IIM Ahmedabad (1983-85). Prior to joining Prime, he was head of the Investment Banking Group at Citibank, having previously spent several years in money markets and securities trading. He is a recognised face on various business TV channels and for equity research, wealth management, private equity, wealth restructuring, Indian economy and stock markets.



Ms. Alpana Parida

*Independent Director,
Prime Securities, Primesec
Investments and Prime
Research and Advisory*

Ms. Alpana Parida graduated from IIM Ahmedabad in 1985 and has a degree in Economics from St. Stephens College, Delhi University. Ms. Parida serves as the President of DY Works, India's oldest and largest branding firm headquartered in Mumbai with offices in Delhi and Singapore. Previously, she served as head of marketing at Tanishq. She has more than two decades of experience in retail and marketing communications in the US and in India. She conducts branding workshops for large corporates. She has been an Independent Non-Executive Director at Cosmo Films Limited since February 2014.



Ms. Smita Affinwalla

*Independent Director, Prime
Securities*

Ms. Smita Affinwalla is a Founder and Managing Director of Illuminos Consulting Private Limited, a consulting firm focused on the areas of Leadership Evaluation and Development, Talent Management, Succession and Strategic HR. Illuminos is also the business associate of Cerebyte Inc. in India and the Middle East. Her career of over 30 years has been divided between the Financial Services Industry and HR. During her Financial Services career, she set up and grew businesses in the retail and wholesale sectors. She has also been a consultant in this space, helping her clients structure and raise capital, through debt and equity instruments. She is a seasoned HR professional and has helped leading organisations build their human capital as a consultant and leading the HR function in major organisations. Prior to founding Illuminos, she was Head of Consulting for Development Dimensions International (DDI) India, the Group Director HR for Motilal Oswal Financial Services Group. She serves on the Board of HDB Financial Services Limited and had earlier served on the Board of SICOM Limited. She is a graduate of the University of Bombay with a BA in Economics and the Jamnalal Bajaj Institute of Management, Mumbai, from where she received an MBA in Finance.



Ms. Namrata Kaul

Independent Director, Prime Securities

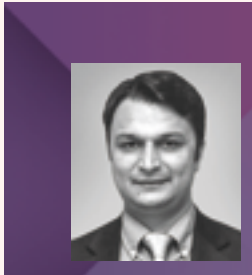
Ms. Namrata Kaul has over 30 years of experience in banking and finance, spanning across corporate and investment banking, global markets and treasury functions. She has served as the Managing Director, Corporate and Investment Banking at Deutsche Bank AG, responsible for business management and client coverage. Prior to that, she was Head of Asia Business for Deutsche Bank based out of London, engaged in a multi-country interface. She has been involved in developing the strategy roadmap for Deutsche Bank India as part of the India Board and was instrumental in defining and executing the Asia Focus strategy for the EMEA business. She had earlier worked with ANZ Grindlays Bank in various leadership roles across Treasury, Corporate Banking, Debt Capital Market and Corporate Finance. Namrata is a Member of the Supervisory Board of CARE International, Switzerland and serves as an Independent Director on the Board of Vivriti Capital and Bhopal Smart City Corporation. Namrata is a post graduate from the Indian Institute of Management, Ahmedabad, and completed a Chevening scholarship on Leadership from London School of Economics.



Ms. Kadambari Deodhar

Independent Director, Prime Research and Advisory

Stationed, Ms. Kadambari Deodhar is Director Development of LMI India [Leadership Management International India], the Indian arm of LMI Inc USA, one of the largest professional development companies in the world. She is also the founder of Impression & Beyond, a Leadership and Image Consultancy. Kadambari holds a Master's degree in Monetary Economics from the University of Bombay. She has had a diversified career spanning over 30 years, starting with ICICI Limited in the Market Research Department while working closely with the Project Appraisal team. When she joined JM Financial in 1985 she was introduced to the Indian money and debt markets. In 1992, she set up the corporate desk at Nucleus Securities and subsequently the NSE Desk at Ashok Leyland Investments in 1994 where she became the Head of Operations. In 1998, she moved to Mata Securities as a Director and started the corporate desk while continuing to grow the business till 2011.



Mr. Akshay Gupta

*Director, CEO & CIO, Prime
Research & Advisory and
Director, Prime Securities*

Mr. Akshay Gupta has a B.E Electronics and Communication degree from University of Delhi and FMS – Marketing and Finance from FMS Delhi more than 21 years of experience in Banking, Asset Management and Capital Markets with last 14 years of experience in the Asset Management Industry in India. Prior to Prime, he was working with Indiabulls as the Group Executive Head & CEO-Asset Management and other fee income businesses. He was associated with Peerless Asset Management as MD & CEO for more than six yrs, wherein he led the initiative to setup a new AMC and made it one of the fastest growing new AMCs in India. He worked with ICICI Prudential Asset Management Company from 2002- 2007 as a Business Head and was part of the Senior Management team that made it the largest and most successful AMC at that time. Prior to joining the AMC industry, Mr. Akshay Gupta was a banker, having worked in ABN AMRO Bank and HSBC working in capital markets and assets. He has also written and published thought leadership papers and articles on capital markets and asset management.



Mr. S. R. Sharma

*Chief Financial Officer
and Executive Director,
Prime Securities and
Managing Director, Primesec
Investments*

Mr. Sharma graduated from IIT Delhi as a Chemical Engineer and received his post graduate diploma in management, PGDM from IIM Ahmedabad. He has a wide experience across multiple sectors including industrial and specialty chemicals, FMCG and financial services. He was based in Japan for nine years where he worked for Shinsei Bank. He has specialised in the transformation of customer-facing business processes and post-transaction operations by leveraging the use of IT.

Management Team

Mr. Nikhil Shah

Head – Accounts and Finance

Nikhil Shah has been associated with Prime Securities Limited since June 2003. He has a vast experience of more than 20 years in the field of accountancy. He is responsible for overseeing the entire accounting as well as taxation operations of Prime Group. He is

a qualified Chartered Accountant affiliated with the Institute of Chartered Accountants of India. Prior to his association with Prime, he was associated with Microtex India Limited as Manager - Accounts.

Mr. Ajay Shah

Vice President - Legal & Company Secretary

Ajay Shah joined Prime Securities Limited in July 2001 as a Company Secretary and Compliance Officer and is presently the Vice President – Legal & Company Secretary. He has hands on experience of more than 15 years in the streams of legal, corporate secretarial compliance. In addition to compliances under corporate laws with a specific impetus on secretarial compliance and corporate governance, he is also responsible for compliances with rules and

regulations applicable to stock brokers, portfolio managers and depository activities as well as for drafting legal agreements and contracts, reporting to the management, statutory bodies and stakeholders of Prime Group. He is a qualified Company Secretary affiliated to the Institute of Company Secretaries of India. Prior to joining Prime, he was associated with Asian Star Company Limited as Company Secretary.

Mr. Ganesh Agarwal

Executive Director - Corporate Finance

Ganesh Agarwal is a Chartered Accountant with almost 15 year's experience in Investment Banking. He has diverse experience across products including Private Equity, Mergers and Acquisitions, IPOs, QIPs, Valuations and Corporate Advisory Services. He has been associated with several

successful transactions across Infrastructure, Lifesciences, Financial Services, Consumer and Industrials. Previously, he worked with well established Investment Banks such as Axis Capital (erstwhile ENAM Securities) and Anand Rathi Advisors.

Mr. Apurva Doshi

Vice President - Corporate Finance

Apurva Doshi joined Prime Securities in 2007. He has over 12 years of experience, principally as an investment banker. His skill lies in financial and business analysis, negotiations, valuation, business planning and financial advisory. Prior to joining Prime Securities, Apurva worked with CRISIL Research & Information Services Limited, an S&P company, as a research analyst for

around two years, tracking the automobile sector. He began his career at Stratcap Securities, as an equity research analyst and tracked the automobile and cement sectors. He has a post graduate diploma in Business Administration (PGDBA) in Finance from Chetana's Institute of Management & Research and Masters in Commerce (M. Com.) from Mumbai University.

Mr. Nischay Saraf

Vice President - Corporate Finance

Nischay Saraf is a Chartered Accountant with an experience of over 12 years. Has worked with global professional firms (PwC and KPMG) in the audit and consulting services, in the finance verticals of multinational companies (Wipro and HP) and with a

Vietnamese conglomerate (Masan Group). He has experience in operational financials including accounting & reporting and strategic finance including fund raising and corporate restructuring.

Mr. Deepak Dubey

Vice President - Corporate Finance

Deepak Dubey has 12 years of corporate banking experience with HDFC Bank, RBL Bank and Yes Bank. Post Graduate from IRMA Anand and BE Textile Technology. Diverse experience across industry segments and in banking compliances and

documentation. Successfully sourced and executed complex Debt structuring, Project Finance, Term Loans, ECBs, Overseas Acquisition Funding and Working Capital transactions across Logistics, Pharma, Food Processing, Education and Services Industry.

Mr. Ranen Gandhi

Managing Partner – Prime Research & Advisory Limited

Ranen Gandhi is a Certified Financial Planner and has worked in Mutual Fund, Life Insurance and Stock Broking segments over last 24 years. Significant part of his career has been with ICICI Prudential MF, in Retail Sales & Investments, and during his last role he was heading Emerging Markets

and Agency. He has also been part of been part of AMFI Sub-Committee for Investor Connect. His life Insurance exposure has been with Star Union Dai-Ichi Life Insurance where he was responsible for retail sales to start with and later moved to managing P & L of Central Zone.

Corporate Information

REGISTERED OFFICE

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Fax: +91-22-24970777
E-mail: prime@primesec.com

CORPORATE IDENTITY NUMBER

L67120MH1982PLC026724

ISIN/LISTING OF EQUITY SHARES

ISIN: INEO32B01021
Scrip Code: NSE (PRIMESECU) BSE (500337)

BANKERS

Indusind Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
Bank of India

STATUTORY AUDITORS

Walker Chandiok & Co. LLP
Chartered Accountants

INTERNAL AUDITORS

K.V.S. & Company
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai, 400083
Tel: +91-22-49186270,
Fax: +91-22-49186060
E-mail: rnt.helodesk@linkintime.co.in
Website: www.linkintime.co.in

36TH ANNUAL GENERAL MEETING

Friday, September 27, 2019
@ 10.00 a.m. at
Victoria Memorial School for the Blind,
Tardeo Road, Opp. Film Centre,
Near Bharat Petroleum Petrol Pump,
Mumbai 400034

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Notice of Annual General Meeting

NOTICE is hereby given that the 36th Annual General Meeting of the Members of Prime Securities Limited will be held on Friday, September 27, 2019 at 10.00 a.m. at Victoria Memorial School for the Blind, Tardeo Road, Opp. Film Centre, Near Hindustan Petroleum Petrol Pump, Mumbai 400034 to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Financial Statements:

To consider and adopt:

- a) The Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Independent Auditors thereon; and
- b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of the Independent Auditors thereon;

2. Re-appointment of Director:

To appoint a Director in place of Mr. S. R. Sharma (DIN: 03096740), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

3. Appointment of Statutory Auditors and fix their Remuneration:

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Board of Directors, the approval of the Members of the Company be and is hereby accorded to appoint M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013), as an Independent Auditors of the Company, in place

of retiring Auditors M/s. Gandhi & Associates LLP, Chartered Accountants (Firm Registration No. 102965W/W100192), to hold office for a term of 5 (Five) consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to fix their remuneration (excluding applicable taxes) during their tenure of appointment and reimburse their out-of-pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESS

4. Appointment of Ms. Smita Cawas Affinwalla (DIN: 07106628) as an Independent Director:

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time and the Articles of Association of the Company, Ms. Smita Cawas Affinwalla (DIN: 07106628), who was appointed as an Additional Director, categorised as an Independent Director, of the Company effective February 14, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and who has given her consent

for appointment as an Independent Director of the Company and submitted a declaration that she meets the criteria of Independence under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying the intention to propose her candidature for the office of Director and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors for consideration by the Members, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (Five) consecutive years commencing from February 14, 2019 to February 13, 2024."

5. Appointment of Ms. Namrata Kaul (DIN: 00994532) as an Independent Director:

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time and the Articles of Association of the Company, Ms. Namrata Kaul (DIN: 00994532), who was appointed as an Additional Director, categorised as an Independent Director, of the Company effective February 14, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and who has given her consent for appointment as an Independent Director of the Company and submitted a declaration that she meets the criteria of Independence under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and who is eligible

for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying the intention to propose her candidature for the office of Director and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors for consideration by the Members, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (Five) consecutive years commencing from February 14, 2019 to February 13, 2024."

6. Appointment of Mr. Akshay Gupta (DIN: 01272080) as Non-Executive Director and Non-Independent Director:

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule V to the Act (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time and the Articles of Association of the Company, Mr. Akshay Gupta (DIN: 01272080), who was appointed by the Board of Directors as an Additional Director of the Company effective August 14, 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive and Non-Independent Director of the Company, liable to retire by rotation, for a term of 5 (Five) consecutive years commencing from August 14, 2019 to August 13, 2024."

7. Revision in Remuneration payable to Mr. N. Jayakumar, Managing Director and Group CEO:

To consider and, if thought fit, to pass, with or

without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provision(s) read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, the recommendation of the Nomination and Remuneration Committee and subject to such other approvals as may be necessary, the approval of the Members be and is hereby accorded to the revision in the Payment of the Remuneration to Mr. N. Jayakumar (DIN: 00046048) w.e.f. April 1, 2019, for the remainder of his term as Managing Director and Group CEO of the Company, on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the remainder of his term, with liberty and power to the Board of Directors (hereinafter referred to as the “Board”, which term shall include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to alter and vary the terms and conditions of the said appointment and payment of remuneration in such manner as may be agreed to between the Board of Directors and Mr. N. Jayakumar.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

NOTES:

1. An Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Corporate Members intending to send their Authorised Representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution authorising their representative to attend and vote in their behalf at the Annual General Meeting along with the specimen signatures of the authorised representatives.
4. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. A brief resume of Directors proposed to be appointed / re-appointed at this Annual General Meeting, nature of their expertise in specific functional areas, names of Companies in which they hold Directorship and Membership / Chairmanships of Board Committees, shareholding and relationship between Directors inter-se, stipulated under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standards - 2 on General Meeting, issued by the Institute of Company Secretaries of India, are provided as annexure to this Notice.
6. The Register of Members and share Transfer Books of the Company will remain closed

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than 50 Members and holding in the aggregate not more than 10% of the total Share Capital of the Company. Members holding more than 10% of the total Share Capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Members. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the time of commencement of the Annual General Meeting. Proxies submitted on behalf of Limited Companies, Societies, etc., must be supported by an appropriate Resolution / Authority, as applicable. A Proxy Form forms part of this Annual Report.

- from Saturday, September 21, 2019 to Friday, September 27, 2019 (both days inclusive).
7. Relevant documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and public holidays) between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and also at the Annual General Meeting venue.
 8. Members / Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Annual General Meeting, along with the Annual Report. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Annual General Meeting to facilitate identification of Membership at the Annual General Meeting. Duplicate Attendance Slip or copies of the Annual Report will not be made available at the Annual General Meeting venue.
 9. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar and Shares Transfer Agent of the Company.
 10. Members holding shares in physical form are requested to consider converting their holding in dematerialised form. The Members are requested to contact the Registrar and Share Transfer Agent of the Company for assistance in this regard.
 11. For all matters relating to the Change in Address, ECS mandates, Bank details, Nomination, Power of Attorney, etc., the Members are requested to approach the Registrar and Shares Transfer Agent of the Company in case of shares held in physical form and to their respective Depository Participants in case of shares held in electronic form.
 12. Members holding shares in physical form may obtain the Nomination Form from the Registrar and Share Transfer Agent of the Company and the Members holding shares in the electronic form may obtain the Nomination Form from their respective Depository Participants.
 13. Pursuant to the provisions of Section 20, 101 and Section 136 of the Companies Act, 2013 read with the relevant Rules made thereunder, Companies are permitted to serve Annual Report and other communication through electronic mode to those Members who have registered their email address with either the Company or the Depository Participants. Members, who have not registered their email address so far, are requested to do so immediately to support Green initiative, so that they can receive the Annual Report and other communications from the Company electronically, by registering their email address with the Registrar and Share Transfer Agent of the Company in case shares are held in physical form and with their respective Depository Participants in case shares are held in electronic form. Members, who have registered their email address, are entitled to receive such communications in physical form upon request.
 14. The Company has designated an exclusive e-mail id (prime@primesec.com) for redressal of Investor Complaints / Grievances. In case you have any queries / complaints or grievances, then please write to us at email id (prime@primesec.com).
 15. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least seven days before the Annual General Meeting so that the same can be suitably replied.
 16. Pursuant to the provisions of Section 124 of the Companies Act, 2013 (Section 205A of the Companies Act, 1956) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") including any statutory modification(s) or re-enactment thereof for the time being in force, dividend which remains unpaid or unclaimed for a period of seven (7)

years from the date of its transfer to the unpaid dividend account of the Company would be transferred to Investor Education and Protection Fund ("IEPF"). Accordingly, the Company has transferred to the IEPF all Unclaimed Dividend upto Final Dividend 2007-08 and no Dividend has been declared thereafter, which has remained unclaimed for a period of Seven Years.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with IEPF Rules including any statutory modification(s) or re-enactment thereof for the time being in force, the Company is required to transfer all equity shares in respect of which dividend has not been paid or claimed for a period of seven consecutive years to the demat account of the IEPF Authority in such manner as may be prescribed under the IEPF Rules. The Shareholders may please note that the Company shall transfer the concerned shares held by them in physical or demat form to the demat account of the IEPF Authority by the due date, as may be applicable, as per the procedure prescribed under the IEPF Rules.

17. The Annual Report of the Company circulated to the Members of the Company, is also available on the website of the Company (prime@primesec.com) and on the website of the Stock Exchanges.
18. Route map showing directions to reach to the venue of the 36th Annual General Meeting is given at the end of this Annual Report, as per the requirement of the Secretarial Standards 2 on "General Meetings".

19. Voting Options

- a) Pursuant to the provisions of Section 108 of Companies, Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide to its Members the facility to exercise their right to vote on Resolutions proposed to be considered at the Annual General Meeting by electronic means

through "Remote e-voting" (i.e. the Members may cast their vote using an electronic voting system from a place other than the venue of the Annual General Meeting). The Company has availed the services of National Securities Depository Limited ("NSDL") for providing e-voting facility to the Members.

- b) The facility for voting, either through e-voting system or through Ballot Form / Polling Paper shall also be made available at the venue of the Annual General Meeting. The Members attending the Annual General Meeting, who have not already cast their vote through remote e-voting, shall be able to exercise their voting rights at the venue of the Annual General Meeting. The Members, who have already casted their vote through remote e-voting, may attend the Annual General Meeting but shall not be entitled to cast their vote again at the venue of the Annual General Meeting.
- c) The process and manner for remote e-voting is as under:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system

Details on Step 1 to Log-in to NSDL e-Voting system is given below:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | | Your User ID is: |
|--|--|---|
| a) | For Members who hold shares in demat account with NSDL | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) | For Members who hold shares in demat account with CDSL | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) | For Members holding shares in Physical Form | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the “initial password” which was communicated to you. Once you retrieve your “initial password”, you need to enter the “initial password” and the system will force you to change your password.
- c) How to retrieve your “initial password”?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your “User ID” and your “initial password”.
 - (ii) If your email ID is not registered, your “initial password” is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details / Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 to cast your vote electronically on NSDL e-Voting system is given below:

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote Cast Successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

d) General guidelines for the Shareholders:

- 1) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant board resolution / authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail to saurabhshah361@gmail.com with a copy marked to evoting@nsdl.co.in.
- 2) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.

e) Other Instructions:

- 1) In case of any queries, you may refer the frequently asked questions (FAQs) for members and e-voting user manual for members available at the download section of www.evoting.nsdl.com or call on toll free no: 1800-222-990
- 2) You can also update your mobile number and email id in the user profile details of the folio, which may be used for sending future communications
- 3) The remote e-voting period will commence at 9.00 a.m. on Tuesday, September 24, 2019 and will end at 5.00 p.m. on Thursday, September 26, 2019. During this period, members of the Company, holding shares either in physical form

or in electronic form, as on the Cut-off date, i.e. Friday, September 20, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- 4) The voting rights of Members shall be in proportion to their shares of the paid-up Equity Share Capital of the Company as on the Cut-off date, i.e. Friday, September 20, 2019.
- 5) Any person whose names appear in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date, i.e. Friday, September 20, 2019, shall only be entitled to vote on the Resolutions set forth in this Notice either by way of remote e-voting or through e-voting system / ballot form / polling paper at the venue of the Annual General Meeting.
- 6) Any person who acquires shares of the Company and becomes Member of the Company after dispatch of this notice and holding shares as on the Cut-off date, i.e. Friday, September 20, 2019, may obtain the login ID and password by sending an email to prime@primesec.com or evoting@nsdl.co.in by mentioning their folio no. / DP ID & Client ID. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you don't remember your password, you can reset your password by using "forget user details / password" option available on evoting@nsdl.co.in or "Physical User Reset Password" option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free No.: 1800-222-990.
- 3) Mr. Pramod S. Shah of M/s. Pramod S. Shah & Associates, Practising Company Secretaries (Membership No. FCS 3804), has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- 4) At the Annual General Meeting, at the end of the discussion on the Resolutions on which voting is to be held, the Chairman shall with the assistance of the Scrutiniser, order voting for all

those Members who are present but have not cast their vote electronically using the remote e-voting facility.

- 5) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Annual General Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall not later than 48 hours of conclusion of the Annual General Meeting, submit a Consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a

person authorized by him in writing, who shall countersign the same.

- 6) The Chairman or a person authorised by him in writing shall declare the result of voting forthwith.
- 7) The results declared along with the Report of the Scrutiniser shall be placed on the website of the Company (www.primesec.com) and on the website of NSDL (evoting@nsdl.co.in) immediately after the result declared by Chairman or a person authorized by him in writing and the same shall be communicated to the Stock Exchanges where shares of the Company are listed.

Registered Office:

1109/1110, Maker Chamber V,
Nariman Point, Mumbai 400021
CIN: L67120MH1982PLC026724
Email: prime@primesec.com
Website: www.primesec.com
August 14, 2019

By Order of the Board of Directors

Ajay Shah

Vice President – Legal
& Company Secretary
(ACS-14359)

Explanatory Statement Pursuant Section 102 of the Companies Act, 2013

The following Explanatory Statement sets out all the material facts relating to the business proposed to be transacted under item nos. 3 to 7 of the accompanying notice.

Item No. 3

This explanatory statement for this item is provided though strictly not required as per Section 102 of the Act

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the term of existing Independent Auditors, M/s. Gandhi & Associates LLP, Chartered Accountants (Firm Registration No. 102965W/W100192), will end at the conclusion of the 36th Annual General Meeting of the Company and the Company is required to appoint new Independent Auditors to conduct the Statutory Audit of the books of accounts of the Company in place of the retiring Auditors.

Pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Act and the rules made thereunder, approval of the Members of the Company be and is hereby sought to appoint M/s. Walker Chandio & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as an Independent Auditors of the Company, in place of the retiring auditors M/s. Gandhi & Associates LLP, Chartered Accountants (Firm Registration No. 102965W/W100192), to hold office for a period of 5 (Five) consecutive years from the conclusion of this 36th Annual General Meeting till the conclusion of 41st Annual General Meeting of the Company to be held in the year 2024.

The Audit Committee proposed the appointment of M/s. Walker Chandio & Co. LLP as an Independent Auditors after assessing M/s. Walker Chandio & Co. LLP and another audit firms based on certain parameters which included past audit experience of

the audit firms particularly in auditing Companies is Financial Services Sector, strength & experience of key members proposed in the audit team, independence of the audit firms, etc. The Board of Directors after considering the recommendations of the Audit Committee has recommended the said appointment for approval by the Members of the Company.

M/s. Walker Chandio & Co. LLP have consented to act as Independent Auditors and have confirmed that their appointment, if made, would be within the limits specified under Section 143(3)(g) of the Act. They have also confirmed that they are not disqualified to be appointed as Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and that they hold a valid certificate issued by the peer review Board of the Institute of Chartered Accountants of India.

M/s. Walker Chandio & Co. LLP would audit the financial statements of the Company on a standalone and consolidated basis under Ind-AS. The aggregate fee proposed to be paid would be around ₹20 lacs plus expenses and taxes, as applicable for the Financial Year 2019-20. There is an increase in the fee that is proposed to be paid to the new auditors from the fee that was paid to existing auditors due to increase in the quantum of work. It is proposed to authorise the Board of Directors, including relevant Committee(s) thereof, to finalise the fee / expenses and to approve incremental fee, from time to time, based on the increase in the quantum of work and vary such other terms in consultation with the Independent Auditors.

None of the Director and Key Managerial Personnel of the Company and their respective relatives are in any way concerned or interested in this resolution mentioned at Item No. 3 of the Notice.

The Board of Directors recommends the resolution set forth at Item No. 3 for approval by the Members of the Company as an Ordinary Resolution.

Item Nos. 4 and 5

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee,

appointed Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul as an Additional Directors, categorised as Independent Directors, of the Company, not liable to retire by rotation, effective February 14, 2019. Pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul holds office up to the date of the 36th Annual General Meeting and are eligible to be appointed as Directors of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, along with the requisite deposit of ₹ 1,00,000/-, proposing the candidature of Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul for the office of Director.

The Company has received from Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that they meet the criteria of Independence as provided under Section 149(6) of the Act. The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul as Independent Directors of the Company for a term of 5 (Five) consecutive years commencing from February 14, 2019 to February 13, 2024. Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, both, Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul, are a person of integrity and fulfill the conditions specified in the Act and the Rules made thereunder and are Independent of the Management of the Company. A copy of the letter of appointment of Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul as Independent Directors setting out the terms and conditions are available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul are provided as annexure to this Notice.

None of the Director, Key Managerial Personnel of the Company or their respective relatives, other than the concerned Independent Directors, are in any way concerned or interested in the resolutions set out at Item No. 4 and 5 of the Notice.

The Board of Directors recommends the resolutions set out at Item Nos. 4 and 5 for approval by the Members of the Company.

Item No. 6

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Akshay Gupta as an Additional Director, categorised as Non-Executive and Non-Independent Director, of the Company, liable to retire by rotation, effective August 14, 2019. Pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, Mr. Akshay Gupta holds office up to the date of the 36th Annual General Meeting and is eligible to be appointed as a Director of the Company. The Company, in terms of Section 160 of the Act, received, in writing, a notice from a Member, along with the requisite deposit of ₹ 1,00,000/-, proposing the candidature of Mr. Akshay Gupta for the office of Director.

The Company has received from Mr. Akshay Gupta (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Act. The resolution seeks the approval of the Members in terms of Section 152, 161 and other applicable provisions of the Act, read with Schedule V of the Act and the Rules made thereunder, for appointment of Mr. Akshay Gupta as a Non-Executive and Non-Independent Director of the Company for a term of 5 (Five) consecutive years commencing from August 14, 2019 to August 13, 2024. Mr. Akshay Gupta, once appointed, will be liable to retire by rotation.

Mr. Akshay Gupta is associated with Prime Research & Advisory Limited as Founder, CEO & CIO since August 13, 2018. In the opinion of the Board Mr. Akshay Gupta is a person of integrity and fulfill the conditions specified in the Act and the Rules made thereunder. A copy of the letter of appointment of Mr. Akshay Gupta as Non-Executive and Non-Independent Director setting out the terms and conditions are available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Mr. Akshay Gupta is provided as annexure to this Notice.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives, other than the concerned Non-Executive and Non-Independent Director, are in any way concerned or interested in the resolutions set out at Item No. 6 of the Notice.

The Board of Directors recommends the resolution set out at Item Nos. 6 for approval by the Members of the Company.

Item No. 7

The Board of Directors of the Company ("the Board"), at their Meeting held on January 14, 2016, had re-appointed Mr. N. Jayakumar as Managing Director of the Company for a further period of Five Years w.e.f. February 11, 2016 in accordance with Article 119 of the Articles of Association of the Company. Mr. N. Jayakumar had refrained from drawing any remuneration from the Company since December 2012 in view of adverse financial situation of the Company then. In light of substantial bettering of Company's prospects in last few quarters and based on the recommendation of the Nomination and Remuneration Committee, Mr. N. Jayakumar, Managing Director, had started drawing remuneration w.e.f. from January 1, 2017 as approved by the Member of the Company at their Meeting held on September 21, 2017. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has, subject to approval of the Members of the Company, revised the remuneration payable to Mr. N. Jayakumar, Managing Director,

w.e.f. April 1, 2019 for the remainder of his term as Managing Director. The approval of the Members pursuant to Section 197(1) of the Companies Act, 2013, as amended from time to time, is now sought for the revised remuneration payable to Mr. N. Jayakumar, Managing Director, w.e.f. from April 1, 2019 for the remainder of his term as the Managing Director.

Mr. N. Jayakumar is associated with the Company since 1992 and he was designated as a President of the Company since 2002. He is a qualified professional with expertise in Corporate Finance and Investment Management and has vast experience in advising in areas of financial restructuring, evaluation of business plans / joint venture proposals / acquisitions, fund raising and strategic alliances. He is with the Company for more than 26 years handling corporate relationships. Before joining the Company, he had 7 years experience in Citibank, N.A. as Vice President, Head – Merchant Banking Group & Corporate Finance, India.

The main terms of appointment, remuneration, perquisites, etc. as set out in the Memorandum of Understanding entered into between the Company and Mr. N. Jayakumar, which are subject to the approval of the Members of the Company, are as follows:

Term

Period of Appointment – Five years effective February 11, 2016

Salary

- a) Salary upto a maximum of ₹40,00,000/- per month for a period from April 1, 2019 to February 10, 2021, with authority to the Board or a Committee thereof to fix the salary within the said maximum amount.

Perquisites

- a) Use of the Company's car with a driver or alternatively the Company will maintain at its expense a car belonging to the Managing Director and will also reimburse the salary of the driver as per the rules of the Company.

- b) Reimbursement of Company car running and maintenance expenses reasonably incurred by Mr. N. Jayakumar exclusively for the business of the Company;
- c) Reimbursement of Medical expenses actually incurred by Mr. N. Jayakumar and his family;
- d) Company's Contribution to Provident Fund as per the rules;
- e) Benefit of a Company Group Mediclaim Policy;
- f) Gratuity as per the Gratuity Scheme of the Company;
- g) Reimbursement of Travelling and Entertainment expenses reasonably incurred by him exclusively for the business of the Company;
- h) Leave on full remuneration as per the rules of the Company for the time being in force but not exceeding one month's privilege leave for every 12 months service;

Perquisite shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

Performance Bonus:

Performance Bonus of upto ₹260 lacs or such other sum as may be recommended by Nomination and Remuneration Committee and decided by the Board of Directors based on the Net Profits of the Company in a particular year subject to the overall ceiling limit laid down under Section 196, 197, 203 of the Companies Act, 2013.

The perquisites namely contribution to Provident Fund, Gratuity and encashment of leave shall not be included in the computation of the ceiling on remuneration.

Notwithstanding anything hereinabove, where in any Financial Year during the currency of his tenure as Managing Director, the Company has no Profits or its Profits are inadequate, the Company will pay remuneration by way of salary, perquisites and performance bonus as above subject to the ceiling specified under Schedule V to the Companies Act, 2013.

The following additional information as required by Schedule V to the Companies Act, 2013 is given below:

1) General Information:

a) Nature of Industry:

The Company is in the business of Corporate Advisory and Investment Banking.

b) Date or expected date of commencement of commercial production:

Not applicable as the Company is an existing

Company and is in operations since 1982.

c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.

a) Financial performance based on given indicators:

Audited Standalone Financial Statements for the Year ended March 31, 2019:

(₹ in Lacs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|--|---------------------------------|---------------------------------|
| Income from Operations and other Income | 1,110.60 | 899.42 |
| Operating Profit (before interest, depreciation & tax) | 381.46 | 313.64 |
| Profit / (Loss) before Tax | 274.70 | 325.61 |
| Profit / (Loss) after Tax (Total Comprehensive Income) | 179.69 | 332.16 |

(₹ in Lacs)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|--|---------------------------------|---------------------------------|
| Income from Operations and other Income | 4,694.90 | 2,402.47 |
| Operating Profit (before interest, depreciation & tax) | 2,358.91 | 1,627.12 |
| Profit / (Loss) before Tax | 2,165.19 | 1,715.00 |
| Profit / (Loss) after Tax (Total Comprehensive Income) | 1,640.52 | 1,414.80 |

b) Foreign investments or collaborations, if any:

Not applicable.

2) Information about the Appointee:

a) Background details:

Mr. N. Jayakumar, aged 57 years, is Bachelor of Technology, Mechanical Engineering (I.I.T. Delhi) (1978-1983) & P.G.D.M. (MBA), IIM Ahmedabad (1983-1985). He is associated with the Company since 1992 and he was designated as a President of the Company since 2002. He is a qualified professional with expertise in Corporate Finance and Investment Management and has vast experience in advising in areas of financial restructuring, evaluation of business plans / joint venture proposals / acquisitions, fund raising and strategic alliances. He is with the Company for more than 26 years handling corporate relationships. Before joining the Company, he

had 7 years experience in Citibank, N.A. as Vice President, Head – Merchant Banking Group & Corporate Finance, India. As a Managing Director, he shall carry out such functions, exercise such powers and perform such duties as the Board shall from time to time in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, he shall have the general control of the business of the Company and be vested with the management and day-to-day affairs of the Company.

b) Past Remuneration

Mr. N. Jayakumar has been appointed as Managing Director of the Company w.e.f. February 12, 2011. In view of adverse financial situation of the Company in the earlier years, Mr. N. Jayakumar had refrained from drawing

any remuneration from the Company since December 2012 till December 31, 2016. For the Financial Year ended on March 31, 2019, March 31, 2018 and March 31, 2017, the Company has paid ₹251.05 lacs, ₹133.18 lacs and ₹34.23 lacs respectively as remuneration to Mr. N. Jayakumar.

- c) Recognition or Awards: Nil
- d) Job profile and his suitability: Same as above in item no a) hereinabove.
- e) Remuneration proposed:

The Company proposes to pay the remuneration to Mr. N. Jayakumar as per the resolutions proposed to be passed by the Members in the Annual General Meeting of the Company.

- f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration the size of the Company, the profile of Mr. N. Jayakumar, the responsibilities shouldered by him and industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.

- g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed to be paid to him, Mr. N. Jayakumar does not have any other pecuniary relationship with the Company.

- 3) Other Information: ▢

- a) Reasons for loss or inadequate profits:

The Company is mainly involved in the Corporate Advisory and Investment Banking. The business of the Company and its performance is linked to capital market conditions and successful closure of deals.

- b) Steps taken or proposed to be taken for improvement:

The Company has been continuously enhancing its client list. The Company has made significant strides in establishing stronger client relationships. The Company is focusing on providing innovative business solutions to its clients in the area of fund raising and merger and acquisitions.

- c) Expected increase in productivity and profits in measurable terms:

With better capital market conditions and increased client relationships, the Company is expected to step up the revenues and profits substantially in future.

- 4) Disclosures:

- a) Remuneration package of the managerial person:

Fully described in the explanatory statement as stated above.

- a) Disclosures in the Board of Directors' Report under the heading "Corporate Governance" included in Annual Report 2018-19:

The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of F.Y. 2018-19 of the Company.

The Memorandum of Understanding entered into between the Company and Mr. N. Jayakumar is available for inspection to the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, Sundays and Public Holidays.

Except Mr. Mr. N. Jayakumar, none of the Directors or any Key Managerial Personnel of the Company or relatives of any of them are, in any way, concerned or interested in this resolution.

The Board of Directors recommends this resolution for approval by the Members of the Company by a Special Resolution.

Registered Office:
1109/1110, Maker Chamber V,
Nariman Point, Mumbai 400021
CIN: L67120MH1982PLC026724
Email: prime@primesec.com
Website: www.primesec.com
August 14, 2019

By Order of the Board of Directors

Ajay Shah
Vice President – Legal
& Company Secretary
(ACS-14359)

Details of Director seeking Appointment / Re-appointment at 36th Annual General Meeting
[Pursuant to the Regulation 26 and 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 (SS-2) on General Meetings]

| Name of Director | Mr. S. R. Sharma (*) (Executive Director) | Ms. Smrita Affinwalla (Non-Executive and Independent Director) | Ms. Namrata Kaul (Non-Executive and Independent Director) | Mr. Akshay Gupta (Non-Executive and Non-Independent Director) |
|---------------------------------------|---|--|---|--|
| Director Identification Number (DIN) | 03096740 | 07106628 | 00994532 | 01272080 |
| Date of Birth | August 7, 1959 | November 4, 1962 | March 15, 1964 | August 7, 1959 |
| Date of First Appointment | January 25, 2011 | February 14, 2019 | February 14 2019 | August 14, 2019 |
| Qualifications | B. Tech. (Chemical Engineering), IIT Delhi, PGDM, IIM-Ahmedabad | BA in Economics (Mumbai), MBA (Finance) from Jamnalal Bajaj Institute of Management | Post Graduate from IIM Ahmedabad, Chevening scholarship on Leadership from London School of Economics. | B.E Electronics and Communication from University of Delhi and FMS – Marketing and Finance from FMS Delhi |
| Expertise in Specific Functional Area | Mr. S. R. Sharma is a qualified professional graduated from IIT Delhi as a Chemical Engineer and received his post graduate diploma in management, PGDM from the IIM at Ahmedabad. He has a wide and varied experience across multiple sectors including industrial and specialty chemicals, FMCG and financial services. He was based in Japan for 9 years where he worked for Shinsei Bank, a leading Japanese bank which has set new benchmarks for consumer banking. He has specialized in the transformation of business processes both customer facing and post transaction operations by leveraging the use of IT. | Ms. Smrita Affinwalla is a Founder and Managing Director of Illuminos Consulting Private Limited (business associate of Cerebyte Inc. in India and the Middle East), a consulting firm focused on the areas of Leadership Evaluation and Development, Talent Management, Succession and Strategic HR. Her career of over 30 years has been divided between the Financial Services Industry and HR. She has set up and grown businesses both in the Retail as well as Wholesale sectors and has been helping her clients to structure and raise capital, through both debt and equity instruments. She is a seasoned HR professional and has helped leading organisations build their human capital both as a Consultant and leading the HR function in major organisations. Prior to founding Illuminos, she was Head of Consulting for Development Dimensions International (DDI) India, the Group Director HR for Motilal Oswal Financial Services Group. She was also Director on the Board of SICOM Limited. | Ms. Namrata Kaul has over 30 years of experience in banking and finance, spanning across corporate and investment banking, global markets and treasury functions. She has served as the Managing Director, Corporate and Investment Banking at Deutsche Bank AG, responsible for business management and client coverage. Prior to that she was Head of Asia Business for Deutsche Bank based out of London, engaged in a multi country interface. She has been involved in developing the strategy roadmap for Deutsche Bank India as part of the India Board and was instrumental in defining and executing the Asia Focus strategy for the EMEA business. She had earlier worked with ANZ Grindlays Bank in various leadership roles across Treasury, Corporate Banking, Debt Capital Market and Corporate Finance. She is a Member of the Supervisory Board of CARE International, Switzerland and serves as an Independent Director on the Board of Vivriti Capital and Bhopal Smart City Corporation. | Mr. Akshay Gupta has more than 21 years of experience in Banking, Asset Management and Capital Markets with last 14 years of experience in the Asset Management Industry in India. Prior to Prime, he was working with Indiabulls as the Group Executive Head & CEO-Asset Management and other fee income businesses. He was associated with Peerless Asset Management as MD & CEO for more than 6 yrs, wherein he led the initiative to setup a new AMC and made it one of the fastest growing new AMCs in India. He worked with ICICI Prudential Asset Management Company from 2002- 2007 as a Business Head and was part of the Senior Management team that made it the largest and most successful AMC at that time. Prior to joining the AMC industry, Mr. Akshay Gupta was a Banker having worked in ABN AMRO Bank and HSBC working in capital markets and assets. He has also written and published thought leadership papers and articles on capital markets and asset management. |

| Name of Director | Mr. S. R. Sharma (*) (Executive Director) | Ms. Smita Affinwalla (Non-Executive and Independent Director) | Ms. Namrata Kaul (Non-Executive and Independent Director) | Mr. Akshay Gupta (Non-Executive and Non-Independent Director) |
|---|--|--|---|--|
| Number of Meetings of the Board attended during the year | Three | One # | None # | None \$ |
| Directorship held in other Public Companies (excluding Foreign Companies and Section 8 Companies) | <ul style="list-style-type: none"> • Primesec Investments Limited • Asia Bio Energy (India) Limited • Gateway Entertainment Limited | <ul style="list-style-type: none"> • HDB Financial Services Limited | <ul style="list-style-type: none"> • Bhopal Smart City Development Corporation Limited | <ul style="list-style-type: none"> • Primesec Research & Advisory Limited • Prime Funds Management Limited |
| Memberships / Chairmanships of Committees of other Companies (includes only Audit Committee and Stakeholder Relationship Committee) | None | None | None | None |
| Inter-se relationship with other Directors and Key Managerial Personnel | Nil | Nil | Nil | Nil |
| Shareholding in the Company | 1,000 Shares | Nil | Nil | 4,01,990 Equity Shares representing 1.52% of the Total Shareholding |

* Mr. S. R. Sharma retires by rotation and being eligible offers himself for re-appointment.

Inducted as Directors w.e.f. February 14, 2019

\$ Inducted as Directors w.e.f. August 14, 2019

For other details such as Number of Board Meetings attended during the Financial Year 2018-19 and the Remuneration drawn by the above Directors, please refer to the Corporate Governance Report forming part of this Annual Report.

Directors' Report

Dear Members,

Your Directors are pleased to present their 36th Annual Report on the business and operations of the Company along with the Audited Financial Statements for the Financial Year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

(₹ in lacs)

| Particulars | Consolidated | | Standalone | |
|--|----------------|----------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Total Revenues | 4,694.90 | 2,402.47 | 1,110.60 | 899.42 |
| Total Expenses | 2,391.97 | 792.19 | 759.04 | 601.37 |
| Profit / (Loss) before Exceptional Items & Tax | 2,302.93 | 1,610.28 | 351.56 | 298.05 |
| Exceptional Items | (137.74) | 104.71 | (76.86) | 27.56 |
| Profit / (Loss) before Tax | 2,165.19 | 1,714.99 | 274.70 | 325.61 |
| Tax Expenses | 469.07 | 284.51 | 45.76 | (21.59) |
| Profit / (Loss) after Tax | 1,696.12 | 1,430.48 | 228.94 | 347.20 |
| Other Comprehensive Income / (Loss) (Net of Tax) | (55.60) | (15.69) | (49.25) | (15.04) |
| Total Comprehensive Income | 1,640.52 | 1,414.79 | 179.69 | 332.16 |

Financial statements has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) notified under Section 133 and other applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, as amended from time to time.

BUSINESS REVIEW & PROSPECTS

The performance of your Company for the year under review has been very encouraging in a difficult environment for financial markets. We have recorded our highest ever quarterly and annual revenue. The momentum in our deal flow was robust and remains so. Ideation and the ability to craft solutions for our customers' problems is our core strength and what we are known for. This capability has been the key driver of our deal flow and assignments.

We have, in 2018-19 come through a very challenging period for the global economy and for India. Globally, this has been a period that has seen moves towards a reversal of the multi-decade phase of globalization, resulting in trade wars, the rise of trade barriers and very tepid growth in international

trade. Yet, despite that the major economies, with the exception to an extent of the Euro zone, continue to exhibit robust growth and resilience.

The Indian economy remains the fastest growing major economy and is projected to grow faster in the coming years. However, India's economy appears to have slowed down slightly in 2018-19. The proximate factors responsible for this slowdown include declining growth of private consumption, tepid increase in fixed investment and muted performance of exports. Challenges remain. The health of our agrarian economy is a cause for concern with drought conditions prevailing in several parts of the country. In addition, price increases of agricultural products have remained muted impacting rural incomes. The monsoon forecast for 2019 is for a near normal monsoon. This should help regenerate our rural economies.

Unlike in 2017-18, when crude prices remained benign, in the year under review, crude prices strengthened appreciably and remain elevated and as a result, pump prices of diesel and gasoline have remained high during the course of the year. For India, access to Iranian crude has become an issue,

a fallout of US sanctions on Iran. The US has assured India of filling any supply gaps. The Rupee was very volatile during the year. From an average of around INR 65 to the dollar during the previous year, we saw a low of around INR 74 to the dollar in the year under review. It has stabilized at levels around INR 70 to the dollar. This was a key factor in elevated pump prices of fuel.

The year under review, was the first full year of operations of the Wealth Management Advisory business housed in our wholly owned subsidiary, Prime Research & Advisory Limited. We have seen significant synergies to our Corporate Finance business in deal origination and in execution. The team at Prime Research, bring in many new skills that are complementary.

As always, no appreciation for the confidence our customers have reposed in us will be enough. We are the beneficiary of significant amount of repeat business and more importantly of referrals.

DIVIDEND AND RESERVES

The Board of Directors has not recommended any Dividend on Equity Shares for the Year under review. During the Year, no amount from Profit was transferred to General Reserve.

ISSUE OF EQUITY SHARE WARRANTS

Paid-up Equity Share Capital of the Company as at March 31, 2019 continues to stand at ₹1,329.94 lacs. During the year under review, the Company has not issued Equity Shares. Pursuant to the authority granted by the Members of the Company at their Extraordinary General Meeting held on March 20, 2018, the Board of Directors, at their Meeting held on April 3, 2018, has allotted 70,00,000 Equity Share Warrants, on a Preferential basis. Each Equity Share Warrant carries an entitlement to apply for One Equity Shares of Face Value ₹5/- each of the Company, at a price of ₹49.50 per Equity Share ("Exercise Price"), in one or more tranches, within a period of 18 Months from the date of allotment of Equity Share Warrants. The Company has received an amount equivalent to the 25% of the Exercise Price of the Equity Share arising on the exercise of Options under the Equity Share Warrants.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the provisions of the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report giving a detailed account of the operations and the state of affairs of the Company is annexed as Annexure "1" to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, has appointed Ms. Smita Affinwalla (DIN: 07106628) & Ms. Namrata Kaul (DIN: 00994532) as an Independent Directors for a term of Five Years from February 14, 2019 to February 13, 2024 and Mr. Akshay Gupta (DIN: 01272080) as a Non-Executive Director for a term of Five Years from August 14, 2019 to August 13, 2024.

During the year under review, Mr. Anil Chandrakant Dharker resigned as an Independent Director of the Company with effect from November 13, 2018 and Mr. Vineet Suri who was appointed as an Executive Director with effect from May 28, 2018 resigned as such with effect from January 4, 2019. The Directors place on record their appreciation for the services rendered by them during their tenure.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. S. R. Sharma, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Appropriate Resolution, for appointment of Ms. Smita Affinwalla & Ms. Namrata Kaul as an Independent Director, Mr. Akshay Gupta as a Non-

Executive Director and re-appointment of Mr. S. R. Sharma, who retires by rotation, are being placed before you for your approval at the ensuing Annual General Meeting. The information on the particulars of Director seeking appointment / re-appointment, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in the Notice of the Annual General Meeting, forming part of this Annual Report. The Board recommends their appointment / re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

During the year, Mr. S. R. Sharma was designated as Chief Financial officer in place of Mr. Nikhil Shah. Presently, Mr. N. Jayakumar, Managing Director and Group CEO, Mr. S. R. Sharma, Chief Financial Officer and Mr. Ajay Shah, Company Secretary are the Key Managerial Personnel.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

During the year under review, Four Board Meetings were conducted on May 29, 2018, August 14, 2018, November 13, 2018 and February 14, 2019. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has complied with the applicable Secretarial Standards 1 on Board Meetings, issued by the Institute of Company Secretaries of India.

COMMITTEES OF THE BOARD

The Board of Directors has constituted the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

The detailed information about the Committees including their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report forming part of this Report.

BOARD EVALUATION

Annual performance evaluation of the Board of Directors, its Committees and all the Directors individually have been done in accordance with

the performance evaluation framework adopted by the Company and a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The performance evaluation framework sets out the performance parameters as well as the process of the performance evaluation. Pursuant to the provisions of the Companies Act, 2013, a separate Meeting of Independent Directors was held during the year to review (i) performance of the Non-Independent Directors and the Board of Directors as a whole (ii) performance of the Board Committees (iii) performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors (iv) the assess the quality, quantity and timeliness of flow of information between the Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform its duties. The Board of Directors expressed their satisfaction with the evaluation process.

POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION, ETC

The Board of Directors of the Company has adopted a policy on remuneration of Directors, Key Managerial Personnel and other employees, which also lays down the criteria for selection and appointment of Board Members and Board diversity. The details of this policy are explained in the Corporate Governance Report forming part of this Annual Report and the same is also available on the website of the Company (www.primesec.com).

CORPORATE GOVERNANCE AND CODE OF CONDUCT

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a separate report on Corporate Governance practices followed by the Company together with the certificate from the Statutory Auditors, confirming compliance by the Company of the conditions of Corporate Governance is annexed as Annexure "2" to this Report.

Pursuant to the provisions of Regulation 17(5)(a) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, your Company has also laid down a Code of Conduct for its Board Members and Senior Management Personnel. All the Directors and the Senior Management Personnel have affirmed compliance with the said Code of Conduct. A declaration by the Managing Director regarding compliance by Board Members and Senior Management Personnel with the Code of Conduct for the year ended March 31, 2019 forms part of the Report on Corporate Governance.

CONSOLIDATED FINANCIAL STATEMENT

The Audited Consolidated Financial Statements has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) notified under Section 133 and other applicable provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable and shows the financial information of the Company and its Subsidiaries as a single entity, after elimination of minority interest, if any. As required under provisions of the Companies Act, 2013, as applicable, the Audited Consolidated Financial Statements of the Company and all its Subsidiaries together with Auditor's Report thereon forms part of this Annual Report.

Consolidated Revenues for the year were ₹4,694.90 lacs as compared to ₹2,402.47 lacs in the previous year, which comprises Merchant Banking and Advisory Fees of ₹4,149.01 lacs, Distribution Income of ₹436.69 lacs, Appreciation in value on Investment of ₹42.75 lacs, Gain on sale of Investment of ₹4.01 lacs, Income from Dividend, Interest & Other Income of ₹62.44 lacs. Consolidated Net Profit after Tax & Exceptional Items for the year under review was ₹1,696.12 lacs as compared to ₹1,430.48 lacs in the previous year.

SUBSIDIARY COMPANIES / JOINT VENTURES

Pursuant to Section 129(3) of the Companies Act, 2013 read with the Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the Audited Financial Statements of the Subsidiaries / Associate Companies for the

year ended March 31, 2019 is given in Form AOC-1 as an annexure to the Consolidated Financial Statements of the Company forming part of this Annual Report.

The policy for Determining Material Subsidiaries has been placed on the website of the Company (www.primesec.com). Separate Audited Financial Statements of each of the Subsidiaries are available on the website of the Company (www.primesec.com) and will be kept open for inspection by any shareholder of the Company at the registered office of the Company and the same will also be made available to the shareholders seeking such information at any point of time.

The summary of the state of affairs and performance of the subsidiaries is given below:

Primesec Investments Limited

Primesec Investments Limited ("PIL") is carrying on activities of corporate advisory services relating to restructuring of corporate debt, restructuring of corporate entities, especially cases involving National Company Law Tribunal ("NCLT"), placement of secondary debt and equity, etc.

During the year under review, PIL earned revenues of ₹2,100.08 lacs as compared to ₹1,485.17 lacs in the previous year. This includes Advisory Fees of ₹2,065.50 lacs, Appreciation in value of Investments of ₹34.58 lacs. During the year, PIL earned Net Profit after Tax and Exceptional Items of ₹1,342.16 lacs as compared to ₹863.72 lacs in the previous year.

Prime Research & Advisory Limited

Prime Research & Advisory Limited ("PRAL") diversified into newer segments of financial services business comprising of value added intermediation services in wealth management and investment advisory, assisting banks and institutional investors in risk assessment, portfolio analysis and portfolio rebalancing through execution of specific strategies. PRAL's target clients include corporate treasuries, fund management companies and family offices among others.

PRAL through its network of investors substantially enhances our capability to execute mandates.

During the year under review, PRAL earned

revenues of ₹1,504.13 lacs as compared to ₹1.08 in the previous year. This includes Advisory Fees of ₹1,045.46 lacs, distribution Income of ₹436.69 lacs, Gain on Sale of Investment of ₹4.01 lacs, Income from Dividend, Interest & other income of ₹17.97 lacs. During the year, PRAL earned Net Profit after Tax of ₹155.59 lacs as compared to ₹207.61 lacs in the previous year.

Prime Commodities Broking (India) Limited

Prime Commodities Broking (India) Limited ("PCBIL") was incorporated in 2006 to carry on Broking and other related activities in the Commodities Markets. However, PCBIL has not yet commenced the proposed activity. During the year under review, PCBIL earned revenues of ₹39.66 lacs as compared to ₹34.51 lacs in the previous year. During the Year under review, PCBIL earned a Net Profit after Tax of ₹2.42 lacs as compared to ₹11.96 lacs in the previous year.

Prime Funds Management Limited

During the year under review, Prime Funds Management Limited ("PFML") was incorporated as 100% subsidiary of the Company. PFML intends to carry on the activities of Portfolio Management and setting up of Alternative Investments Funds. PFML is yet to commence the business.

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 as per provisions of Section 92 of the Companies Act, 2013 and the Rules made thereunder is annexed as Annexure "3" to this Report.

RELATED PARTY CONTRACTS & ARRANGEMENTS

In accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has formulated a Policy on Related Party Transactions and a copy of the same is available on the website of the Company (www.primesec.com). The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions with related parties and also deals

with material related party transactions.

All related party transactions are placed before the Audit Committee for necessary review and approval. Prior omnibus approval of the Audit Committee is obtained for transactions with related parties, which are repetitive in nature and / or are entered into in the ordinary course of business and are on an arm's length basis. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except remuneration and sitting fees.

All transactions entered into by the Company with the related parties during the financial year were in ordinary course of business and are on an arm's length basis. Disclosure pursuant to the Accounting Standards on related party transaction has been made in the notes to the Audited Financial Statements. No material related party transaction were entered into during the year by the Company and accordingly, the disclosure of contracts or arrangements with related parties in accordance with the provisions of Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

DEPOSITS

Your Company has not accepted any Fixed Deposits under Chapter V of Companies Act, 2013, during this financial year and as such, no amount on account of principal or interest on Deposits from public was outstanding as on March 31, 2019. The Company has no Deposit which is not in compliance with the provisions of Chapter V of the Companies Act, 2013 and as the Companies (Acceptance of Deposit) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sections 134(3) (c) of the Companies Act, 2013, with respect to the Directors' Responsibilities Statement, your Directors confirm that:

- a) In the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable Accounting Standards read with the requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) They have selected such accounting policies and

applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profits of the Company for the year ended on that date;

- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted Corporate Social Responsibility ("CSR") Committee, Ms. Namrata Kaul, Independent Director, Mr. Pradip Dubhashi, Independent Director and Mr. N. Jayakumar, Managing Director and Group CEO, are the Members of the Committee. The Company has also formulated CSR Policy and the same is available on the website of the Company (www.primesec.com). The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure "4" to this Report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of Loans, Guarantees and Investments made by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013 are given

in the notes to the Audited Financial Statements forming part of this Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism / Whistle Blower Policy for Directors and Employees to report genuine concerns or grievances for redressal, which provides for adequate safeguards against victimization of persons who avail of such a mechanism. A copy of the Whistle Blower Policy is available on the website of the Company (www.primesec.com).

AUDITORS AND AUDITORS' REPORT

M/s. Walker Chandiok & Co. LLP, (Firm Registration No. 001076N/N500013) Chartered Accountants, were appointed as Independent Auditors, for a term of Five years, commencing from the Financial Year 2019-20, in place of M/s. Gandhi & Associates LLP, Chartered Accountants (Firm Registration No: 102965W/ W100192), whose term expires at the ensuing Annual General Meeting. A certificate from them has been received, to the effect that their appointment as Independent Auditors of the Company is in accordance with the applicable provisions of Section 139 and 141 of the Companies Act, 2013 and rules framed thereunder, as amended from time to time.

Report given by the Auditors on the Audited Financial Statements of the Company forms part of this Annual Report. Observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further explanation.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors has appointed M/s. Pramod Shah & Associates, Company Secretaries (C.P. No. 3804), to undertake the Secretarial Audit for the year ended March 31, 2019. The Secretarial Report given by the Secretarial Auditor is annexed as Annexure "5" to this Report.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Except as disclosed elsewhere in this Report, no material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which this Financial Statements relate and the date of this Report.

EMPLOYEES

Disclosures with respect to the remuneration of Directors and Employees as required under Section 197(12) of the Companies Act, 2013 and the Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure "6" to this Report.

The information on Employees particulars as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) is annexed as Annexure "7" to this Report. In terms of Section 136 of the Companies Act, 2013, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the aforesaid Annexure. The said information is available for inspection by the Members at the Registered Office of the Company as per the details mentioned in notice of the Annual General Meeting on any working day of the Company up to the date of the 36th Annual General Meeting. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

None of the Employee of the Company is a Relative of any Director of the Company.

EMPLOYEE STOCK OPTION SCHEMES

The Company presently has one Employee Stock Option Schemes viz. Employee Stock Option Scheme 2018 (ESOS 2018). The Nomination and

Remuneration Committee of the Board of Directors had granted, to eligible Employees / Directors of the Company and Subsidiary Companies 25,90,000 options pursuant to ESOS 2018.

The disclosures in accordance with the provisions of the Section 62(1)(b) of Companies Act, 2013 read with the Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 (as amended from time to time), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are set out as Annexure "8" to this Report. The shares arising out of exercise of the Options are allotted in the name of the respective Employees and accordingly, the provisions relating to disclosure of voting rights not exercised directly by the Employees are not applicable.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company is not engaged in any manufacturing activity, the disclosures as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 pertaining to conservation of energy, etc. are not applicable.

During the period, there were no earnings and expenditure in foreign exchange.

LISTING & LISTING FEES

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and the Listing Fees for the year 2019-20 have been duly paid.

GENERAL DISCLOSURES

Your directors state that during the year under review:

- a) The Business Responsibility Reporting as required pursuant to the provisions of Regulation 34(2) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is not applicable to your Company.

- b) No Equity Shares with Differential Rights, as to Dividend, Voting or otherwise, were issued.
- c) No Equity Shares (including Sweat Equity Shares) were issued to Employees of the Company under any Scheme.
- d) The Company has not resorted to any Buyback of its Equity Shares during the Year under review.
- e) Managing Director of the Company has not received any Remuneration or Commission from any of its Subsidiaries.
- f) No significant or material orders were passed

by the Regulators or Courts or Tribunals, which impact the Going Concern status and Company's operations in future.

ACKNOWLEDGEMENTS

The board wishes to place on record its sincere appreciation for the hard work put in by the Company's Employees at all levels in this difficult environment. The Board of Directors also wishes to thank the Company's Members, Bankers and all other business associates for their unstinted support during the year.

For and on behalf of the Board of Directors

Mumbai
August 14, 2019

Pradip Dubhashi
Chairman

N. Jayakumar
Managing Director and Group CEO

Annexure 1 to Director's Report

Management Discussion & Analysis

In the year under review, deal flow for Corporate Finance Advisory business was robust and remains so. Though Capital Markets continued to mature, they experienced significant volatility during the year. Capital Markets activity drives our business and we were to bring to bear our ideation and creativity in crafting solutions for our clients problems. Market volatility and dislocations are an opportunity for us. In the year under review a funding crisis confronted many non-bank financial institutions and a leading institution, IL&FS went through a great deal of difficulty. This limited flow of funds, even to healthy institutions. We were able to assist many of our clients in working out solutions. In this we were able to leverage our intellectual capability coupled with our extensive network. Our mandates span the entire breath of Capital Markets activity, namely, Fund Raisings in Equity and Debt, Debt Restructuring, Share Buy-backs and Corporate Advisory.

CAPITAL MARKETS

Investor interest in India remains good. In calendar 2019, for the first four months, FI flows have totaled around INR 70,000 Crores, principally in equity markets. On the other hand, flows into mutual funds slowed down to around 6% for the year, dragged down by outflows from debt funds in the wake of the funding crisis that impact non- bank institutions. Foreign Direct Investment policy has been simplified and liberalized progressively and now most sectors are on automatic route. Though slower, FDI flows remained strong and underpin investments in the economy.

ECONOMY

The economy continued to grow at 7%. While the growth remained strong, there have been a few areas of worry. Inflation has remained benign largely on the back of lower food inflation, there is a risk of an increase in case food inflation rears its head again in the coming months. The focus on "Make in India" has pushed the share of manufacturing in GDP to 16.9% from 16.5%. Initiatives taken by Government have improved our "Ease of Doing Business" ranking from 142 in 2014 to 77 in 2018.

Roads Infrastructure

Infrastructure growth has remained strong with the rate of highway road construction at around 31 km per day, the highest rate of construction ever. Rural roads construction rate too hit its highest at 109 km per day.

Power

A major shift away from coal is in the process of taking place. While this non- renewable fossil fuel still provides for over three fourths of our power, its share in new capacity addition has dropped to around 20% only. Investments in wind energy continue to made at a good pace, and investments continue to gather pace and solar power generation has increased to around 11.4 BUs of electricity in Q1 2019, a growth of 34% year-over-year (YoY) from 8.5 BUs generated in the Q1 2018.

Aviation

Passenger traffic growth has continued to grow at double digit rates, with investments of over INR 40,000 Crores planned just for the metro airports including the new Navi Mumbai airport. Regional connectivity through the UDAN scheme and growth in passenger traffic on traditional routes is driving growth. Notwithstanding the issues confronting the airlines including the grounding of certain aircraft types, the pace of growth that has temporarily slowed down should resume.

Railways

A common sight in most major metro cities is the rapid construction of metro systems. The Delhi Metro is now the world's fourth largest and Mumbai's Metro system construction too is proceeding rapidly. The freight traffic handled by the railway network was at an all time high, growing around 5% with freight income growing faster at around 11%. While the Railways were a bright spot, automobile sales fell across all categories.

The Rural Economy

The rural economy faces several challenges, from low produce prices to crop losses through

natural calamities (Cyclone Fani) and drought like conditions in several parts. Excessive use of chemical fertilisers have led to soil toxicity in several areas and that needs its own focused action plan. The bright side of this is the improvement in non- agricultural rural incomes

The Global Economy

The ongoing trade dispute between the US and China could have an impact on global growth. It could also lead to volatility in currency rates and a potential for competitive devaluations is ever present.

India has not been immune to the threats from the US on the trade front. We are likely to see the withdrawal of the exemptions granted from the Iran sanctions as the US increases its pressure on that country and also threatens withdrawal of benefits under the Generalized System of Preferences (GSP) programme, with several demands to remove tariffs and other barriers.

Oil prices have remained elevated at around US \$70 and likely to remain so given the pressure on Iran. The US has assured India that it will make up any supply gaps, and that should relieve stress on our oil imports.

Overall global growth with the exception of the Euro zone remains robust, especially the US and Central Banks remain in an easy mode.

INDUSTRY REVIEW

A. Industry Structure & Developments

In the year gone by, the key focus on the RBI and all major banks has been to get a handle on the funding crisis confronting the non- bank institutions as well as the continuing problem of resolution of NPAs.

Banks and non- bank institutions usually have a mismatch in maturities. They borrow for shorter maturities at lower rates and lend for longer maturities. Kept within reasonable levels, this has worked fine. Unfortunately, the IL&FS default due to a severe mis-match in maturities created a funding crisis. It did not help that many non- bank institutions were not adequately capitalized.

While the IBC has catalyzed the search, both by lenders and borrowers, for solutions outside of the Code itself, cases admitted for resolution are facing

headwinds in completion.

B. Opportunities & Threats

We continue to bring to bear our ideation skills and the power of our network in crafting solutions for our customers. The scenario we see has given us assignments for debt restructuring and innovation in that area, in creating structures that meet lender and borrower needs, for equity raisings and for restructuring.

We expect to see a continuing flow of mandates for equity and debt assignments, mergers and acquisitions and for restructurings.

Banks remain under stress though a few of them have recently come out of RBI's Prompt Corrective Action (PCA). The willingness to lend has improved but the squeeze on non- bank institutions means that the overall pace of lending has slowed down.

Trade disputes and the knock-on effect on expectations means exports will remain under stress. Our imports are inelastic, we need them, come what may, but there could be pressure on exports with pressure on current account deficits.

C. Segment-wise or Product-wise Performance

The Company operates only in the advisory business and as such has only one reporting segment.

D. Outlook

As we have noted, deal flow has been excellent, and we continue to add to execution capability opportunistically. Our deal flow from referrals has been strong and is a testament to the unique skills we offer our clients.

E. Risks & Concerns

We are a debt free company and do not intend to put any capital at risk. Our focus is solely on generating advisory income and as we noted last year, any use of capital will only be to setup infrastructure.

Nevertheless, we remain vigilant to opportunities and will not hesitate to exploit them provided we can do so by eliminating any risk to our capital.

We have initiated a comprehensive review of risk for our business by an external agency. Their mandate is to recommend to the Board a risk management matrix and possible controls. We expect to complete this effort in the next six months.

F. Internal Control Systems & Their Adequacy

Your Company's Internal Control System and procedures were consciously reviewed during the year and systems and procedures were corrected wherever found to be inadequate to the Company's size, the nature of its business and the endemic business environment. The internal control systems lay down the policies, authorization and approval procedures.

The adequacy of the internal control systems has been reported by the auditors under the Companies (Auditor's Report) Order, 2003.

G. Discussion on Financial Performance

The Consolidated Revenues of the Company were ₹4,694.90 lacs for the financial year under review as against previous year ₹2,402.47 lacs. Consolidated Profit after Tax and Exceptional Items was at ₹1,696.12 lacs as against previous year ₹1,430.48 lacs.

The Company has been able to restructure its debt substantially and has reached very advantageous settlements with its creditors. We have been able to

reduce debt to very manageable levels and remain on track to be debt free in the next 12-18 months.

H. Material Development in Human Resources / Industrial Relations Front, Including Number of People Employed

We continue to grow our pipeline of transactions in the corporate advisory business and add people as needed. We believe our team is optimally staffed at this time.

CAUTIONARY STATEMENT

Statements in this Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic developments in the country and improvement in the state of capital markets, changes in the Government regulations, tax laws and other status and other incidental factors.

For and on behalf of the Board of Directors

Mumbai
August 14, 2019

Pradip Dubhashi
Chairman

N. Jayakumar
Managing Director and Group CEO

Annexure 2 to Director's Report

Corporate Governance Report

[Pursuant to regulation 34(3) read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

MANDATORY REQUIREMENTS

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is aimed at ensuring that the objectives of the Company are well defined along with timely measurement and monitoring of the performance against those objectives. It envisages attainment of a high level of transparency & accountability in the functioning of the Company and helps the Management in the efficient conduct of the Company's affairs and in protecting the interest of various participants like Shareholders, Employees, Lenders, Clients, etc and at the same time places due emphasis on compliance of various statutory laws.

2. Board of Directors

Composition and Category

The Board of Directors ("the Board") of the Company

currently comprises of an optimum combination of Executive and Non-Executive Directors, in compliance of the requirement of the provisions of Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

As of the Year ended March 31, 2019, the Board of Directors had Six Directors, comprising of Four Non-Executive & Independent Directors, One Non-Executive and One Executive Director. The Chairman of the Board is a Non-Executive and Independent Director.

There is no relationship between the Directors inter-se.

The Composition of the Board, Directorship / Committee position in other companies as on March 31, 2019, Number of Meetings held and Attended during the Financial Year 2018-19 are as follows

| Name | Category (\$) | Board Meetings during 2018-19 | | Attendance at last Annual General Meeting held on September 24, 2018 | Attendance at last Annual General Meeting held on September 24, 2018 | Committee positions in India (**) | |
|------------------------|---------------|-------------------------------|----------|--|--|-----------------------------------|----------|
| | | Held | Attended | | | Member | Chairman |
| Ms. Aplana Parida | NED-I | 4 | 3 | Yes | 6 | 3 | Nil |
| Mr. Anil Dharker % | NED-I | 3 | 2 | Yes | N.A. | N.A. | N.A. |
| Mr. N. Jayakumar | MD | 4 | 4 | Yes | 4 | Nil | Nil |
| Ms. Namrata Kaul * | NED-I | 1 | Nil | N.A. | 1 | Nil | Nil |
| Mr. Pradip Dubhashi | NED-I | 4 | 4 | Yes | 3 | 1 | Nil |
| Mr. S. R. Sharma + | ED | 4 | 3 | Yes | 3 | Nil | Nil |
| Ms. Smita Affinwalla * | NED-I | 1 | 1 | N.A. | 1 | Nil | Nil |
| Mr. Vineet Suri # | ED | 2 | 1 | Yes | N.A. | N.A. | N.A. |

\$ NED-I means Non-Executive & Independent Director, NED means Non-Executive Director, MD means Managing Director, ED means Executive Director.

@ Excludes Alternate Directorships, Directorships in Private / Foreign Companies and interest in Firms / other bodies.

** Includes Memberships of only Audit and Stakeholders Relationship Committee of Public Limited Companies other than Prime Securities Limited.

* Appointed as Additional Director w.e.f. February 14, 2019

% Ceased to be a Director w.e.f. November 13, 2018

Ceased to be a Director w.e.f. January 3, 2019

+ Ceased to be Non-Executive Director pursuant to appointment as Chief Financial Officer w.e.f May 18, 2019, continues as Executive Director

Notes:

- (a) None of the Directors of the Company hold Directorships in more than Seven listed companies, in compliance of the requirement of the provision of Regulation 17A(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.
- (b) None of the Directors of the Company is serving as Independent Director in more than Seven listed companies, in compliance of the requirement of the provision of Regulation 17A(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.
- (c) None of Managing Director / Whole-time Director / Executive Director of the Company is serving as an Independent Director in more than Three listed entities, in compliance of the requirement of the provision of Regulation 17A(2) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.
- (d) None of the Directors on the Board is a Member of more than Ten Committees and Chairman of more than Five Committees across all the companies in which they are Director, in compliance of the requirement of the provision of Regulation 26(1) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.
- (e) All the Directors have furnished the necessary disclosure regarding their Directorship and Committee Membership.

Board Meetings

During the Financial Year 2018-19, Four Board Meetings were held on May 29, 2018, August 14, 2018, November 13, 2018, and February 14, 2019.

The gap between two Board Meetings did not exceed 120 days. Further the Company has adopted and adhered to the Secretarial Standards prescribed by the Institute of Company Secretaries of India ("ICSI") as approved by the Central Government.

Agenda papers containing the necessary information / documents are made available to the Board / Committees in advance to enable the Board / Committees to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant

information as a part of Agenda Papers, the same are tabled at the meeting or / and the presentations are made by the concerned managers to the Board, subject to compliance with legal requirements. Considerable time is spent by the Directors on discussions and deliberations at the Board / Committee Meetings.

The information as specified in Schedule II of LODR is regularly made available to the Board, whenever applicable, for discussion and consideration.

Number of Shares and Convertible Instruments held by Non-Executive Directors:

None of the Non-Executive Director is holding any Equity Shares or Convertible Instruments of the Company,

Familiarisation Programme for Directors

At the time of appointing a Director, a formal letter of appointment is given, which inter alia explains the role, function, duties and responsibilities expected of him / her as a Director. The Director is also explained in detail the compliance required from him / her under the applicable acts, rules and regulations and affirmation is obtained. Managing Director also interacts with the Independent Directors regularly to familiarise them with the Company's operations. Also, on an ongoing basis as a part of Agenda of Board and Committee Meetings, the Company makes detailed presentation to the Directors about the operations of the Company and its subsidiaries. The details of the familiarisation programme for Directors is available on the website of the Company (www.primesec.com)

1. Committees of Directors

a) Audit Committee

Composition & Meetings

The Audit Committee is a qualified and independent committee, consists of the Members who are financially literate and having accounting and related financial management expertise. All the Members possess knowledge of corporate finance, accounts and corporate laws.

The Audit Committee presently comprises of Five Members, of which Four Members including the Chairman are Non-Executive and Independent Directors and One Member is Executive Director.

During the Financial Year 2018-19, the Members met Four times on May 29, 2018, August 14, 2018, November 13, 2018, and February 14, 2019. The details of composition and attendance of each Member at the Meeting is given below:

| Name | Category (#) | Designation | No. of Meetings Attended | |
|------------------------|--------------|-------------|--------------------------|----------|
| | | | Held | Attended |
| Ms. Alpana Parida | NED-I | Member | 4 | 4 |
| Mr. Anil Dharker @ | NED-I | Member | 3 | 2 |
| Ms. Namrata Kaul * | NED-I | Member | Nil | Nil |
| Mr. Pradip Dubhashi | NED-I | Chairman | 4 | 4 |
| Mr. S. R. Sharma + | ED | Member | 4 | 3 |
| Ms. Smita Affinwalla * | NED-I | Member | Nil | Nil |

NED-I means Non-Executive & Independent Director and ED means Executive Director.

@ Ceased to be a Member w.e.f. November 13, 2018

* Inducted as a Member w.e.f. February 14, 2019

+ Ceased to be Non-Executive Director pursuant to appointment as Chief Financial Officer w.e.f May 18, 2019, continues as Executive Director

The Committee invites the Chief Financial Officer, Head of the Finance Department, Managing Director of the Company, Internal & Statutory Auditors to participate in the meeting. The Company Secretary acts as the Secretary to the Meeting. The Chairman of the Committee was present at the last Annual General Meeting held on September 24, 2018.

Terms of Reference

The Audit Committee has been given the powers to deal with matters specified under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 as well as under Section 177 of the Companies Act, 2013.

The terms of reference of the Audit Committee are briefly described below:

- Overseeing the Company's financial reporting process and the disclosure of it's financial information;
- Recommending to the Board, the appointment / re-appointment of Statutory Auditors, fixation of their remuneration and reviewing and monitoring their independence / performance;
- Approving the payment to Statutory Auditors for any other services rendered by them;
- Reviewing, with the management, the annual / quarterly financial statements and auditor's report thereon before submission to the board for approval;
- Reviewing, with the management, the statement

of uses / application of funds raised through an issue / funds utilized for purposes other than those stated in the offer document, the report of the agency monitoring the utilisation of proceeds and recommending the board to take up necessary steps.

- Approving or any subsequent modification of transactions of the Company with Related Parties;
- Scrutiny of Inter-Corporate Loans and Investments;
- Reviewing guidelines for investing surplus funds of the Company;
- Reviewing Investment proposal before submission to the Board;
- To review proposal for mergers, demergers, acquisitions, carve-outs, sale, transfer of business / real estate and its valuation report and fairness opinion, if any, thereof.
- Valuation of Undertakings or Assets of the Company;
- Evaluating internal financial controls and risk management systems;
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and frequency of Internal Audit and the performance of Internal

- Auditors;
- a) Discussing with Internal Auditors of any significant findings and follow up there on;
 - p) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - q) Discussing with Statutory Auditors the nature and scope of audit before the audit commences as well as post-audit discussion to ascertain any area of concern;
 - r) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
 - s) Reviewing the functioning of the Whistle Blower mechanism;
 - t) Approval of appointment of CFO after assessing the qualifications, experience and background of the candidate;
 - u) To appoint valuers for the valuation of any

property, stocks, shares, debentures, securities or goodwill or any other Assets or net worth of a Company or liability of the Company under the provision of the Companies Act, 2013;

- v) To ensure proper system of storage, retrieval, display, or printout of the electronic records;
- w) Such other functions as is mentioned in the terms of reference of the Audit Committee.

Internal Auditors

The Company has appointed M/s. K. V. S. & Company, Chartered Accountants, as Internal Auditors of the Company to review the Internal Control Systems. The Report of the Internal Auditor along with their suggestions is submitted on a quarterly basis before the Audit Committee for its consideration.

b) Nomination and Remuneration Committee Composition & Meetings

The Nomination and Remuneration Committee presently comprises 3 Members and all Members of the Nomination and Remuneration Committee including the Chairman are Non- Executive and Independent Directors.

During the Financial Year 2018-19, the Members met Two times on November 13, 2018 and February 14, 2019. The details of composition and attendance of each Member at the Meeting is given below:

| Name | Category (#) | Designation | No. of Meetings Attended | |
|-------------------------|--------------|-------------|--------------------------|----------|
| | | | Held | Attended |
| Ms. Alpana Parida * | NED-I | Chairman | 2 | 2 |
| Mr. Anil Dharker * | NED-I | Chairman | 1 | Nil |
| Mr. Pradip Dubhashi | NED-I | Member | 2 | 2 |
| Mr. S. R. Sharma % | ED | Member | 1 | 1 |
| Ms. Smita Affinwalla \$ | NED-I | Member | Nil | Nil |

NED-I means Non-Executive & Independent Director and ED means Executive Director.

* Ms. Alpana Parida was appointed as Chairman of Nomination and Remuneration Committee in place of Mr. Anil Dharker who ceased to be the Director of the Company w.e.f. November 13, 2018.

% Appointed as a Members on February 1, 2019 and ceased to be a Members w.e.f. February 14, 2019.

\$ Appointed as a Members on February 14, 2019.

The Company Secretary acts as the Secretary to the Meeting. The Chairman of the Committee was present at the last Annual General Meeting held on September 24, 2018.

Terms of Reference

The Board has constituted a Remuneration Committee with effect from March 21, 2002 to determine the Company's policy on remuneration

packages of Executive & Non-Executive Directors and for considering any revision in their remuneration packages. Subsequently, the same was reconstituted as "Nomination and Remuneration Committee".

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which are as follows:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other Employees;
- b) Formulation of criteria for Evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- e) Recommending extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Remuneration Policy

The Remuneration Policy of the Company is performance driven and is structured to motivate Employees, recognize their merits & achievement and promote excellence in their performance. The Remuneration Policy of Company is displayed on the website of the Company (www.primesec.com)

- a) The appointment and remuneration of Executive Directors including Managing Director and Whole-time Director is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed

by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Managing Director and Whole-time Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the Shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Nomination and Remuneration and recommended to the Board for approval thereof.

- b) Non-Executive & Independent Directors are paid Sitting Fees for attending Board and Committee Meetings. Non-Executive & Independent Directors are also entitled to receive Commission within the ceiling of 1% per annum of the Net Profits of the Company (computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and the Rules framed thereunder from time to time), as approved by the Shareholders of the Company at their Annual General Meeting held on September 19, 2016.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Remuneration Policy is displayed on the Company's website (www.primesec.com).

Details of Remuneration paid to all the Directors

| Name | Fixed Salary | Commission | Sitting Fees | Total |
|-----------------------|--------------|------------|--------------|-------------|
| Ms. Alpana Parida | Nil | Nil | 8,40,000 | 8,40,000 |
| Mr. Anil Dharker% | Nil | Nil | 4,60,000 | 4,60,000 |
| Mr. N. Jayakumar\$ | 2,51,04,617 | Nil | Nil | 2,51,04,617 |
| Mr. Pradip Dubhashi | Nil | Nil | 10,40,000 | 10,40,000 |
| Ms. Smita Affinwalla* | Nil | Nil | 80,000 | 80,000 |
| Ms. Namrata Kaul* | Nil | Nil | Nil | Nil |
| Mr. S. R. Sharma | Nil | Nil | Nil | Nil |
| Mr. Vineet Suri# | 47,47,097 | 30,00,000 | Nil | 77,47,097 |

\$ The Contract with the Managing Director and Whole-time Directors are for a period of 5 years or the normal retirement date, whichever is earlier. The appointment of Managing Director and Whole-time Director is terminable by giving Three Month's notice of either party.

*Appointed as Additional Director w.e.f February 14, 2019

% Ceased to be a Director w.e.f November 13, 2018

Ceased to be a Director w.e.f January 3, 2019

Presently, Mr. N. Jayakumar, along with persons acting in concert with him, is holding 52,84,256 Equity Shares of the Company representing 19.93% of the total Shareholding of the Company. Mr. S. R. Sharma is holding 1,000 Equity Shares representing 0.01% of the total shareholding of the Company. None of the other Directors of the Company holds any Equity Shares in the Company.

Independent Directors are not entitled to receive Stock Options under Employee Stock Option Scheme.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, the Board has carried out the annual

evaluation of its own performance, its committees and Independent Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of composition of the Board and its committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Managing Director was carried out by the Independent Directors.

c) Stakeholders Relationship Committee Composition & Meetings

The Stakeholders Relationship Committee presently comprises 3 Members, and all members of the Stakeholders Relationship Committee including the Chairman are Non-Executive and Independent Directors.

During the Financial Year 2018-19, the Members met on February 14, 2019. The details of composition and attendance of each Member at the Meeting is given below:

| Name | Category (#) | Designation | No. of Meetings Attended | |
|------------------------|--------------|-------------|--------------------------|----------|
| | | | Held | Attended |
| Ms. Alpana Parida * | NED-I | Member | 1 | 1 |
| Ms. Namrata Kaul % | NED-I | Member | Nil | Nil |
| Mr. Pradip Dubhashi \$ | NED-I | Member | 1 | 1 |
| Mr. S. R. Sharma \$ | ED | Member | 1 | 1 |
| Ms. Smita Affinwalla * | NED-I | Chairman | Nil | Nil |

NED-I means Non-Executive & Independent Director and ED means Executive Director.

* Ms. Smita Affinwalla was appointed as Chairman of Stakeholders Relationship Committee in place of Ms. Alpana Parida who ceased to be the Chairman of the Committee w.e.f. February 14, 2019 but continued as a Member.

% Appointed as a Member w.e.f. February 14, 2019.

\$ Cased to be a Members w.e.f. February 14, 2019.

The Company Secretary acts as the Secretary to the Meeting. The Chairman of the Committee was present at the last Annual General Meeting held on September 24, 2018.

Terms of Reference

The Board of Directors had constituted a Share Transfer Committee to approve transfer of shares and related matters. In line with the recommendations of the Code of Corporate Governance, the Board has re-designated the Committee as "Stakeholders Relationship Committee" and vested the Committee with further powers to monitor and review investors' grievances. The Committee, apart from approving

share transfers, transmissions, etc and other related matters, also looks into the redressal of shareholder complaints like non-transfer of shares, non-receipt of annual reports etc.

The powers to approve transfer of shares and redress shareholder complaints have been designated to the Managing Director or the Company Secretary. Such transfer of shares and shareholder complaints which cannot be settled by the Whole-Time Director and the Company Secretary are placed before the Stakeholders Relationship Committee for their decision. The approval of share transfers is normally done on a weekly basis so that the Company is able

to return share certificates, duly transferred, within fifteen days.

Details of share transfer / transmission and summary of shareholder queries / complaints are placed at the Meeting of members from time to time.

Compliance Officer

The Board has designated Mr. Ajay Shah, Vice President – Legal and Company Secretary as the Compliance Officer.

Summary of Shareholders queries received and replied during the year:

| Particulars | Queries / Complaints received | Queries / Complaints Replied to |
|---------------------------|-------------------------------|---------------------------------|
| Transfer Related | 311 | 311 |
| KYC Updation | 201 | 201 |
| Dividend Related | 84 | 84 |
| Change of Address | 72 | 72 |
| Correction of Data | 53 | 53 |
| Demat / Remat | 24 | 24 |
| Request for Annual Report | 7 | 7 |
| Registration of Nominee | 5 | 5 |
| Confirmation of Details | 1 | 1 |
| Nomination | 1 | 1 |
| Total | 759 | 759 |

d) Corporate Social Responsibility Committee

Composition & Meetings

The Corporate Social Responsibility Committee presently comprises 3 Members, out of which two Members including the Chairman are Non-Executive and Independent Directors and one Member is Executive Director.

During the Financial Year 2018-19, the Members met once on August 14, 2018. The details of composition and attendance of each Member at the Meeting is given below:

| Name | Category (#) | Designation | No. of Meetings Attended | |
|-----------------------|--------------|-------------|--------------------------|----------|
| | | | Held | Attended |
| Mr. Anil Dharker * | NED-I | Member | 1 | 1 |
| Ms. Namrata Kaul ^ | NED-I | Member | Nil | Nil |
| Mr. Pradip Dubhashi ^ | NED-I | Chairman | 1 | 1 |
| Mr. N. Jayakumar | ED | Member | 1 | 1 |

NED-I means Non-Executive & Independent Director, NED means Non-Executive Director and ED means Executive Director.

^ Ms. Namrata Kaul was appointed as Chairman of the Committee w.e.f. February 14, 2019 in place of Mr. Pradip Dubhashi, who continues as Member of the Committee.

* Ceased to be member pursuant to resignation as Director of the Company w.e.f. November 13, 2018.

The Company Secretary acts as the Secretary to the Meeting. The Chairman of the Committee was present at the last Annual General Meeting held on September 24, 2018.

Terms of Reference

The Board of Directors has constituted a Corporate Social Responsibility Committee as required

under Section 135 of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time. The Committee is responsible for recommending to the Board the Corporate Social Responsibility Policy ("CSR Policy") and the Corporate Social Responsibilities initiatives and it also monitors implementation of the activities undertaken as per the CSR Policy.

The Company has formulated CSR Policy, which is uploaded on the website of the Company (www.primesec.com).

e) Risk Management Committee

The Board of Directors had constituted a Risk Management Committee as required under The provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The Committee is responsible for framing, implementing and monitoring the risk management plan for the Company. No Meeting of the Members of the Risk Management Committee was held during the Financial Year 2018-19.

The Company Secretary acts as the Secretary to the Committee.

5. General Body Meetings

(a) Location and Time, where the last Three Annual General Meetings were held:

| Financial Year | Date | Location of the meeting | Time |
|----------------|--------------------|--|------------|
| 2017-2018 | September 24, 2018 | Victoria Memorial School for the Blind, Mumbai | 2.00 p.m. |
| 2016-2017 | September 25, 2017 | Victoria Memorial School for the Blind, Mumbai | 10.00 a.m. |
| 2015-2016 | September 19, 2016 | Victoria Memorial School for the Blind, Mumbai | 10.00 a.m. |

(b) Whether any Special Resolutions passed in the previous Three Annual General Meetings:

Special Resolutions were passed by the Shareholders at the 35th Annual General Meeting of the Company held on September 24, 2018 for (i) Revision in Remuneration to Mr. N. Jayakumar, Managing Director and Group CEO; (ii) Appointment of Mr. Vineet Suri as Executive Director and Payment of Remuneration; (iii) Alteration and Adoption of Memorandum and Articles of Association; (iv) Implementation of Employee Stock Option Scheme 2018; (v) Extension of benefits of Employee Stock Option Scheme 2018 to the Eligible Employees / Directors of the Subsidiaries and (vi) Granting of Options exceeding 1% of Issued Capital to identified Employees under Employee Stock Option Scheme 2018.

Special Resolutions were passed by the Shareholders at the 34th Annual General Meeting of the Company held on September 25,

4. Meeting of Independent Directors

The Independent Directors on the Board of Directors of Company met twice on February 14, 2019 and March 29, 2019 inter alia for the following:

- Review the performance of the Non-Independent Director and the Board of Directors as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

2017 for (i) Remuneration to Mr. N. Jayakumar as Managing Director.

Special Resolutions were passed by the Shareholders at the 33rd Annual General Meeting of the Company held on September 19, 2016 for (i) Re-appointment of Mr. N. Jayakumar as Managing Director; (ii) Alteration of Articles of Association; (iii) Place of Keeping Records at the place other than Registered Office; (iv) Payment of Commission to Non-Executive Directors and (v) Service of documents to Member through a particular mode.

All the resolutions, including Special Resolutions, if any, set out in the respective Notices were passed by the shareholders with requisite majority.

(c) Whether any Special Resolution passed last year through Postal Ballot and the person who conducted the Postal Ballot exercise:

During the year under review, no Special Resolutions were passed through the Postal Ballot.

(d) Whether any Special Resolution is proposed to be conducted through Postal Ballot and procedure for Postal Ballot

No Special Resolutions are proposed to be passed through the Postal Ballot and any Special Resolutions proposed to be passed through Postal Ballot in the Current Year will be done in accordance with the provisions of the prescribed law.

6. Disclosures

(a) Materially significant Related Party Transactions:

There are no materially significant Related Party Transactions entered into during the Financial Year by the Company with its Directors or Management, their Subsidiaries or Relatives that may have a potential conflict with the interests of the Company at large. All Related Party Transactions are at arm's length and in the ordinary course of business. Transactions with the Related Parties are disclosed in notes to the Audited Financial Statements forming part of this Annual Report. The Company has formulated a Policy of dealing with Related Party Transactions, which is available on the website of the Company (www.primesec.com).

(b) Material Subsidiary:

The Company has formulated a policy for determining Material Subsidiaries, which is available on the website of the Company (www.primesec.com).

(c) Penalties, strictures for non-compliance:

During the last Three Years, there were no penalties, strictures imposed on the Company, by either the Stock Exchanges or SEBI or any other statutory authorities for non-compliance of any matter related to the Capital Markets.

(d) Whistle Blower Policy:

The Company has established a Vigil Mechanism (Whistle Blower Policy) for Directors and Employees to report genuine concerns, which provides for adequate safeguards against victimization of persons who avails such mechanism. A copy of the Whistle Blower Policy is available on the website of the Company (www.primesec.com). No personnel of the Company have been denied access to the Audit Committee.

(e) Code of Conduct for Prohibition of Insider Trading:

In accordance with the Securities and Exchange

Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading duly approved by the Board of Directors of the Company and the Company Secretary has been appointed as the Compliance Officer for the purpose of ensuring compliance with the Code of Conduct.

(f) Compliance with mandatory and non-mandatory requirements:

The Company has complied with all the mandatory requirements of this clause except as stated otherwise in this report. The extent of adoption of non-mandatory requirements has been stated separately in this report.

7. Code of Conduct

The Board of Directors has adopted the Code of Conduct for all Board Members and Senior Management of the Company. The said Code of Conduct has been communicated to all Board Members and Senior Management and they have confirmed the annual compliance with the Code of Conduct. A declaration to that extent signed by Managing Director and Group CEO, forms part of this Annual Report of the Company. The Code of Conduct has also been displayed on the website of the Company (www.primesec.com).

8. Means of Communication

1. The Board of Directors of the Company approves and takes on record the Quarterly, Half-yearly and Yearly Financial Results in accordance with the provisions of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.
2. The Quarterly, Half-yearly and Yearly Financial Results of the Company, as approved by the Board of Directors of the Company, are communicated to all the Stock Exchanges, where the shares of the Company are listed and published in the Mumbai edition of Free Press Journal & Navsakti within the stipulated time. The same are not sent individually to each Shareholder.
3. The Company's Financial Results and other official news release are displayed on the Company's website (www.primesec.com).
4. At present, no formal presentations are made to analysts.

9. General Shareholder Information

| | | |
|--|------|---|
| ● AGM: Date, Time and Venue | : | Friday, September 27, 2019 at 10.00 a.m. at Victoria Memorial School for the Blind, Tardeo Road, Opp. Film Centre, Mumbai 400034 |
| ● Financial Calendar | : | Financial Year– April 1, 2019 to March 31, 2020 |
| | i) | First Quarter ending June 30, 2019– on or before August 14, 2019 |
| | ii) | Second Quarter & Half-year ending September 30, 2019– on or before November 14, 2019 |
| | iii) | Third Quarter & Nine Months ended December 31, 2019– on or before February 14, 2020 |
| | iv) | Fourth Quarter and Year ended March 31, 2020– during April 2020 to May 2020. |
| ● Date of Book Closure | : | Saturday, September 21, 2019 to Friday, September 27, 2019 (both days inclusive) |
| ● Dividend payment date | : | N.A. |
| ● Listing on Stock Exchanges | : | The Bombay Stock Exchange Limited ("BSE") and The National Stock Exchange of India ("NSE"). The Company has paid the Listing Fees for the Financial Year 2019-2020 |
| ● Stock Code – Physical | : | BSE: 500337 / NSE: PRIMESECU |
| Demat ISIN number for NSDL and CDSL | : | INE032B01021 |
| ● CIN | : | L67120MH1982PLC026724 |
| ● Market price data: high, low during each month in last FY | : | As per Annexure "I" |
| ● Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index, etc | : | As per Annexure "II" |
| ● Registrar and Transfer Agent | : | Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Tel: +91-22- 49186270, Fax: +91-22-49186060, Email: rnt.helpdesk@linkintime.co.in |
| ● Share Transfer System | : | The Company Secretary or the Managing Director of the Company are authorised to approve the transfer of share and the same are generally registered / confirmed within 15 days of receipt, provided the documents are clear in all aspects. The said transfers are then noted at the subsequent stakeholder's relationship committee meeting. |
| ● Distribution of Shareholding | : | As per Annexure "III" |
| ● Shareholding Pattern | : | As per Annexure "IV" |
| ● Top 10 Shareholders | : | As per Annexure "V" |

| | | |
|--|---|---|
| ● Dematerialisation of Shares and liquidity | : | 95.03% of the total shareholding has been dematerialized as on March 31, 2019 |
| ● Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact of equity | : | None |

NON-MANDATORY REQUIREMENTS

1. The Board

The Company has a Non-Executive Chairman. The Chairman is not entitled to maintain an office at the Company's expenses. However, the Company reimburses expenses, if any, incurred by him in the performance of his duties.

2. Shareholders' Rights

The Quarterly and Half-yearly Results are published in the newspapers in terms of the provisions of Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and are also available on the website of the Company (www.primesec.com) and the Company is not sending the Quarterly and Half-yearly Results to Individual Shareholder.

3. Audit Qualification

Modified and Unmodified Opinions expressed by the Statutory Auditors in their Report are self-explanatory and therefore do not call for any further explanation.

4. Separate post of Chairman and CEO

The posts of Chairman and Managing Director are separate.

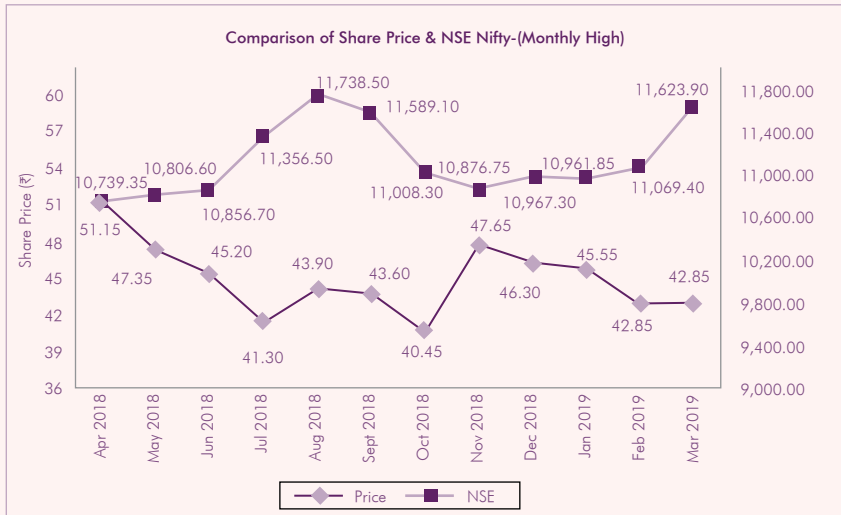
5. Reporting of Internal Auditor

The Company has appointed Internal Auditor pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The Internal Audit plan is approved by the Audit Committee and the Internal Auditor presents their Internal Audit Report directly to the Audit Committee.

Annexure I to Report on Corporate Governance Market Price Data: High / Low from April 2018 to March 2019

| Month | BSE | | | NSE | | |
|----------------|----------|---------|---------------|----------|---------|---------------|
| | High (₹) | Low (₹) | Volume (Nos.) | High (₹) | Low (₹) | Volume (Nos.) |
| April 2018 | 51.15 | 44.40 | 3,65,154 | 51.15 | 44.20 | 11,07,852 |
| May 2018 | 47.50 | 39.40 | 2,58,461 | 47.35 | 39.50 | 9,79,986 |
| June 2018 | 45.05 | 36.35 | 5,11,976 | 45.20 | 36.30 | 10,96,988 |
| July 2018 | 40.80 | 34.50 | 6,03,718 | 41.30 | 34.70 | 6,73,547 |
| August 2018 | 44.40 | 38.35 | 7,24,120 | 43.90 | 38.10 | 17,42,069 |
| September 2018 | 44 | 36.05 | 2,68,869 | 43.60 | 36.30 | 8,59,396 |
| October 2018 | 40.45 | 32.35 | 6,67,753 | 40.45 | 32.30 | 12,09,363 |
| November 2018 | 47.45 | 37.65 | 9,88,685 | 47.65 | 37.85 | 11,33,777 |
| December 2018 | 46.50 | 38.85 | 6,91,961 | 46.30 | 38.60 | 8,98,627 |
| January 2019 | 46.10 | 40.40 | 9,16,964 | 45.55 | 40.45 | 13,19,572 |
| February 2019 | 42.95 | 38.80 | 8,74,126 | 42.85 | 39.10 | 10,99,381 |
| March 2019 | 42.95 | 39.70 | 5,37,361 | 42.85 | 39.85 | 5,74,338 |

Annexure II to Report on Corporate Governance



Annexure III to Report on Corporate Governance Distribution of Shareholding (As on March 31, 2019)

| Number of Equity Shares held | Number of Shareholders | Percentage of Shareholders | Number of Shares Held | Percentage of Shareholdings |
|------------------------------|------------------------|----------------------------|-----------------------|-----------------------------|
| Upto 500 | 19954 | 89.42 | 2,731,598 | 10.30 |
| 501 – 1,000 | 1034 | 4.63 | 866,391 | 3.27 |
| 1,001 – 2,000 | 537 | 2.41 | 840,589 | 3.17 |
| 2,001 – 3,000 | 204 | 0.91 | 524,249 | 1.98 |
| 3,001 – 4,000 | 96 | 0.43 | 346,808 | 1.31 |
| 4,001 – 5,000 | 106 | 0.48 | 500,050 | 1.89 |
| 5,001 – 10,000 | 193 | 0.86 | 1,465,610 | 5.53 |
| Above 10,000 | 193 | 0.86 | 19,240,030 | 72.55 |
| Total | 23,317 | 100.00 | 26,515,325 | 100.00 |

Annexure IV to Report on Corporate Governance Shareholding Pattern of the Company (As on March 31, 2019)

| Category | | Number of Shares | % of Share Capital |
|----------|---|------------------|--------------------|
| A | Shareholding of Promoter and Promoter Group | | |
| | 1) Indian | Nil | Nil |
| | 2) Foreign | Nil | Nil |
| | Sub-Total | Nil | Nil |
| B | Public Shareholding | | |

| Category | | Number of Shares | % of Share Capital |
|----------|---|------------------|--------------------|
| 1) | Institutions | | |
| a) | Mutual Funds & UTI | 10,400 | 0.04 |
| b) | Financial Institutions / Banks | 6,202 | 0.02 |
| c) | Foreign Institutional Investors / Foreign Portfolio Investors | 10,300 | 0.04 |
| d) | Any Other (Foreign Banks) | 900 | 0.00 |
| | Sub-Total | 27,802 | 0.10 |
| 2) | Non-Institutions | | |
| a) i) | Individual Shareholders holding nominal share capital upto ₹2 lac | 8,280,882 | 31.24 |
| ii) | Individual Shareholders holding nominal share capital in excess of ₹2 lac | 11,807,254 | 44.54 |
| b) | NBFCs | 300 | 0.00 |
| c) | Bodies Corporate | 4,593,583 | 17.32 |
| d) | Clearing Members | 422,458 | 1.59 |
| e) | Hindu Undivided Family | 382,967 | 1.44 |
| f) | Non Resident Indians | 971,379 | 3.66 |
| g) | Overseas Bodies Corporate | 28,600 | 0.11 |
| h) | Trusts | 100 | 0.00 |
| | Sub-Total | 26,487,523 | 99.90 |
| | Grand Total | 26,515,325 | 100.00 |

**Annexure V to Report on Corporate Governance
Top 10 Shareholders of the Company (As on March 31, 2019)**

| Sr. No. | Name of Shareholder | Category | Number of Shares held | % of Total Equity Share Capital |
|---------|--|----------|-----------------------|---------------------------------|
| 1. | N. Jayakumar | Public | 3,364,759 | 12.69 |
| 2. | Judith Investments Private Limited | Public | 1,783,497 | 6.73 |
| 3. | Bonanza Portfolio Limited | Public | 1,152,198 | 4.35 |
| 4. | Abhay Agarwal | Public | 759,068 | 2.86 |
| 5. | Koppara Sajeev Thomas | Public | 750,000 | 2.83 |
| 6. | Pashupati Capital Services Private Limited | Public | 655,000 | 2.47 |
| 7. | Mohit Oswal | Public | 629,856 | 2.38 |
| 8. | Navin Khandelwal | Public | 500,945 | 1.89 |
| 9. | Apeksha Chopra | Public | 431,000 | 1.63 |
| 10. | Akshay Gupta | Public | 401,990 | 1.52 |
| | Total | | 9,786,256 | 36.91 |

For and on behalf of the Board of Directors

Mumbai
August 14, 2019

Pradip Dubhashi
Chairman

N. Jayakumar
Managing Director and Group CEO

Compliance Certification

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

(Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors

Prime Securities Limited

Mumbai

Dear Sir / Madam,

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and all Senior Management Personnel in terms of the provisions of the Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct is posted on the Company's website.

I confirm that, pursuant to the provisions of the Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2019.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Board of Directors as on March 31, 2019.

N. Jayakumar

Managing Director & Group CEO

Mumbai,

August 14, 2019

CEO / CFO Certification

[Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

The Board of Directors

Prime Securities Limited

Mumbai

This is to certify that:

- (a) We have reviewed the Audited Financial Statements and the Cash Flow Statement for the Year 4A ended March 31, 2019 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Year ended March 31, 2019, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, the deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that:
 - (i) There are no significant changes in internal controls during the Year ended March 31, 2019
 - (ii) There are no significant changes in Accounting Policies during the Year ended March 31, 2019; and
 - (iii) We have not become aware of any instances of significant fraud, having the involvement of the Management or an Employee, having a significant role in the Company's internal control system over financial reporting.

N. Jayakumar

Managing Director and Group CEO

Mumbai, August 14, 2019

Nikhil Shah

Head – Accounts and Finance

Auditor's Certificate on Corporate Governance

*(Certificate on Compliance with the condition of Corporate
Governance as per the provision of Chapter IV of the SEBI (Listing
Obligations and Disclosure Requirements) Regulations, 2015*

To,

The Members of **Prime Securities Limited**

We have examined the compliance of of corporate governance by Prime Securities Limited for the year ended on March 31, 2019 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the corporate governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In Our Opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the provisions as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which management has conducted the affairs of the Company.

Pramod S. Shah & Associates
Practicing Company Secretaries

Mumbai
August 14, 2019

Pramod S. Shah
Partner
Membership No: FCS-334
C.P. No: 3804

Annexure 3 to Director's Report

Form No. Mgt - 9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

i) CIN: L67120MH1982PLC026724

ii) Registration Date: 20-Mar-1982

iii) Name of the Company: **Prime Securities Limited**

iv) Category / Sub-Category of the Company: **Company Limited by Shares**

v) Address of the Registered office and contact details:

1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021

vi) Whether listed company: **Yes**

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

"Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400083, Tel: +91-22-49186270, Fax: +91-22-49186060"

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| Sr No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|--|--|------------------------------------|
| 1 | Merchant Banking | Group 649 / Class 6499 / Sub-class 64990 | 100% |

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Sections |
|--------|--|-----------------------|--------------------------------|------------------|---------------------|
| 1 | Primesec Investments Limited 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 | U67100MH2007PLC175947 | Subsidiary Company | 100% | Section 2 (87) |
| 2 | Prime Commodities Broking (India) Limited, 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 | U67120MH2006PLC161313 | Subsidiary Company | 100% | Section 2 (87) |
| 3 | Prime Research & Adviosry Limited, 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 | U65990MH1993PLC071007 | Subsidiary Company | 100% | Section 2 (87) |
| 4 | Prime Funds Management Limited 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 | U65990MH2018PLC318439 | Subsidiary Company | 100% | Section 2 (87) |

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01-Apr-2018) | | | | No. of Shares held at the end of the year (As on 31-Mar-2019) | | | | % Change during the year |
|---|--|----------|----------|-------------------|--|----------|--------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt (s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1) | - | - | - | - | - | - | - | - | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | - | - | - | - | - | - | - | - | - |
| b) Other-Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter (A)=(A)(1)+(A)(2) | - | - | - | - | - | - | - | - | - |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 100 | 10,300 | 10,400 | 0.04 | 100 | 10,300 | 10,400 | 0.04 | - |
| b) Banks / FI | 27,483 | 3,100 | 30,583 | 0.12 | 3,102 | 3,100 | 6,202 | 0.02 | (0.09) |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs/Foreign Portfolio Investors | 1,37,434 | 10,300 | 1,47,734 | 0.56 | - | 10,300 | 10,300 | 0.04 | (0.52) |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (Specify) | | | | | | | | | |
| Foreign Portfolio Investors | - | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01-Apr-2018) | | | | No. of Shares held at the end of the year (As on 31-Mar-2019) | | | | % Change during the year |
|---|--|------------------|--------------------|-------------------|--|------------------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| Foreign Banks | - | 900 | 900 | 0.00 | - | 900 | 900 | 0.00 | - |
| Sub-total (B) (1) | 1,65,017 | 24,600 | 1,89,617 | 0.72 | 3,202 | 24,600 | 27,802 | 0.10 | (0.61) |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 48,51,665 | - | 48,51,665 | 18.30 | 45,93,583 | - | 45,93,583 | 17.32 | (0.97) |
| ii) Overseas | - | 28,600 | 28,600 | 0.11 | - | 28,600 | 28,600 | 0.11 | - |
| b) Individuals | | | | | | | | | - |
| i) Individual shareholders holding nominal share capital upto ₹1 lakh | 73,97,290 | 12,25,064 | 86,22,354 | 32.52 | 62,37,569 | 11,83,364 | 74,20,933 | 27.99 | (4.53) |
| i) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 1,00,07,621 | 79,400 | 1,00,87,021 | 38.04 | 1,25,87,803 | 79,400 | 1,26,67,203 | 47.77 | 9.73 |
| c) Others (Specify) | | | | | | | | | |
| NBFCs | - | - | - | - | 300 | - | 300 | 0.00 | 0.00 |
| Clearing Members | 13,53,018 | - | 13,53,018 | 5.10 | 4,22,458 | - | 4,22,458 | 1.59 | (3.51) |
| HUFs | 3,92,045 | - | 3,92,045 | 1.48 | 3,82,967 | - | 3,82,967 | 1.44 | (0.03) |
| Foreign Nationals | 9,88,405 | 2,500 | 9,90,905 | 3.74 | 9,68,879 | 2,500 | 9,71,379 | 3.66 | (0.07) |
| Trusts | 100 | - | 100 | - | 100 | - | 100 | 0.00 | 0.00 |
| Sub-total (B) (2) | 2,49,90,144 | 13,35,564 | 2,63,25,708 | 99.28 | 2,51,93,659 | 12,93,864 | 2,64,87,523 | 99.90 | 0.61 |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | 2,51,55,161 | 13,60,164 | 2,65,15,325 | 100.00 | 2,51,96,861 | 13,18,464 | 2,65,15,325 | 100.00 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 2,51,55,161 | 13,60,164 | 2,65,15,325 | 100.00 | 2,51,96,861 | 13,18,464 | 2,65,15,325 | 100.00 | 0.00 |

ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year (As on 01-Apr-2018) | | | Shareholding at the end of the year (As on 31-Mar-2019) | | | % Change during the year |
|---------|--------------------|---|----------------------------------|--|---|----------------------------------|--|--------------------------|
| | | No. of Shares | % of total shares of the Company | % of shares pledged / encumbered to total shares | No. of Shares | % of total shares of the Company | % of shares pledged / encumbered to total shares | |
| | | | | Nil | | | | |
| | Total | | | | | | | |

iii) Change in Promoters' Shareholding as on 31-Mar-2019 (please specify, if there is no change)

| | Shareholding at the beginning of the year (As on 01-Apr-2018) | | Shareholding at the end of the year (As on 31-Mar-2019) | |
|---|---|----------------------------------|---|----------------------------------|
| | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| At the beginning of the year | Not Applicable | | | |
| Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | | | | |
| At the end of the year | | | | |

iv) Shareholding Pattern of top ten Shareholders as on 31-Mar-2019 (other than Directors, Promoters and Holders of GDRs and ADRs)

| For Each of the Top 10 Shareholders | | | Shareholding at the beginning of the year (As on 01-Apr-2018) | | Shareholding at the end of the year (As on 31-Mar-2019) | |
|---------------------------------------|------------|----------|---|----------------------------------|---|----------------------------------|
| | | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1. Judith Investments Private Limited | | | 17,83,497 | 6.73 | 17,83,497 | 6.73 |
| 2. Bonanza Portfolio Limited | | | 1,503 | 0.01 | 11,52,198 | 4.35 |
| 06/04/18 | 1,886 | Purchase | | | | |
| 13/04/18 | (2,154) | Sale | | | | |
| 20/04/18 | (10) | Sale | | | | |
| 27/04/18 | 200 | Purchase | | | | |
| 04/05/18 | (400) | Sale | | | | |
| 11/05/18 | 955 | Purchase | | | | |
| 25/05/18 | 182 | Purchase | | | | |
| 01/06/18 | 552 | Purchase | | | | |
| 08/06/18 | (25) | Sale | | | | |
| 15/06/18 | (815) | Sale | | | | |
| 22/06/18 | 41 | Purchase | | | | |
| 30/06/18 | (247) | Sale | | | | |
| 06/07/18 | 431 | Purchase | | | | |
| 13/07/18 | (189) | Sale | | | | |
| 20/07/18 | 289 | Purchase | | | | |
| 27/07/18 | 175 | Purchase | | | | |
| 03/08/18 | (975) | Sale | | | | |
| 10/08/18 | 50 | Purchase | | | | |
| 17/08/18 | (1,149) | Sale | | | | |
| 31/08/18 | 211 | Purchase | | | | |
| 07/09/18 | 4,789 | Purchase | | | | |
| 14/09/18 | (5,000) | Sale | | | | |
| 29/09/18 | (300) | Sale | | | | |
| 05/10/18 | 4,800 | Purchase | | | | |
| 12/10/18 | 5,10,900 | Purchase | | | | |
| 26/10/18 | 74,346 | Purchase | | | | |
| 02/11/18 | 50,000 | Purchase | | | | |
| 16/11/18 | (1,00,200) | Sale | | | | |
| 21/12/18 | 1,000 | Purchase | | | | |
| 18/01/19 | (44,050) | Sale | | | | |
| 08/02/19 | (2,89,600) | Sale | | | | |
| 15/02/19 | (278) | Sale | | | | |
| 22/02/19 | (50,122) | Sale | | | | |
| 01/03/19 | (1,000) | Sale | | | | |
| 29/03/19 | 9,96,402 | Purchase | | | | |
| 3. Abhay Agarwal | | | 11,47,765 | 4.33 | 7,59,068 | 2.86 |
| 20/04/18 | (5,000) | Sale | | | | |
| 20/07/18 | (12,735) | Sale | | | | |
| 03/08/18 | 25,000 | Purchase | | | | |
| 10/08/18 | 590 | Purchase | | | | |
| 17/08/18 | 923 | Purchase | | | | |

| For Each of the Top 10 Shareholders | | | Shareholding at the beginning of the year (As on 01-Apr-2018) | | Shareholding at the end of the year (As on 31-Mar-2019) | |
|---|----------|----------|---|----------------------------------|---|----------------------------------|
| | | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 24/08/18 | 1,000 | Purchase | | | | |
| 21/09/18 | (12,200) | Sale | | | | |
| 02/11/18 | (32,088) | Sale | | | | |
| 16/11/18 | (20,462) | Sale | | | | |
| 23/11/18 | (15,494) | Sale | | | | |
| 30/11/18 | (17,500) | Sale | | | | |
| 07/12/18 | (5,000) | Sale | | | | |
| 14/12/18 | (29,685) | Sale | | | | |
| 21/12/18 | (36,156) | Sale | | | | |
| 28/12/18 | (27,324) | Sale | | | | |
| 31/12/18 | (5,680) | Sale | | | | |
| 04/01/19 | (17,360) | Sale | | | | |
| 15/02/19 | (51,513) | Sale | | | | |
| 22/02/19 | (29,339) | Sale | | | | |
| 01/03/19 | (3,035) | Sale | | | | |
| 08/03/19 | (12,461) | Sale | | | | |
| 15/03/19 | (66,639) | Sale | | | | |
| 22/03/19 | (15,064) | Sale | | | | |
| 29/03/19 | (1,475) | Sale | | | | |
| 4. Koppara Sajeev Thomas | | | 7,50,000 | 2.83 | 7,50,000 | 2.83 |
| 5. Pashupati Capital Services Private Limited | | | - | - | 6,55,000 | 2.47 |
| 04/05/18 | 8 | Purchase | | | | |
| 18/05/18 | (8) | Sale | | | | |
| 31/12/18 | 1,000 | Purchase | | | | |
| 08/02/19 | 6,54,000 | Purchase | | | | |
| 6. Mohit Oswal | | | 4,73,632 | 1.79 | 6,29,856 | 2.38 |
| 18/05/18 | 10,000 | Purchase | | | | |
| 25/05/18 | 4,201 | Purchase | | | | |
| 01/06/18 | 799 | Purchase | | | | |
| 30/06/18 | 9,594 | Purchase | | | | |
| 06/07/18 | 63,817 | Purchase | | | | |
| 27/07/18 | 9,127 | Purchase | | | | |
| 17/08/18 | (28,000) | Sale | | | | |
| 14/09/18 | 542 | Purchase | | | | |
| 21/09/18 | 35,057 | Purchase | | | | |
| 29/09/18 | 29,106 | Purchase | | | | |
| 05/10/18 | 15,348 | Purchase | | | | |
| 12/10/18 | 10,100 | Purchase | | | | |
| 26/10/18 | 2 | Purchase | | | | |
| 09/11/18 | 5,000 | Purchase | | | | |
| 16/11/18 | (469) | Sale | | | | |
| 30/11/18 | (5,000) | Sale | | | | |
| 07/12/18 | (3,000) | Sale | | | | |

| For Each of the Top 10 Shareholders | Shareholding at the beginning of the year (As on 01-Apr-2018) | | Shareholding at the end of the year (As on 31-Mar-2019) | |
|-------------------------------------|---|----------------------------------|---|----------------------------------|
| | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 7. Naveen Khandelwal | - | - | 5,00,945 | 1.89 |
| 23/11/18 89,523 Purchase | | | | |
| 11/01/19 50,000 Purchase | | | | |
| 22/02/19 20,000 Purchase | | | | |
| 08/03/19 2,000 Purchase | | | | |
| 15/03/19 2,96,826 Purchase | | | | |
| 29/03/19 40,000 Purchase | | | | |
| 30/03/19 2,596 Purchase | | | | |
| 8. Apeksha Chopra | 3,00,000 | 1.13 | 4,31,000 | 1.63 |
| 20/04/18 24,100 Purchase | | | | |
| 18/05/18 1,00,000 Purchase | | | | |
| 20/07/18 900 Purchase | | | | |
| 15/02/19 6,000 Purchase | | | | |
| 9. Akshay Gupta | 2,21,708 | 0.84 | 4,01,990 | 1.52 |
| 27/04/18 10,000 Purchase | | | | |
| 25/05/18 19,992 Purchase | | | | |
| 01/06/18 13,990 Purchase | | | | |
| 08/06/18 7,500 Purchase | | | | |
| 15/06/18 55,622 Purchase | | | | |
| 22/06/18 22,857 Purchase | | | | |
| 13/07/18 21 Purchase | | | | |
| 31/08/18 5,000 Purchase | | | | |
| 21/09/18 15,000 Purchase | | | | |
| 29/09/18 5,000 Purchase | | | | |
| 05/10/18 10,300 Purchase | | | | |
| 26/10/18 10,000 Purchase | | | | |
| 07/12/18 5,000 Purchase | | | | |
| 10. Global Worth Securities Limited | 9,68,895 | 3.65 | - | - |
| 06/04/18 (18,500) Sale | | | | |
| 20/04/18 35,134 Purchase | | | | |
| 18/05/18 (21,634) Sale | | | | |
| 01/06/18 1,466 Purchase | | | | |
| 30/06/18 (14,454) Sale | | | | |
| 06/07/18 (3,65,000) Sale | | | | |
| 27/07/18 3,65,000 Purchase | | | | |
| 03/08/18 26,093 Purchase | | | | |
| 17/08/18 5,000 Purchase | | | | |
| 24/08/18 1,50,000 Purchase | | | | |
| 07/09/18 (11,500) Sale | | | | |
| 14/09/18 (84,500) Sale | | | | |
| 21/09/18 8,489 Purchase | | | | |
| 29/09/18 (10,489) Sale | | | | |
| 05/10/18 8,912 Purchase | | | | |
| 26/10/18 (11,115) Sale | | | | |

| For Each of the Top 10 Shareholders | | | Shareholding at the beginning of the year (As on 01-Apr-2018) | | Shareholding at the end of the year (As on 31-Mar-2019) | |
|---|------------|----------|---|----------------------------------|---|----------------------------------|
| | | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 02/11/18 | (40,881) | Sale | | | | |
| 09/11/18 | (1,351) | Sale | | | | |
| 16/11/18 | (7,505) | Sale | | | | |
| 23/11/18 | 12,500 | Purchase | | | | |
| 30/11/18 | (42,709) | Sale | | | | |
| 21/12/18 | (5,000) | Sale | | | | |
| 11/01/19 | 82,500 | Purchase | | | | |
| 18/01/19 | 19,050 | Purchase | | | | |
| 01/02/19 | (3,30,000) | Sale | | | | |
| 08/02/19 | (5,31,110) | Sale | | | | |
| 15/02/19 | 35,000 | Purchase | | | | |
| 22/02/19 | (42,291) | Sale | | | | |
| 15/03/19 | (1,80,000) | Sale | | | | |
| 11. Multiplier Share & Stock Advisors Private Limited | | | 7,06,000 | 2.66 | 2,02,500 | 0.76 |
| 30/06/18 | (1,000) | Sale | | | | |
| 06/07/18 | 4,20,000 | Purchase | | | | |
| 13/07/18 | (25,000) | Sale | | | | |
| 27/07/18 | (6,35,000) | Sale | | | | |
| 17/08/18 | (2,500) | Sale | | | | |
| 24/08/18 | 3,000 | Purchase | | | | |
| 07/09/18 | 13,500 | Purchase | | | | |
| 14/09/18 | (16,446) | Sale | | | | |
| 21/09/18 | (54) | Sale | | | | |
| 29/09/18 | 53 | Purchase | | | | |
| 05/10/18 | (25) | Sale | | | | |
| 12/10/18 | (2,60,000) | Sale | | | | |
| 26/10/18 | (28) | Sale | | | | |
| 16/11/18 | 3,000 | Purchase | | | | |
| 30/11/18 | 17,000 | Purchase | | | | |
| 07/12/18 | (8,718) | Sale | | | | |
| 14/12/18 | 3,718 | Purchase | | | | |
| 21/12/18 | (10,000) | Sale | | | | |
| 01/02/19 | 70,000 | Purchase | | | | |
| 08/02/19 | 1,56,550 | Purchase | | | | |
| 22/02/19 | 250 | Purchase | | | | |
| 01/03/19 | 500 | Purchase | | | | |
| 15/03/19 | 11,560 | Purchase | | | | |
| 22/03/19 | 3,50,000 | Purchase | | | | |
| 29/03/19 | (5,93,860) | Sale | | | | |
| 12. Suresh Madhava Hegde | | | 3,00,000 | 1.13 | 2,00,000 | 0.75 |
| 10/08/18 | (50,000) | Sale | | | | |
| 17/08/18 | (50,000) | Sale | | | | |
| 13. Wisdom Global Enterprises Limited | | | 2,50,000 | 0.94 | 2,50,000 | 0.94 |
| 14. Bakulesh Trambaklal Shah | | | 1,33,500 | 0.50 | - | - |

v) Shareholding of Directors and Key Managerial Personnel as on 31-Mar-2019

| For Each of the Directors and KMP | | | Shareholding at the beginning of the year (As on 01-Apr-2018) | | Shareholding at the end of the year (As on 31-Mar-2019) | |
|-----------------------------------|----------|----------|---|----------------------------------|---|----------------------------------|
| | | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1. N. Jayakumar | | | 31,24,759 | 11.78 | 33,54,759 | 12.65 |
| 15-06-2018 | 25,000 | Purchase | | | | |
| 30-06-2018 | 1,50,000 | Purchase | | | | |
| 29-09-2018 | 10,000 | Purchase | | | | |
| 29-03-2018 | 45,000 | Purchase | | | | |
| 2. S. R. Sharma | | | - | - | 1,000 | 0.00 |
| 04-05-2018 | 1,000 | Purchase | | | | |
| 3. Ajay Shah | | | 6,100 | 0.02 | 6,100 | 0.02 |

V INDEBTEDNESS (Indebtedness of the Company including interest outstanding/accrued but not due for payment)

(₹ in Lacs)

| | | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|------------------------------|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | | |
| i) | Principal Amount | 209.29 | 252.00 | - | 461.29 |
| ii) | Interest due but not paid | - | - | - | - |
| iii) | Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | | 209.29 | 252.00 | - | 461.29 |
| Change in Indebtedness during the financial year | | | | | |
| • | Addition | 33.00 | 432.13 | - | 465.13 |
| • | Reduction | 213.39 | 514.13 | - | 727.52 |
| Net Change | | (180.39) | (82.00) | - | (262.39) |
| Indebtedness at the end of the financial year | | | | | |
| i) | Principal Amount | 28.90 | 170.00 | - | 198.90 |
| ii) | Interest due but not paid | - | - | - | - |
| iii) | Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | | 28.90 | 170.00 | - | 198.90 |

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lacs)

| Sr. No. | Particulars of Remuneration | Name of MD / WTD / Manager | Total Amount |
|---------|---|-------------------------------|--------------------------------|
| | | Managing Director | |
| | | N. Jayakumar | |
| 1 | Gross Salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 250.00 | 250.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1.05 | 1.05 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | Nil | Nil |
| 2 | Stock Option | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil |
| 4 | Commission | | - |
| | - as % of profit | Nil | Nil |
| | - others, specify | Nil | Nil |
| 5 | Others, please specify | Nil | Nil |
| | Total (A) | 251.05 | 251.05 |
| | Ceiling as per the Act | 5% of Net Profit / Schedule V | 10% of Net Profit / Schedule V |

B. Remuneration to other Directors (₹ in Lacs)

| Sr. No. | Particulars of Remuneration | Name of Director | | | | Total Amount |
|---------|--|-------------------------------|---------------|------------------|--------------|-------------------------------|
| | | Pradip Dubhashi | Alpana Parida | Smita Affinwalla | Anil Dharker | |
| 1 | Independent Directors | | | | | |
| | • Fee for attending board / committee meetings | 10.40 | 8.40 | 0.80 | 4.60 | 24.20 |
| | • Commission | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - |
| | Total (1) | 10.40 | 8.40 | 0.80 | 4.60 | 24.20 |
| 2 | Other Non-Executive Directors | | | | | |
| | • Fee for attending board / committee meetings | - | - | - | - | - |
| | • Commission | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - |
| | Total (2) | - | - | - | - | - |
| | Total (B) = (1+2) | 10.40 | 8.40 | 0.80 | 4.60 | 24.20 |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per the Act | 1% of Net Profit / Schedule V | | | | 3% of Net Profit / Schedule V |

B. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lacs)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | Total Amount |
|-----------|---|--------------------------|-------------|--------------|
| | | Company Secretary | CFO | |
| | | Ajay Shah | Nikhil Shah | |
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 39.41 | 16.31 | 55.72 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| | - as % of profit | - | - | - |
| | - others, specify | - | - | - |
| 5 | Others, please specify | - | - | - |
| Total (A) | | 39.41 | 16.31 | 55.72 |

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|---------------------------|--|-------------------|--|-------------------------------|------------------------------------|
| Company | | | | | |
| Penalty | No Penalties, Punishments or Compounding of Offences | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| Directors | | | | | |
| Penalty | No Penalties, Punishments or Compounding of Offences | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| Other Officers in Default | | | | | |
| Penalty | No Penalties, Punishments or Compounding of Offences | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

Mumbai
August 14, 2019

Pradip Dubhashi
Chairman

For and on behalf of the Board of Directors
N. Jayakumar
Managing Director and Group CEO

Annexure 4 to Director's Report

Annual Report on the CSR Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Corporate Social Responsibility ("CSR") forms an important part of the Prime Securities Limited's overall philosophy of giving back to the society. Prime Securities Limited ("the Company") is committed to bring about positive changes in the environment it operates. The guiding principles of the Company's CSR policy provide the businesses of the Company various means of achieving social integration.

The focus areas of our CSR initiatives are eradication of hunger, preventive healthcare, environment sustainability, women empowerment, girl education, child development and enhancing vocational skills. The CSR Policy of Prime Securities Limited is available on the Company's website (www.primesec.com).

The activities and funding are monitored internally by the Company.

2. The Composition of the CSR Committee:

The Board of Directors of your Company has constituted the CSR Committee of Directors. CSR Committee is formed as per the applicable laws

of the Companies Act, 2013 and the Committee is responsible for the implementation / monitoring and review of the policy and various projects / activities undertaken under the policy.

The Members of the Committee are:

- Mr. Pradip Dubhashi – Chairman (Independent Director)
- Ms. Namrata Kaul – Member (Independent Director)
- Mr. N. Jayakumar – Member (Managing Director & Group CEO)

3. Average Net Profit of the Company for last Three Financial Years:

The Average Net Profit of the Company, as per Section 198 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 ("CSR Rules"), for last Three Financial Years is ₹540.57 lacs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

₹10.81 lacs

5. Details of CSR Spent during the Financial Year:

a) Total amount to be spent for the Financial Year: ₹10.81 lacs;

b) Amount unspent: ₹10.81 lacs;

- c) Manner in which the amount was spent during the Financial Year 2018-19 (₹ in Lacs)

| Sr. No. | CSR Project / Program | Sector Covered | District and State where Project / Program was Undertaken | Amount Outlay (Budget) | Amount Spent | Cumulative Expenditure upto the reporting period | Amount spent: Direct / Through implementing agency |
|---------|-----------------------|----------------|---|------------------------|--------------|--|--|
| NONE | | | | | | | |

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

The Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. In accordance with the Company's CSR policy and in compliance with

the CSR Rules, the Company has undertaken number of CSR activities. During the year under review, the Company identified various projects with Non-Profit Organizations which are registered as Public Charitable Trust or incorporated under Section 8 of the Companies Act, 2013.

The Company's CSR initiatives are on the focus areas approved by the Board benefitting the community. However, the company has just

embarked on the journey of ascertained CSR programs. For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014,

it is hereby confirmed that the Corporate Social Responsibility Committee of the Board of Directors of Prime Securities Limited has implemented and monitored the CSR initiatives of Prime Securities Limited in line with CSR Objectives and Policy of the Company.

For and on behalf of the Board of Directors

Pradip Dubhashi

Chairman of CSR Committee

N. Jayakumar

Managing

Director

and Group CEO

Mumbai

August 14, 2019

CONTENTS OF CSR POLICY
(Approved by the Board of Directors of Prime Securities Limited at their meeting held on May 27, 2015)

Our aim is to be one of the most respected Companies in India delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities.

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

The Company's commitment to CSR projects and programs will be by investing resources into any of the following areas:

- Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;
- Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently unable & livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- Providing with hospital and dispensary facilities with more focus on clean and good sanitation

so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;

- Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;
- Employment enhancing vocational skills
- Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- Measures for the benefit of armed forces veterans, war widows & their dependents;
- Training to promote rural sports, nationally recognized sports, sports & Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
- Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- Rural development projects, etc
- Slum area development.

Annexure 5 to Directors' Report

Form No. MR-3
Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Prime Securities Limited,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Prime Securities Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - (e) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and amendments made from time to time;
 - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulation, 2009;
 - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 (**Not Applicable during the Audit Period**);
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 (**Not Applicable during the Audit Period**); and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998 (**Not Applicable during the Audit Period**)

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS-2)
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period, all the decisions in the Board Meetings were passed with requisite majority.

We have relied on the representation made by the

Company, its Officers and Reports of the Statutory Auditor for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above

We further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs.

Pramod S. Shah & Associates
(Practicing Company Secretaries)

Pramod S. Shah - Partner
Pramod S. Shah & Associates
FCS No.: F334
C P No.: 3804

Mumbai
August 14, 2019

Annexure 6 to Director's Report

Disclosure in Directors' Report

Pursuant to section 197(12) of the companies act, 2013 read with the companies (appointment and remuneration of managerial personnel), rules, 2014

| Sr. No. | Requirements | Disclosure | |
|---------|--|--|-------|
| | | Name of the Director | Ratio |
| 1. | The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year | N. Jayakumar, Managing Director and Group CEO | 15.89 |
| | | Pradip Dubhashi, Chairman | N.A. |
| | | Alpana Parida, Independent Director | N.A. |
| | | Namrata Kaul, Independent Director | N.A. |
| | | S. R. Sharma, Executive Director and Chief Financial Officer | Nil |
| | | Smita Affinwalla, Independent Director | N.A. |
| | | 1. The Median Remuneration of Employees of the Company was ₹15.80 lacs. | |
| | | 2. Independent Directors are not paid any remuneration except Sitting Fees, which has not been considered as remuneration. | |
| | | 3. Non-Executive Directors are not paid any remuneration as well as Sitting Fees. | |
| | | 4. Figures have been rounded off wherever necessary. | |
| 2. | The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year | N. Jayakumar, Managing Director and Group CEO | 89.39 |
| | | Pradip Dubhashi, Chairman | N.A. |
| | | Alpana Parida, Independent Director | N.A. |
| | | Namrata Kaul, Independent Director | N.A. |
| | | S. R. Sharma, Executive Director and Chief Financial Officer | N.A. |
| | | Smita Affinwalla, Independent Director | N.A. |
| | | Ajay Shah, Company Secretary | 19.99 |
| | | 1. Increase, if any, in remuneration is made as per appraisal system and Remuneration and Nomination Policy of the Company | |
| | | 2. Independent Directors are not paid any remuneration except Sitting Fees, which has not been considered as remuneration. | |
| | | 3. Non-Executive Directors are not paid any remuneration as well as Sitting Fees. | |

| Sr. No. | Requirements | Disclosure |
|---------|---|---|
| 3. | The percentage increase in the Median Remuneration of Employees in the Financial Year | During FY 2019, the percentage decrease in the median remuneration of employees as compared to previous year was 21.65. |
| 4. | The number of Permanent Employees on the rolls of Company | There were 8 employees as on March 31, 2019. |
| 5. | Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Average increase in remuneration is 19.33% for Employees other than Managerial Personnel and 77.82% for Managerial Personnel. |
| 6. | Affirmation that the remuneration is as per the remuneration policy of the Company. | Yes, it is confirmed. |

For and on behalf of the Board of Directors

Mumbai

August 14, 2019

Pradip Dubhashi

Chairman

N. Jayakumar

Managing Director and Group CEO

Annexure 8 to Director's Report

Employee Stock Option Scheme (ESOS)

*Disclosure pursuant to the provisions of the Securities and Exchange Board of India
(Share Based Employee Benefits) Regulations, 2014*

| Particulars | | ESOS 2018 | |
|-------------|--|--|--|
| a) | Options granted | 18,87,000 | |
| b) | Pricing formula | ₹34.70 per share (Fair value determined based on 10% discount to the three months average price, upto the Grant Date) | |
| c) | Options vested | Nil | |
| d) | Options exercised | Nil | |
| e) | The total number of shares arising as a result of exercise of option | Nil | |
| f) | Options lapsed | 5,12,000 | |
| g) | Variation of terms of options | Nil | |
| h) | Money raised by exercise of options | Nil | |
| i) | Total number of options in force | 13,75,000 | |
| j) | Employee wise details of options granted | | |
| | i) | Senior managerial personnel | Total 5,00,000 Options granted to 1 senior managerial personnel (employees one level below the Board of Directors including employees of subsidiaries) (Only summary given due to sensitive nature of information) |
| | ii) | Any other employee who receives a grant in any one year of option amounting to 5% or more of the option granted during that year | 4 employees has received Options more than 5% of the Options granted during the year, totalling 6,25,000 Options |
| | iii) | Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant | 2 identified employees granted Options exceeding 1% of the issued capital totalling 7,00,000 Options |
| k) | Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard AS20 Earnings Per Share | | ₹0.85 per share of face value of ₹5/- each |

| | | | |
|----|--|--|--|
| l) | i) | Method of calculation of employee compensation cost | Fair value method |
| | ii) | Difference between the employee compensation cost so computed at (i) above and cost that shall have been recognized if it had used the fair value of the options | Nil |
| | iii) | The impact of this difference on profits and on EPS of the Company | The net profit is lower by ₹48.86 lacs and basic & diluted EPS is lower by ₹0.14 per share |
| m) | Weighted average exercise price and weighted average fair value | | Weighted average exercise price – ₹34.70 |
| n) | Fair value of options based on Black Scholes methodology - assumptions | | Weighted average fair value – ₹41.10 |
| | Risk free rate | | 7.87% |
| | Expected life of options | | 6.5 years - 7.5 years |
| | Expected volatility | | 60.74% |
| | Expected dividends | | - |
| | Closing market price of share on date of option grant | | ₹44.35 |

For and on behalf of the Board of Directors

Mumbai
August 14, 2019

Pradip Dubhashi
Chairman

N. Jayakumar
Managing Director & Group CEO

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
PRIME SECURITIES LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

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

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

Basis for Qualified Opinion

As referred in Note 30, the Company has, in earlier financial year re-instated advance of Rs. 327.50 Lacs which was earlier written-off as not recoverable and which has not yet been realised. Accordingly, the loss in Surplus (Profit & Loss) is lower and Other Non-Current Asset is higher by the said amount.

We conducted our audit of the standalone financial statements in accordance with the Standards on

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

Emphasis of Matter

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

- a) As referred to in Note 29, the net worth of Company's subsidiary viz. Primesec Investments Limited has been eroded but having regard to the circumstances specified in the said Note, the subsidiary has prepared its accounts on a going concern basis. Relying on the same, the Company has not considered making any adjustments to its financial exposure in the subsidiary.
- b) As referred to in Note 31, the Company has not received confirmation of account from a debtor whose outstanding balance at the year-end is Rs. 500.00 Lacs. No provision for doubtful debt is considered necessary by the Company as in the opinion of its management the amount will be fully realized in ordinary course of business.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year. These matters were addressed in the

context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance

of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated

in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, *except for the effects of the matters described in paragraph of the Basis for Qualified Opinion paragraph*, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019

from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For GANDHI & ASSOCIATES LLP
Chartered Accountants
 (FRN:102965W/W100192)

[MILIND GANDHI]

Partner
 Membership No. 043194

Mumbai,
 May 18, 2019

ANNEXURE – A TO THE AUDITOR’S REPORT

The annexure referred to in Independent Auditors’ Report to the members of the Company on the financial statements for the year ended March 31, 2019 we report that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) As explained to us, all the fixed assets were physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us, no discrepancies were noticed on such physical verification.
c) According to the information and explanations given to us 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 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 that 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 a 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 therefore, clause 3(vi) of the Order is not applicable to the Company.
7. a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, income tax, goods and service tax and other statutory dues applicable to it though there has been few instances of minor delays in payment of goods and service tax. Further, according to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, income tax, goods and service tax and other statutory dues with the appropriate authorities outstanding at the end of the year for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, the particulars of statutory dues outstanding at the end of the year on account of a dispute are as follows:

| Statute | Assessment Year | Nature Dues | Forum before whom pending | Rs. Lacs |
|---------------------|-----------------|-------------|--|----------|
| Income Tax Act 1961 | 2006-2007 | Income Tax | Assessing Officer (Rectification Proceedings) | 13.18 |
| | 2009-2010 | | | 0.27 |

8. Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of its loans and borrowings to any financial institution and banks. The Company does not have any loan or borrowing from Government or debentureholders.
9. The Company did not raise any amount by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The Company has paid/provided for managerial remuneration in accordance with provisions of section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company and therefore, clause 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore, clause 3(xiv) of the Order is not applicable.
15. On the basis of our examination and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected to its directors and therefore, clause 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934 and therefore, clause 3(xvi) of the Order is not applicable.

For **GANDHI & ASSOCIATES LLP**
Chartered Accountants
(FRN:102965W/W100192)

[MILIND GANDHI]

Partner
Membership No. 043194

Mumbai,
May 18, 2019

ANNEXURE – B TO THE AUDITOR’S REPORT

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

We have audited the internal financial controls over financial reporting the Company as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; and,

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **GANDHI & ASSOCIATES LLP**

Chartered Accountants
(FRN:102965W/W100192)

[MILIND GANDHI]

Partner
Membership No. 043194

Mumbai,
May 18, 2019

Balance Sheet as at March 31, 2019

(₹ in Lacs)

| Particulars | Note No. | As at 31-Mar-19 | As at 31-Mar-18 |
|--|----------|-----------------|-----------------|
| ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Property, Plant & Equipment | 1 | 293.05 | 279.33 |
| (b) Other Intangible Assets | 1 | 0.96 | 1.21 |
| (c) Financial Assets | | | |
| (i) Investments | 2 | 1,766.04 | 881.18 |
| (d) Deferred Tax Assets | | 99.08 | 89.23 |
| (e) Non-Current Tax Assets (Net) | | 171.38 | 157.44 |
| (f) Other Non-Current Assets | 3 | 347.48 | 347.43 |
| Total Non-Current Assets | | 2,677.99 | 1,755.82 |
| 2. Current Assets | | | |
| (a) Financial Assets | | | |
| (i) Investments | 4 | 39.42 | 28.10 |
| (ii) Trade Receivables | 5 | 561.46 | 64.73 |
| (iii) Cash & Cash Equivalents | 6 | 19.60 | 5.76 |
| (iv) Loans | 7 | 4,604.04 | 5,067.08 |
| (v) Other Financial Assets | 8 | - | 3.58 |
| (b) Other Current Assets | 9 | 26.21 | 87.61 |
| Total Current Assets | | 5,250.73 | 5,256.86 |
| Total Assets | | 7,928.72 | 7,012.68 |
| EQUITY AND LIABILITIES | | | |
| 1. Equity | | | |
| (a) Equity Share Capital | 10 | 1,329.94 | 1,329.94 |
| (b) Other Equity | 11 | 6,038.48 | 4,943.69 |
| Total Equity | | 7,368.42 | 6,273.63 |
| 2. Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 12 | 23.02 | 7.13 |
| (b) Provisions | 13 | 211.78 | 186.20 |
| Total Non-Current Liabilities | | 234.80 | 193.33 |
| 3. Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings. | 14 | 173.18 | 250.00 |
| (ii) Trade Payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 15 | 23.49 | 31.77 |
| (iii) Other Financial Liabilities | 16 | 5.88 | 204.17 |
| (b) Other Current Liabilities | 17 | 77.71 | 25.85 |
| (c) Provisions | 18 | 45.24 | 33.93 |
| Total Current Liabilities | | 325.50 | 545.72 |
| Total Equity and Liabilities | | 7,928.72 | 7,012.68 |

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

Partner

Membership No. 043194

Mumbai, May 18, 2019

For and on behalf of the Board

N. Jayakumar
Managing Director
& Group CEO

S. R. Sharma
Director

Pradip Dubhashi
Chairman

Ajay Shah
Company Secretary

Mumbai, May 18, 2019

Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lacs)

| Particulars | Note No. | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|---|----------|-------------------------|-------------------------|
| I. Revenue from Operations | 19 | 1,038.05 | 827.18 |
| II. Other Income | 20 | 72.55 | 72.24 |
| III. Total Income (I+II) | | 1,110.60 | 899.42 |
| IV. Expenses | | | |
| Employee Benefits Expenses | 21 | 484.87 | 259.51 |
| Finance Cost | 22 | 3.51 | 0.97 |
| Depreciation and Amortization Expenses | 1 | 26.39 | 14.62 |
| Other Expenses | 23 | 244.27 | 326.27 |
| Total Expenses | | 759.04 | 601.37 |
| V. Profit / (Loss) before Exceptional Items and Tax (III -IV) | | 351.56 | 298.05 |
| VI. Exceptional Items | 24 | (76.86) | 27.56 |
| VII. Profit / (Loss) Before Tax (V + VI) | | 274.70 | 325.61 |
| VIII. Tax Expense: | | | |
| Current Tax | 25 | 55.61 | 67.00 |
| Deferred Tax | | (9.85) | (89.23) |
| Tax of Earlier Years | | - | 0.64 |
| IX. Profit / (Loss) for the Year (VII - VIII) | | 228.94 | 347.20 |
| X. Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of Defined Benefit Liability | 26 | (61.86) | (18.89) |
| Income Tax effect on above | | 12.61 | 3.85 |
| XI. Total Comprehensive Income for the Period (IX + X) (Comprising Profit / (Loss) and other Comprehensive Income for the Period) | | 179.69 | 332.16 |
| XII. Earnings per Equity Share | | | |
| Basic | | 0.86 | 1.31 |
| Diluted | | 0.85 | 1.31 |

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)

For and on behalf of the Board

N. Jayakumar
Managing Director
& Group CEO

Pradip Dubhashi
Chairman

S. R. Sharma
Director

Ajay Shah
Company Secretary

Milind Gandhi

Partner

Membership No. 043194

Mumbai, May 18, 2019

Mumbai, May 18, 2019

Cash Flow Statement for the year ended March 31, 2019

(₹ in Lacs)

| | INFLOWS/(OUTFLOWS) | |
|--|----------------------|----------------------|
| | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
| A Cash flow from Operating Activities | | |
| Net Profit / (Loss) before tax | 212.84 | 306.72 |
| Adjustments for : | | |
| Interest Received | (26.57) | (20.63) |
| Depreciation | 26.39 | 14.62 |
| Interest & Finance Charges | 3.51 | 0.97 |
| Loss on Sale of Fixed Asset | 5.54 | - |
| Loss / (Gain) on Sale of Investments (Net) | - | (3.21) |
| Amount Written-back | - | (27.56) |
| Sundry Balance W/Back-Off | (76.86) | - |
| (Appreciation) /Diminution in value of Investments | (41.18) | (0.86) |
| Provision for Outstanding ESOS | 48.86 | 29.22 |
| | (60.31) | (7.45) |
| Operating Profit / (Loss) before Working Capital changes | 152.53 | 299.27 |
| Adjustments for Changes in the Working Capital | | |
| Debtors | (496.73) | (35.96) |
| Current Assets | 61.35 | (69.21) |
| Loans & Advances | 543.47 | 365.35 |
| Current Liabilities & Provisions | 78.48 | 10.72 |
| | 186.58 | 270.90 |
| Cash generated from Operations | 339.11 | 570.17 |
| Direct Taxes (Paid) / Refund (net) | (56.97) | (52.64) |
| Net Cash from Operating Activities (A) | 282.14 | 517.53 |
| B Cashflow from Investment Activities | | |
| Purchase of Investments | (855.00) | - |
| Purchase of Fixed Assets | (51.15) | (3.91) |
| Sale of Fixed Assets | 5.75 | - |
| Sale of Investments | - | 3.21 |
| Interest Received | 26.57 | 20.63 |
| Net Cash from Investment Activities (B) | (873.83) | 19.93 |
| C Cashflow from Financing Activities | | |
| Interest & Finance Charges | (3.51) | (0.97) |
| Application Money against warrants | 866.25 | 2.00 |
| Funds Borrowed / (Repaid) (net) | (257.21) | (541.97) |
| Net Cash from Financing Activities (C) | 605.53 | (540.94) |
| Net Cashflow (A + B + C) | 13.84 | (3.48) |
| Changes in the Cash & Bank Balances | 13.84 | (3.48) |
| Cash and Cash Equivalents at the beginning of the year | 5.76 | 9.24 |
| Cash and Cash Equivalents at the end of the year | 19.60 | 5.76 |

Notes to the cash flow statement

- Cash comprises Cash on Hand and Current Accounts with Banks.
- The Cash Flow statement has been prepared under the "Indirect Method" as set out Indian Accounting Standard (Ind AS -7) Statement of Cash flows.
- 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)

Milind Gandhi

Partner

Membership No. 043194

Mumbai, May 18, 2019

For and on behalf of the Board

N. Jayakumar
Managing Director
& Group CEO

S. R. Sharma
Director

Pradip Dubhashi
Chairman

Ajay Shah
Company Secretary

Mumbai, May 18, 2019

Statement of Changes in Equity (SOCIE) for the year ended March 31, 2019

(a) Equity Share Capital

(₹ in Lacs)

| Particulars | As at 31-Mar-2019 | | As at 31-Mar-2018 | |
|---|--------------------|-----------------|--------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the Beginning of the Reporting Period | 2,65,15,325 | 1,329.94 | 2,65,15,325 | 1,329.94 |
| Changes in Equity Share Capital during the Year | - | - | - | - |
| Balance at the End of the Reporting Period | 2,65,15,325 | 1,329.94 | 2,65,15,325 | 1,329.94 |

(b) Other Equity

(₹ in Lacs)

| Particulars | Reserves and Surplus | | | | | | | Items of Other Comprehensive Income | Total |
|---|----------------------|----------------------------|----------------------------|-----------------------------------|-------------------------------|-----------------|-------------------|---|-----------------|
| | Capital Reserve | Capital Redemption Reserve | Securities Premium Reserve | Share Options outstanding account | Advance against Share Capital | General Reserve | Retained Earnings | Remeasurements of the net defined benefit plans | |
| Balance at March 31, 2018 | 165.00 | 217.27 | 5,316.82 | 29.22 | - | 2,400.00 | (3,136.69) | (47.93) | 4,943.69 |
| Profit for the year | - | - | - | - | - | - | 228.94 | - | 228.94 |
| Share based payment to employees | - | - | - | 48.85 | - | - | - | - | 48.85 |
| Provided during the Year | - | - | - | - | 866.25 | - | - | - | 866.25 |
| Actuarial gain / (Loss) on defined benefits plan net of tax | - | - | - | - | - | - | - | (49.25) | (49.25) |
| Other comprehensive income for the year | - | - | - | - | - | - | - | (49.25) | (49.25) |
| Total Comprehensive Income for the Year | - | - | - | - | - | - | - | (49.25) | (49.25) |
| Interim dividend declared and paid | - | - | - | - | - | - | - | - | - |
| DDT on interim dividend distributed | - | - | - | - | - | - | - | - | - |
| Transfer to General reserve | - | - | - | - | - | - | - | - | - |
| Balance at March 31, 2019 | 165.00 | 217.27 | 5,316.82 | 78.07 | 866.25 | 2,400.00 | (2,907.75) | (97.18) | 6,038.48 |

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

For and on behalf of the Board

N. Jayakumar
Managing Director
& Group CEO

Pradip Dubhashi
Chairman

S. R. Sharma
Director

Ajay Shah
Company Secretary

Milind Gandhi
Partner
Membership No. 043194

Mumbai, May 18, 2019

Mumbai, May 18, 2019

Notes to Financial Statements for the year ended March 31, 2019

1. Property, Plant and Equipment

(₹ in Lacs)

| Particulars | Tangible | | | | | | Intangible | |
|--------------------------------------|---------------|---------------------|-------------------|--------------|-------------|---------------|-------------------|-------------|
| | Building | Furniture & Fixture | Office Equipments | Vehicles | Computers | Total | Computer Software | Total |
| Gross Block | | | | | | | | |
| Balance as at 1st April 2017 | 260.08 | 13.05 | 1.90 | 26.61 | 2.11 | 303.75 | 0.18 | 0.18 |
| Additions | - | - | 0.29 | - | 2.38 | 2.67 | 1.24 | 1.24 |
| Adjustments | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - |
| Balance as at 31st March 2018 | 260.08 | 13.05 | 2.19 | 26.61 | 4.49 | 306.42 | 1.42 | 1.42 |
| Balance as at 1st April 2018 | 260.08 | 13.05 | 2.19 | 26.61 | 4.49 | 306.42 | 1.42 | 1.42 |
| Additions | - | 2.67 | 0.62 | 46.48 | 1.37 | 51.15 | - | - |
| Adjustments | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | 19.60 | - | 19.60 | - | - |
| Balance as at 31st March 2019 | 260.08 | 15.73 | 2.81 | 53.49 | 5.86 | 337.97 | 1.42 | 1.42 |
| Depreciation: | | | | | | - | | - |
| Balance as at 1st April 2017 | 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 | 13.09 | 4.06 | 1.04 | 7.14 | 1.76 | 27.09 | 0.21 | 0.21 |
| Balance as at 1st April 2018 | 13.09 | 4.06 | 1.04 | 7.14 | 1.76 | 27.09 | 0.21 | 0.21 |
| Additions | 9.31 | 4.02 | 0.63 | 10.48 | 1.69 | 26.13 | 0.25 | 0.25 |
| Adjustments | - | - | - | (8.30) | - | (8.30) | - | - |
| Disposals | - | - | - | - | - | - | - | - |
| Balance as at 31st March 2019 | 22.40 | 8.09 | 1.67 | 9.31 | 3.45 | 44.92 | 0.46 | 0.46 |
| Net Block: | | | | | | - | | - |
| As at 31st March, 2018 | 246.98 | 8.99 | 1.15 | 19.47 | 2.73 | 279.33 | 1.21 | 1.21 |
| As at 31st March, 2019 | 237.67 | 7.64 | 1.14 | 44.18 | 2.42 | 293.05 | 0.96 | 0.96 |

Note:

1. Net block of the Building include a residential flat of Rs. 237.67 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.

Notes to Financial Statements for the year ended March 31, 2019

2. Investment in Equity instruments (Non-Trade)

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| Investment in Wholly-owned Subsidiary Companies | | |
| (At Amortised Cost less Impairment) | | |
| Unquoted, Fully Paid-up | | |
| (i) 53,41,000 (March 31, 2018 53,41,000) Equity Shares of Rs. 10/- each of Prime Broking Company (India) Limited | 1,719.70 | 1,719.70 |
| (ii) 5,00,000 (March 31, 2018 5,00,000) Equity Shares of Rs. 10/- each of Prime Commodities Broking (India) Limited | 50.00 | 50.00 |
| (iii) 13,50,000 (March 31, 2018 3,50,000) Equity Shares of Rs. 10/- each of Prime Research & Advisory Limited | 883.02 | 33.02 |
| (iv) 16,36,000 (March 31, 2018 16,36,000) Equity Shares of Rs. 10/- each of Primesec Investments Limited | 798.00 | 798.00 |
| (v) 50,000 (March 31, 2018 Nil) Equity Shares of Rs. 10/- each of Prime Funds Management Limited | 5.00 | - |
| | 3,455.72 | 2,600.72 |
| Less: Impairment in Value of Investments | 1,719.70 | 1,752.72 |
| Total (A) | 1,736.02 | 848.00 |
| In Other Companies | | |
| (At Fair Value through Profit & Loss Account) | | |
| I) Quoted, Fully Paid-up | | |
| (i) 14,37,277 (March 31, 2018 14,37,277) Equity Shares of Rs. 10/- each of EL Forge Limited | - | - |
| (ii) 79,000 (March 31, 2018 79,000) Equity Shares of Rs. 10/- each of Greycells Education Limited | 30.02 | 33.18 |
| Total B (I) | 30.02 | 33.18 |
| II) Unquoted, Fully Paid-up | | |
| (i) 18,28,300 (March 31, 2018 18,28,300) Equity Shares of Rs. 10/- each of Baron International Limited | - | - |
| (ii) 1,00,000 (March 31, 2018 1,00,000) Equity Shares of Rs. 10/- each of Blue Chip Technologies Limited | - | - |
| (iii) 28,500 (March 31, 2018 28,500) Equity Shares of Rs. 10/- each of Gateway Entertainment Limited | - | - |
| (iv) 5,35,000 (March 31, 2018 5,35,000) Equity Shares of Rs. 10/- each of Sarju International Limited | - | - |
| (v) 3,20,000 (March 31, 2018 3,20,000) Equity Shares of Rs. 10/- each of Trinity Fuels Limited | - | - |
| (vi) 6,23,687 (March 31, 2018 6,23,687) Equity Shares of Rs. 10/- each of Tunip Agro Limited | - | - |
| Less: Impairment in Value of Investments. | - | - |
| Total B (II) | - | - |
| Total B [B (I)+B (II)] | 30.02 | 33.18 |
| Total C [A + B] | 1,766.04 | 881.18 |

Notes to Financial Statements for the year ended March 31, 2019

3. Other Non-Current Assets

| (₹ in Lacs) | | |
|---|--------------------|--------------------|
| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
| Advances other than Capital Advances | | |
| (i) Security Deposit (Unsecured, Considered good) | 19.98 | 19.93 |
| (ii) Advance Given (Unsecured, Considered good) | 327.50 | 327.50 |
| Total | 347.48 | 347.43 |

4. Investment in Equity Instruments (Non-Trade)

| (₹ in Lacs) | | |
|--|--------------------|--------------------|
| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
| In Other Companies | | |
| (At Fair Value through Profit & Loss Account) | | |
| Quoted, Fully Paid-up | | |
| (i) 4,00,000 (March 31, 2018 4,00,000) Equity Shares of Rs. 10/- each of International Hometex Limited | - | - |
| (ii) 41,939 (March 31, 2018 41,939) Equity Shares of Rs. 10/- each of Solid Stone Limited | 39.42 | 28.10 |
| Total | 39.42 | 28.10 |

5. Trade Receivables

| (₹ in Lacs) | | |
|-----------------------------|--------------------|--------------------|
| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
| Unsecured, Considered Good. | 561.46 | 64.73 |
| Total | 561.46 | 64.73 |

6. Cash and Cash Equivalents

| (₹ in Lacs) | | |
|--|--------------------|--------------------|
| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
| Cash on Hand | 0.17 | 0.18 |
| Balance with Banks in Current Accounts | 19.43 | 5.58 |
| Total | 19.60 | 5.76 |

7. Loans

| (₹ in Lacs) | | |
|---|--------------------|--------------------|
| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
| Loans to Related Parties | | |
| Subsidiary Companies (Unsecured, Considered Good) | 4,604.04 | 5,067.08 |
| Subsidiary Companies (Unsecured, Considered Doubtful) | 48.59 | 48.59 |
| | 4,652.63 | 5,115.67 |
| Less: Provision for Doubtful Loans | (48.59) | (48.59) |
| Total | 4,604.04 | 5,067.08 |

Notes to Financial Statements for the year ended March 31, 2019

8. Other Financial Assets

| Particulars | (₹ in Lacs) | |
|--|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| Other Receivables (Unsecured, Considered Good) | - | 3.58 |
| Other Receivables (Unsecured, Considered Doubtful) | - | - |
| | - | 3.58 |
| Less: Provision for Doubtful Loans | - | - |
| Total | - | 3.58 |

9. Other Current Assets

| Particulars | (₹ in Lacs) | |
|---|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| Advances other than Capital Advances | | |
| Prepaid Expenses | 6.04 | 8.82 |
| Other Advances | 20.16 | 78.79 |
| Total | 26.21 | 87.61 |

10. Equity Share Capital

| Particulars | (₹ in Lacs) | |
|--|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| Authorised | | |
| 3,50,00,000 (March 31, 2018 3,50,00,000) Equity Shares of Rs. 5/- each | 1,750.00 | 1,750.00 |
| 18,00,000 (March 31, 2018 18,00,000) Unclassified Shares of Rs. 100/- each | 1,800.00 | 1,800.00 |
| Total | 3,550.00 | 3,550.00 |
| Issued | | |
| 2,72,64,525 (March 31, 2018 2,72,64,525) Equity Shares of Rs. 5/- each | 1,363.23 | 1,363.23 |
| Total | 1,363.23 | 1,363.23 |
| Subscribed & Fully Paid-up | | |
| 2,65,15,325 (March 31, 2018 2,65,15,325) Equity Shares of Rs. 5/- each | 1,325.77 | 1,325.77 |
| Add : Share Forfeiture Account [7,48,600 Equity Shares forfeited] (Refer Note no 29) | 4.17 | 4.17 |
| Total | 1,329.94 | 1,329.94 |

Notes to Financial Statements for the year ended March 31, 2019

11. Other Equity

| Particulars | (₹ in Lacs) | |
|--|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| (a) Capital Reserve | | |
| The Reserve comprises of Profits / Gains of Capital nature earned by the Company and credited directly to such Reserve | | |
| At the Commencement and at the End of the Year | 165.00 | 165.00 |
| Total | 165.00 | 165.00 |
| (b) Capital Redemption Reserve | | |
| As per the Companies Act, 2013, the Capital Redemption Reserve is created when the Company purchases its own Shares out of Free Reserves or Securities Premium. A sum equal to the Nominal Value of the Shares so purchased is transferred to Capital Redemption Reserve | | |
| At the Commencement and at the End of the Year. | 217.27 | 217.27 |
| Total | 217.27 | 217.27 |
| (c) Securities Premium | | |
| 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 | 5,316.82 |
| Add: Received during the Year | - | - |
| Total | 5,316.82 | 5,316.82 |
| (d) Share Options Outstanding Account | | |
| 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 | 29.22 | - |
| Add: Provided during the Year | 48.86 | 29.22 |
| Total | 78.08 | 29.22 |
| (e) Advance against Share Capital | | |
| At the commencement of the Year | - | - |
| Add: Advance received against issue of warrants (Refer Note no 34) | 866.25 | - |
| Total | 866.25 | - |
| (f) General Reserve | | |
| 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 |
| Total | 2,400.00 | 2,400.00 |
| (g) Surplus | | |
| At the Commencement of the Year | (3,136.69) | (3,483.89) |
| Add: Net Profit / (Loss) for the Year | 228.94 | 347.20 |
| Total | (2,907.76) | (3,136.69) |
| (h) Items of Other Comprehensive Income | | |
| Remeasurement of Defined Benefit Liability | | |

Notes to Financial Statements for the year ended March 31, 2019

| Particulars | (₹ in Lacs) | |
|---|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| 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 | (47.93) | (32.89) |
| Add : Remeasurement of Defined Benefit Liability | (49.25) | (15.04) |
| Total | (97.18) | (47.93) |
| Total Other Equity | 6,038.48 | 4,943.69 |

12. Borrowings - Non-Current Liabilities

| Particulars | (₹ in Lacs) | |
|--|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| Secured Loan (For Security and terms of repayment : Refer Note no 35) | | |
| Term Loan from Bank | 23.02 | 7.13 |
| Total | 23.02 | 7.13 |

13. Non-Current Provisions

| Particulars | (₹ in Lacs) | |
|---|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| Provision for Employee Benefits (Refer note no 43) | | |
| Compensated Absences | 211.78 | 186.20 |
| Total | 211.78 | 186.20 |

14. Borrowings - Current Liabilities

| Particulars | (₹ in Lacs) | |
|---|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| Unsecured | | |
| Loans repayable on demand from Banks | 3.18 | - |
| Loans and advances from Related Parties | 170.00 | 250.00 |
| Total | 173.18 | 250.00 |

15. Trade Payables

| Particulars | (₹ in Lacs) | |
|----------------|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| Trade Payables | 23.49 | 31.77 |
| Total | 23.49 | 31.77 |

As at March 31, 2019 and March 31, 2018, there are no outstanding dues to Micro, Small and Medium Enterprises.

Notes to Financial Statements for the year ended March 31, 2019

16. Other Current Financial Liabilities

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| (a) Current Maturities of Long-Term Debt (Refer note no 35) | 5.88 | 202.17 |
| (b) Application Money received for Allotment of Warrants | - | 2.00 |
| Total | 5.88 | 204.17 |

17. Other current liabilities

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| (a) Revenue received in Advance | 2.40 | 2.40 |
| (b) Statutory Dues Payable (includes Provident Fund, GST, Withholding Tax etc.) | 15.03 | 10.39 |
| (c) Outstanding Expenses Payable | 42.98 | 13.06 |
| (d) Other Payables | 17.30 | - |
| Total | 77.71 | 25.85 |

18. Current Provisions

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|--|--------------------|--------------------|
| Provision for Employee Benefits (Refer note no 43) | | |
| Gratuity | 26.22 | 17.73 |
| Compensated Absences. | 19.02 | 16.20 |
| Total | 45.24 | 33.93 |

19. Revenue from Operations

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|------------------------------------|-------------------------|-------------------------|
| Merchant Banking and Advisory Fees | 1,038.05 | 827.18 |
| Total | 1,038.05 | 827.18 |

Reconciliation of Revenue from operations with contract price

| Particulars | Year ended 31-Mar-19 |
|--------------------------------|-------------------------|
| Contract Price | 1,038.05 |
| Less : Adjustments | - |
| Revenue from Operations | 1,038.05 |

20. Other Income

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|--|-------------------------|-------------------------|
| Interest Income | 26.57 | 20.63 |
| Net Gain / (Loss) on Sale of Investments | - | 3.21 |
| Appreciation in Value of Investments | 41.18 | 0.86 |
| Gain on Foreign Exchange Transactions | - | 2.74 |
| Rent | 4.80 | 4.80 |
| Reimbursement of Expenses | - | 40.00 |
| Total | 72.55 | 72.24 |

Notes to Financial Statements for the year ended March 31, 2019

21. Employee Benefits Expense

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|---|-------------------------|-------------------------|
| Salaries | 428.43 | 222.02 |
| Contribution to Provident and Other Funds | 4.38 | 4.16 |
| Share Based Payment to Employees | 48.85 | 29.22 |
| Staff Welfare Expenses | 3.21 | 4.11 |
| Total | 484.87 | 259.51 |

22. Finance Costs

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|------------------|-------------------------|-------------------------|
| Interest Expense | 3.51 | 0.97 |
| Total | 3.51 | 0.97 |

23. Other Expenses

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|--|-------------------------|-------------------------|
| Electricity Expenses | 2.42 | 3.03 |
| Rent | 38.16 | 37.99 |
| Repairs & Maintenance | 9.10 | 5.53 |
| Insurance Premium | 3.99 | 2.90 |
| Rates & Taxes | 1.04 | 0.36 |
| Travelling & Conveyance | 28.43 | 38.03 |
| Consultancy & Professional Charges | 55.96 | 95.21 |
| Director's Sitting Fees | 24.20 | 43.30 |
| Auditor's Remuneration | | |
| - For Audit Fees | 6.00 | 6.00 |
| - For Other Services | 0.75 | 0.85 |
| Corporate Social Responsibility Expenses | - | 19.00 |
| Loss on Sale of Fixed Assets | 5.54 | - |
| Diminution in Value of Investments | - | - |
| Miscellaneous Expenses | 68.67 | 74.08 |
| Total | 244.27 | 326.27 |

24. Extraordinary Items

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|---------------------------|-------------------------|-------------------------|
| Amounts Written Back | - | 27.56 |
| Sundry Balance W/Back-Off | (76.86) | - |
| Total | (76.86) | 27.56 |

Notes to Financial Statements for the year ended March 31, 2019

25. Tax Expenses

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|--|-------------------------|-------------------------|
| (a) Amounts recognised in Profit & Loss | | |
| Current Income Tax | 43.00 | 67.00 |
| Adjustment in respect of Current Income Tax of Previous Year | - | 0.64 |
| Deferred Income Tax Liability / (Asset), Net | | |
| Origination and Reversal of Temporary Differences | (9.85) | (89.23) |
| Deferred Tax Expense | (9.85) | (89.23) |
| Tax Expense for the Year | 33.15 | (21.59) |
| Effective Tax Rate for the Year | 27.82% | N.A. |

(b) Amounts Recognised in Other Comprehensive Income

(₹ in Lacs)

| Particulars | Year ended 31-Mar-2019 | | | Year ended 31-Mar-2018 | | |
|--|------------------------|-----------------------------|----------------|------------------------|-----------------------------|----------------|
| | Before Tax | Tax (Expense) Benefit | Net of Tax | Before Tax | Tax (Expense) Benefit | Net of Tax |
| Items that will not be Reclassified to Profit or Loss | | | | | | |
| Remeasurement of Defined Benefit Liability | (61.86) | 12.61 | (49.24) | (18.89) | 3.85 | (15.04) |
| Total | (61.86) | 12.61 | (49.24) | (18.89) | 3.85 | (15.04) |

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|---|-------------------------|-------------------------|
| (c) Reconciliation of Effective Tax Rate | | |
| Profit Before Tax | 212.85 | 306.72 |
| Applicable Tax Rate | 27.82% | 27.55% |
| Computed Tax Expense | 59.21 | 84.51 |
| Tax effect of: | | |
| Allowances | (11.46) | (12.65) |
| Expenses Disallowed | 47.35 | 14.46 |
| Capital Gains Set off against brought forward losses | - | (0.88) |
| Brought forward losses | - | (49.19) |
| MAT under Section 115JB | - | 26.91 |
| Brought forward MAT Credit | (52.10) | - |
| Current Tax Provision (A) | 43.00 | 63.15 |
| Deferred Tax Asset on account of Property, Plant and Equipment | 0.42 | (27.99) |
| Deferred Tax Asset on account of Retirement Benefit of Employees | (10.26) | (61.24) |
| Deferred Tax Provision (B) | (9.85) | (89.23) |
| Adjustment in respect of Current Income Tax of Previous Year | - | 0.64 |
| Tax Expense recognised in Statement of Profit and Loss (A) + (B) + (C) | 33.15 | (25.44) |

The applicable Indian corporate statutory rate for the year ended March 31, 2019 and March 31, 2018 is 27.82% and 27.55% respectively.

Notes to Financial Statements for the year ended March 31, 2019

(d) Movement in Deferred Tax Balances

| Particulars | March 31, 2019 | | | | |
|---|------------------------------|------------------------------------|----------------------------------|-----------------------|---------------------------|
| | Net Balance April 1, 2018 | Recognised in Profit or Loss | Net Balance March 31, 2019 | Deferred Tax Asset | Deferred Tax Liability |
| Deferred Tax Asset / (Liabilities) | | | | | |
| Property, Plant and Equipment | 27.99 | (0.41) | 27.58 | 27.58 | - |
| Employee Benefits | 61.24 | 10.26 | 71.50 | 71.50 | - |
| Tax Assets / (Liabilities) | 89.23 | 9.85 | 99.08 | 99.08 | - |
| Set off Tax | - | - | - | - | - |
| Net Tax Assets / (Liabilities) | 89.23 | 9.85 | 99.08 | 99.08 | - |

- 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.
- 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.

26. Other Comprehensive Income

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|----------------------------|-------------------------|-------------------------|
| Gratuity Provision | (13.66) | (5.54) |
| Leave Encashment Provision | (48.19) | (13.35) |
| Total | (61.86) | (18.89) |

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

Current and Non Current Classification:

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

Functional and presentation currency:

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

Notes to Financial Statements for the year ended March 31, 2019

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.

- **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

Notes to Financial Statements for the year ended March 31, 2019

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 techniques as follows.

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

c) Property, plant and equipment:

• Recognition and measurement:

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

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

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.

Notes to Financial Statements for the year ended March 31, 2019

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.

f) Financial Instruments:

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

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

Financial Assets:

Classification:

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

Initial recognition and measurement:

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

Equity investments:

Equity investments in subsidiaries are measured at cost less impairment.

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

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

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

Derecognition:

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

Notes to Financial Statements for the year ended March 31, 2019

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

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

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

Impairment of financial assets:

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- 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.

Notes to Financial Statements for the year ended March 31, 2019

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 recognised 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.

Notes to Financial Statements for the year ended March 31, 2019

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

i) **Borrowing Costs:**

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

j) **Revenue Recognition**

The Company derives revenues primarily from advisory services.

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

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

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

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

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

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

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

Notes to Financial Statements for the year ended March 31, 2019

k) Recognition of Non-Operating Income:

- i) Dividend income is recognised when the right to receive is established.
- ii) Interest income is recognised on accrual basis.
- iii) Gain or losses on sale of investments are recognized on trade dates by comparing the sales realization with the weighted average cost of such investment.

l) Leases:

Lease payments:

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

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

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

m) Impairment of non-financial assets:

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

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

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

n) Cash and cash equivalents:

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

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

o) Taxation:

Income tax expenses comprises Current and Deferred Tax. It is recognized in Profit & Loss except to the extent that it relates to a business combination or items recognized directly in Equity or OCI.

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

Notes to Financial Statements for the year ended March 31, 2019

includes any tax arising from dividends.

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

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

ii) Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

p) Provisions, Contingent Assets and Contingent Liabilities:

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

Notes to Financial Statements for the year ended March 31, 2019

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.

a) 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.

28. Contingent Liabilities to the extent not provided for in respect of:

(₹ in Lacs)

| Sr. No. | Particulars | 31-Mar-2019 | 31-Mar-2018 |
|---------|---|-------------|-------------|
| i) | Demands raised by Tax Authorities against which the Company has preferred appeals | 13.45 | 13.18 |

29. The Company has a financial exposure of Rs. 5,071.97 lacs (Rs. 5,341.37 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. 4,273.97 lacs (Rs. 4,543.37 lacs). PIL has a negative net worth of Rs. 2,923.91 lacs (Rs. 4,263.02 lacs). However, having regard to efforts undertaken by the Board of PIL, among other things to augment revenue sources 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. 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.

31. The Company has not received confirmation of account from a debtor whose balance outstanding at the year-end was Rs. 500.00 Lacs. No provision for doubtful debt is considered necessary by the Company as in the opinion of its management the amount will be fully realized in ordinary course of business.

32. 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.

Notes to Financial Statements for the year ended March 31, 2019

- (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 31-Mar-2019 | | As at 31-Mar-2018 | |
|------------------------------------|--------------------|--------------|--------------------|--------------|
| | No. of shares held | % of Holding | No. of shares held | % of Holding |
| Judith Investments Private Limited | 17,83,497 | 6.73 | 17,83,497 | 6.73 |
| N. Jayakumar | 34,03,059 | 12.83 | 31,24,759 | 11.78 |

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

| Particulars | 2018-19 | | 2017-18 | |
|------------------------------------|-------------|-------------|-------------|-------------|
| | Numbers | Rs. in Lacs | Numbers | Rs. in Lacs |
| Opening Balance | 2,65,15,325 | 1,329.94 | 2,65,15,325 | 1,329.94 |
| Add: Shares issued during the year | - | - | - | - |
| Closing Balance | 2,65,15,325 | 1,329.94 | 2,65,15,325 | 1,329.94 |

33. Employees Stock Option Schemes (ESOS)

The Company's stock based compensation plan for Employees comprises ESOS 2018, which have been instituted for all eligible Employees / Directors of the Company and its Subsidiaries. ESOS 2018 permits allocation of an aggregate of 45,00,000 Equity Shares of the face value of Rs. 5/- per share to the eligible Employees / Directors of the Company and its Subsidiaries, on the recommendation of the Nomination and Remuneration Committee, at an Exercise Price which shall be at 10% discount to the Three Months Average Market Price on the Grant Date. During the Year, the Company has granted 18,87,000 Options to the eligible Employees / Directors of the Company and its Subsidiaries. All Options granted under earlier ESOS viz. ESOS 2007, ESOS 2008 and ESOS 2009 have lapsed / expired and accordingly, ESOS 2007, ESOS 2008 and ESOS 2009 have been discontinued.

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

| Particulars (Exercise Price) | ESOS 2007 | | ESOS 2009 | | ESOS 2018 | |
|--|--------------|---------------|--------------|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Options outstanding, beginning of the Year | - | 40,000 | 1,06,400 | 2,13,200 | - | - |
| Add: Granted during the Year | - | - | - | - | 18,87,000 | - |
| Less: Exercised during the Year | - | - | - | - | - | - |
| Less: Lapsed during the Year | - | 40,000 | 1,06,400 | 1,06,800 | 5,12,000 | - |
| Options outstanding, end of the Year | - | - | - | 1,06,400 | 13,75,000 | - |

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 | 2018-19 |
|---------|--|---|
| (A) | Risk-free rate | 7.87% |
| (B) | Expected life of options | 6.5 years - 7.5 years |
| (C) | Expected volatility | 60.74% |
| (D) | Weighted average share price | Rs. 41.10 Per Share |
| (E) | Weighted average exercise price | Rs. 34.70 Per Share |
| (F) | Method used to determine expected volatility | Based on the returns generated on equity shares of Company for the period from F.Y. 2017 to F.Y. 2019 |

Notes to Financial Statements for the year ended March 31, 2019

Expense on Employee Stock Options Scheme debited to the Statement of Profit and Loss during the year is Rs. 48.85 lacs.

34. Equity Share Warrants

During the year, the Company has issued and allotted 70,00,000 (Seventy Lacs) Equity Share Warrants on a preferential basis, carrying an entitlement to subscribe to an equivalent number of Equity Shares of Rs. 5/- each, to the Investors at an Exercise Price of Rs. 49.50 per share. The Company has received 25% of Exercise Price at the time of application of warrants. The warrant holders have an option to acquire the Equity Shares, in one or more tranches, on or before the expiry of 18 months from the date of allotment of the Warrants upon payment of balance 75%. The Company has shown the amount received from warrant holders as advance against share capital under Other Equity.

35. Borrowings:

(A) Loans:

a) Term Loan from Bank:

Term loan of Rs. 28.90 Lacs (March 31, 2018 Rs. 9.29 lacs) from the Bank is secured against Vehicle of the Company.

b) Other Loan from Bank:

Other Loan from Bank of Rs. Nil (March 31, 2018 Rs. 200 Lacs) 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 June 5, 2023 as per repayment schedule having interest rate of 8.60% p.a.

(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.

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

Associate Companies:

Gateway Entertainment Limited
Judith Investments Private Limited

Key Management Personnels:

Mr. N. Jayakumar
Mr. Ajay Shah

Notes to Financial Statements for the year ended March 31, 2019

Independent Directors:

Mr. Pradip Dubhashi

Mr. S R Sharma

Mr. Anil Dharker (up to November 13, 2018)

Ms. Alpna Parida

Ms. Namrata Kaul (from February 14, 2019)

Ms. Smita Cawas Affinwalla (from February 14, 2019)

Relative of Independent Director:

Mr. Samresh Parida (Proprietor of S P Growth Consulting)

Director in Group company

Mr. Puneet Pandey

Other Related Party

ALSS Investments

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

(₹ in Lacs)

| Sr. No. | Nature of Transaction | Relationship | Transactions | |
|---------|---|--------------------------|--------------|---------------|
| | | | Current Year | Previous Year |
| 1 | Interest received from Prime Commodities Broking (India) Limited | Subsidiary | 26.57 | 17.71 |
| 2 | Inter corporate deposit paid to Prime Commodities Broking (India) Limited | Subsidiary | | |
| | Sums Paid | | 1,065.47 | 1,167.45 |
| | Refund received | | 1,170.00 | 950.45 |
| 3 | Interest free Inter corporate deposit paid to Prime Research & Advisory Limited | Subsidiary | | |
| | Sums Received | | 175.22 | 1.00 |
| | Sums paid | | 62.20 | 33.00 |
| 4 | Interest free Inter corporate deposit given to Primesec Investment Limited | Subsidiary | | |
| | Sums paid | | 508.00 | 1,214.80 |
| | Sums Received | | 775.25 | 1,849.90 |
| 5 | Investment in shares of Prime Funds Management Limited | Subsidiary | 5.00 | - |
| 6 | Interest free Inter corporate deposit received from Gateway Entertainment Limited | Associate Company | | |
| | Write back of ICD no longer payable | | - | 30.00 |
| 7 | Remuneration paid to Key Managerial Personnel | Key Management Personnel | 290.46 | 159.00 |
| 8 | Sitting Fees to Independent Directors | Independent Directors | 24.20 | 43.30 |
| 9 | Rent received from S P Growth Consulting | Relative of Director | 4.80 | 4.80 |

Notes to Financial Statements for the year ended March 31, 2019

(₹ in Lacs)

| Sr. No. | Nature of Transaction | Relationship | Transactions | |
|---------|--|---------------------------|--------------|---------------|
| | | | Current Year | Previous Year |
| 10 | Repayment of Interest free unsecured loan received from Mr. N Jayakumar | Key Management Personnel | - | 255.00 |
| 11 | Repayment of Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited | Associate Company | 80.00 | 85.00 |
| 12 | Advance received against Share Capital from Mr. Puneet Pandey | Director in Group Company | 432.13 | 2.00 |
| 13 | Advance received against Share Capital from ALSS Investments | Other Related Party | 432.13 | - |

Outstanding Balance

(₹ in Lacs)

| Sr. No. | Nature of Transaction | Relationship | Balance as on | |
|---------|---|-------------------|--------------------|--------------------|
| | | | March 31, 2019 | March 31, 2018 |
| 1 | Inter corporate deposit given to Prime Commodities Broking (India) Limited | Subsidiary | 267.87 (Debit) | 348.49 (Debit) |
| 2 | Interest free Inter corporate deposit given to Prime Research & Advisory Limited | Subsidiary | 62.20 (Debit) | 175.22 (Debit) |
| 3 | Interest free Inter corporate deposit given to Primesec Investment Limited | Subsidiary | 4273.97 (Debit) | 4543.37 (Debit) |
| 4 | Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited | Associate Company | 170.00 (Credit) | 250.00 (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

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|--|-------------------------|-------------------------|
| i) Total of future minimum lease payments | | |
| a) Not later than one year | 34.99 | 38.16 |
| b) Later than one year and not later than five years | 6.65 | 41.64 |
| ii) Lease payments recognised in the Profit and Loss account | 38.16 | 37.99 |

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.

Notes to Financial Statements for the year ended March 31, 2019

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 2018-19 Rs. 10.81 lacs (Previous year Rs.5.47 lacs).

(b) Amount spent during the year on:

(₹ in Lacs)

| Particulars | 2018-19 | 2017-18 |
|---|---------|---------|
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purpose other than (i) above | - | 19.00 |

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.

(₹ in Lacs)

| 31-Mar-2019 | Fair value through Profit and Loss | | | | Amortised Cost | | | |
|-------------------------------------|------------------------------------|----------|----------|--------------|----------------|----------|-----------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Non Current Investments * | 30.02 | - | - | 30.02 | - | - | - | - |
| Security Deposits | - | - | - | - | - | - | 19.98 | 19.98 |
| Advance Given | - | - | - | - | - | - | 327.50 | 327.50 |
| Quoted Equity Shares | 39.42 | - | - | 39.42 | - | - | - | - |
| Trade receivables | - | - | - | - | - | - | 561.46 | 561.46 |
| Cash and cash equivalents | - | - | - | - | - | - | 19.60 | 19.60 |
| Loans | - | - | - | - | - | - | 4,604.04 | 4,604.04 |
| Other Current Assets | - | - | - | - | - | - | 26.21 | 26.21 |
| | 69.44 | - | - | 69.44 | - | - | 5,558.79 | 5,558.79 |
| Financial liabilities | | | | | | | | |
| Non - current borrowings | - | - | - | - | - | - | 23.02 | 23.02 |
| Current borrowings | - | - | - | - | - | - | 173.18 | 173.18 |
| Trade and other payables | - | - | - | - | - | - | 23.49 | 23.49 |
| Other Current financial liabilities | - | - | - | - | - | - | 5.88 | 5.88 |
| | - | - | - | - | - | - | 225.57 | 225.57 |

Notes to Financial Statements for the year ended March 31, 2019

(₹ in Lacs)

| 31-Mar-2018 | Fair value through Profit and Loss | | | | Amortised Cost | | | |
|-------------------------------------|------------------------------------|----------|----------|--------------|----------------|----------|-----------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Non Current Investments * | 33.18 | - | - | 33.18 | - | - | - | - |
| Security Deposits | - | - | - | - | - | - | 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 |
| Other Current Financial Assets | - | - | - | - | - | - | 3.58 | 3.58 |
| | 61.28 | - | - | 61.28 | - | - | 5,488.58 | 5,488.58 |
| Financial liabilities | | | | | | | | |
| Non - current borrowings | - | - | - | - | - | - | 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 |
| | - | - | - | - | - | - | 493.07 | 493.07 |

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

B) Measurement of fair values:

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

C) Financial risk management

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

- Risk management framework;
- Credit risk;
- Liquidity risk;
- Market risk; and
- Interest rate risk

Notes to Financial Statements for the year ended March 31, 2019

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.

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.

Notes to Financial Statements for the year ended March 31, 2019

Impairment:

At March 31, 2019, the ageing of trade receivables was as follows.

| Particulars | Carrying amount (₹ in lacs) | |
|-------------------------------|-----------------------------|-------------------------|
| | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
| Neither past due nor impaired | | |
| Past due 1-90 days | - | - |
| Past due 91-180 days | 500.00 | 61.45 |
| Past due 181-365 days | - | - |
| Past due 366 days | 61.46 | 3.28 |
| | 561.46 | 64.73 |

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. 19.60 lacs as on March 31, 2019 (March 31, 2018: Rs. 5.76 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. 4,604.65 lacs as on March 31, 2019 (March 31, 2018, Rs. 5,070.66 lacs). The loans and advances are in nature of rent deposit paid to landlords and advance to subsidiary and are fully recoverable.

iii) Liquidity risk

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

Maturity profile of financial liabilities

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

| 31-Mar-2019 | Carrying amount | Contractual cash flows | | | | | |
|-----------------------------|-----------------|------------------------|-----------------------|----------------|--------------|--------------|----------------------|
| | | Total | less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Borrowings | 196.20 | 196.20 | 173.18 | - | 6.41 | 16.61 | - |
| Trade and other payables | 23.49 | 23.49 | 23.49 | - | - | - | - |
| Other financial liabilities | 5.88 | 5.88 | 2.88 | 3.00 | - | - | - |

(₹ in Lacs)

Notes to Financial Statements for the year ended March 31, 2019

(₹ in Lacs)

| 31-Mar-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 | - | - | - |

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, 2019 are as below:

| March 31, 2019 | GBP |
|-----------------------------|--------|
| Financial assets | |
| 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.

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.

Notes to Financial Statements for the year ended March 31, 2019

The Company monitors capital using debt to equity ratio.

(₹ in Lacs)

| Particulars | As at 31-Mar-2019 | As at 31-Mar-2018 |
|------------------------------------|----------------------|----------------------|
| Non-Current Borrowings | 23.02 | 7.13 |
| Current Borrowings | 173.18 | 250.00 |
| Current maturity of long term debt | 5.88 | 202.17 |
| Gross Debt | 202.08 | 459.30 |
| Total equity | 7,368.42 | 6,273.63 |
| Adjusted Net debt to equity ratio | 0.03 | 0.07 |

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. 4.38 lacs for year ended March 31, 2019 (Rs. 4.16 lacs for year ended March 31, 2018) provident fund contributions in the Statement of Profit and Loss.

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

(ii) Defined Benefit Plan:

Gratuity

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(₹ in Lacs)

| A) Particulars | Gratuity | |
|--|-------------|-------------|
| | 31-Mar-2019 | 31-Mar-2018 |
| Defined benefit obligation | 58.14 | 42.61 |
| Fair value of Plan Assets at the end of the year | 31.92 | 24.88 |
| Net Obligation at the end of the year | 26.22 | 17.73 |

Notes to Financial Statements for the year ended March 31, 2019

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:

(₹ in Lacs)

| Particulars | Gratuity | | | | | |
|---------------------------------------|----------------------------|--------------|---------------------------|--------------|---------------------------------------|--------------|
| | Defined benefit obligation | | Fair value of plan assets | | Net defined benefit (asset) liability | |
| | 31-Mar-2019 | 31-Mar-2018 | 31-Mar-2019 | 31-Mar-2018 | 31-Mar-2019 | 31-Mar-2018 |
| Opening balance | 42.61 | 34.88 | 24.88 | 22.62 | 17.73 | 12.27 |
| Included in profit or loss | - | - | - | - | - | - |
| Current service cost | 7.91 | 7.83 | - | - | 7.91 | 7.83 |
| Past service cost | - | - | - | - | - | - |
| Interest cost (income) | 3.36 | 2.57 | 1.96 | 1.66 | 1.40 | 0.90 |
| | 53.88 | 45.28 | 26.84 | 24.28 | 27.04 | 21.00 |
| Included in OCI | | | | | | |
| Remeasurement loss (gain): | - | - | - | - | - | - |
| Actuarial loss / (gain) arising from: | - | - | (0.14) | (0.01) | 0.14 | 0.01 |
| Demographic assumptions | - | - | - | - | - | - |
| Financial assumptions | - | - | - | - | - | - |
| Experience adjustment | 4.26 | (2.68) | - | - | 4.26 | (2.68) |
| Return on plan assets excluding | - | - | - | - | - | - |
| Interest income | - | - | - | - | - | - |
| | 58.14 | 42.61 | 26.70 | 24.27 | 31.44 | 18.33 |
| Other | | | | | | |
| Contributions paid by the employer | - | - | 5.22 | 0.60 | (5.22) | (0.60) |
| Benefits paid | - | - | - | - | - | - |
| Closing balance | 58.14 | 42.61 | 31.92 | 24.88 | 26.22 | 17.73 |
| Represented by | | | | | | |
| Net defined benefit asset | | | | | (31.92) | (24.88) |
| Net defined benefit liability | | | | | 58.14 | 42.61 |
| | | | | | 26.22 | 17.73 |

C) Plan assets

Plan assets comprise the following:

| Particulars | 31-Mar-2019 | 31-Mar-2018 |
|-----------------------------------|--------------|--------------|
| Fund managed by Insurance Company | 31.92 | 24.88 |
| | 31.92 | 24.88 |

Notes to Financial Statements for the year ended March 31, 2019

D) Defined benefit obligations

i) Actuarial assumptions

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

| | 31-Mar-2019 | 31-Mar-2018 |
|--|----------------------|----------------------|
| Discount rate | 7.69% | 7.88% |
| Expected Rate of Return on Plan Assets | 7.69% | 7.88% |
| Salary escalation rate | 5.00% | 5.00% |
| Employee Turnover | 2.00% | 2.00% |
| Mortality rate | N.A. | N.A. |
| | Indian Assured Lives | Indian Assured Lives |
| | Mortality (2006-08) | Mortality (2006-08) |
| | Ult. | Ult. |

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

ii) Sensitivity analysis

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

| Particulars | 31-Mar-2019 | | 31-Mar-2018 | |
|---|-------------|----------|-------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (3.02) | 3.41 | (2.65) | 3.01 |
| Future salary growth (1% movement) | 3.47 | (3.12) | 3.07 | (2.75) |
| Rate of employee turnover (1% movement) | 0.63 | (0.70) | 0.31 | (0.37) |

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

Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2019 were as follows

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2019, i.e. Rs. 5.22 lacs

| Expected future benefit payments | (₹ in Lacs) |
|----------------------------------|-------------|
| March 31, 2020 | 1.81 |
| March 31, 2021 | 1.89 |
| March 31, 2022 | 38.17 |
| March 31, 2023 | 0.83 |
| March 31, 2024 | 0.88 |
| Thereafter | 58.27 |

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. 48.19 lacs (March 31, 2018 Rs. 13.35 lacs) and is

Notes to Financial Statements for the year ended March 31, 2019

included in Note 26 - "Other Comprehensive Income". Accumulated non-current provision for leave encashment aggregates Rs. 211.78 lacs (March 31, 2018 Rs. 186.20 lacs) and current provision aggregates Rs. 19.02 lacs (March 31, 2018 Rs. 16.20 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

| (₹ in Lacs) | | |
|--|-------------|-------------|
| Particulars | 31-Mar-2019 | 31-Mar-2018 |
| Continuing operations | 228.94 | 347.20 |
| Profit attributable to equity holders of the Company for basic earnings | 228.94 | 347.20 |
| Profit attributable to equity holders of the Company adjusted for the effect of dilution | 228.94 | 347.20 |

b) Weighted average number of ordinary shares

| (₹ in Lacs) | | |
|---|-------------|-------------|
| Particulars | 31-Mar-2019 | 31-Mar-2018 |
| Issued ordinary shares at April 1 | 2,65,15,325 | 2,65,15,325 |
| Effect of dilutive common equivalent shares - share options outstanding | 5,19,863 | - |
| Weighted average number of shares at March 31 for basic and Diluted EPS | 2,70,35,188 | 2,65,15,325 |

c) Basic and Diluted earnings per share

| (₹ in Lacs) | | |
|----------------------------|-------------|-------------|
| Particulars | 31-Mar-2019 | 31-Mar-2018 |
| Basic earnings per share | 0.86 | 1.31 |
| Diluted earnings per share | 0.85 | 1.31 |

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

Secretary
Milind Gandhi
Partner
Membership No. 043194
Mumbai, May 18, 2019

For and on behalf of the Board

N. Jayakumar
Managing Director
& Group CEO

S. R. Sharma
Director

Pradip
Chairman

Ajay Shah
Company

Mumbai, May 18, 2019

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
PRIME SECURITIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of PRIME SECURITIES LIMITED ("the Holding Company"), its subsidiaries and an associate (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

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

Basis for Qualified Opinion

1. As referred in Note 30, the Group has accounted for revenue of Rs. 500.00 Lacs pending satisfaction of performance obligations mandated by the Accounting Standard on Revenue from Contract with

Customers (Ind AS 115). Accordingly, the Profit for the year and Trade Receivables are higher by the said amount.

2. As referred in Note 32, the Group has in earlier financial year written-back an outstanding payable of Rs. 219.07 Lacs as in the opinion of the management the same was no longer payable. Accordingly, the loss in Surplus (Profit & Loss) is lower by the said amount and Other Current Liabilities is lower by the said amount.
3. As referred in Note 31, the Group has, in earlier financial year re-instated advance of Rs. 327.50 Lacs which was earlier written-off as not recoverable. The advance has not yet been recovered by the Company. Accordingly, the loss in Surplus (Profit & Loss) is lower and Other Non-Current Asset is higher by the said amount.

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

Emphasis of Matter

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

- a) As referred to in Note 33, the Group has not received confirmation of account from certain debtors whose aggregate outstanding balance outstanding is Rs. 1,312.70 Lacs. No provision for doubtful debt is considered necessary by the Group as in the opinion of its management the amount will be fully realized in ordinary course of business.
- b) As referred to in Note 34, the Group has not received confirmation of account from certain parties to whom advances are given whose aggregate outstanding is Rs. 234.90 Lacs. No

provision for doubtful advances is considered necessary by the Group as in the opinion of its management the amount will be fully realized in ordinary course of business.

Key Audit Matters

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

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also

includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

We communicate with those charged with governance regarding, among other matters, the

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements of one subsidiary; whose audited financial statements reflect total assets of Rs. 356.98 Lacs as at March 31, 2019 and total revenue of Rs. 39.66 Lacs, total net profit after tax of Rs. 2.42 Lacs and total comprehensive income of Rs. 2.42 Lacs for the year ended on that date, as considered in the consolidated financial statements. These audited financial statements and other financial information for the subsidiary has been audited by other auditor whose reports have been furnished to us, and our opinion on the accompanying consolidated financial statements is based solely on the reports of the auditor.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

- (b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and report of other auditor;
- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated 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 of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a Director of that company 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 Group and the operating

effectiveness of such controls, refer to our separate report in "Annexure A".

- (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 and based on the consideration of the report of the other auditor on separate financial statements of subsidiary as noted in 'Other Matter' paragraph:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note No. 29 to the consolidated financial statements;
 - ii) The Group has made provision, as required under the applicable law or accounting standards, for

material foreseeable losses, if any, on long-term contracts including derivative contracts;

- iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group.

For **GANDHI & ASSOCIATES LLP**
Chartered Accountants
(FRN:102965W/W100192)

[MILIND GANDHI]

Partner

Membership No. 043194

Mumbai,
May 18, 2019

ANNEXURE – A TO THE AUDITOR’S REPORT

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Prime Securities Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 and its subsidiaries’ 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”) issued by ICAI 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **GANDHI & ASSOCIATES LLP**
Chartered Accountants
(FRN:102965W/W100192)

[MILIND GANDHI]

Partner

Membership No. 043194

Mumbai,
May 18, 2019

Consolidated Balance Sheet as at March 31, 2019

(₹ in Lacs)

| Particulars | Note No. | As at 31-Mar-19 | As at 31-Mar-18 |
|--|----------|-----------------|-----------------|
| ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, Plant & Equipment | 1 | 438.67 | 284.60 |
| (b) Other Intangible Assets | 1 | 5.36 | 1.21 |
| (c) Financial Assets | | | |
| (i) Investments | 2 | 167.59 | 136.17 |
| (d) Deferred Tax Assets | | 99.69 | 89.23 |
| (e) Non-Current Tax Assets (Net) | | - | 96.57 |
| (f) Other Non-Current Assets | 3 | 379.51 | 356.33 |
| Total Non-Current Assets | | 1,090.82 | 964.11 |
| 2 Current assets | | | |
| (a) Financial Assets | | | |
| (i) Investments | 4 | 107.43 | 28.10 |
| (ii) Trade Receivables | 5 | 2,711.74 | 129.63 |
| (iii) Cash & Cash Equivalents | 6 | 86.84 | 10.74 |
| (iv) Bank Balance other than (iii) above | 7 | 347.36 | 525.00 |
| (v) Loans | 8 | 100.00 | 200.00 |
| (vi) Other Financial Assets | 9 | 128.81 | 140.45 |
| (b) Other Current Assets | 10 | 62.39 | 169.77 |
| Total Current Assets | | 3,544.57 | 1,203.69 |
| Total Assets | | 4,635.39 | 2,167.80 |
| EQUITY AND LIABILITIES | | | |
| 1 Equity | | | |
| (a) Equity Share Capital | 11 | 1,329.94 | 1,329.94 |
| (b) Other Equity | 12 | 2,237.77 | (317.83) |
| Total Equity | | 3,567.71 | 1,012.11 |
| 2 Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13 | 88.18 | 7.13 |
| (b) Deferred Tax Liability (Net) | | 1.33 | - |
| (c) Provisions | 14 | 213.66 | 193.99 |
| Total Non-Current Liabilities | | 303.17 | 201.12 |
| 3 Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 273.18 | 587.36 |
| (ii) Trade Payables | 16 | 43.04 | 34.15 |
| (iii) Other Financial Liabilities | 17 | 21.92 | 204.17 |
| (b) Other Current Liabilities | 18 | 376.09 | 94.11 |
| (c) Provisions | 19 | 45.44 | 34.78 |
| (d) Current Tax Liabilities (Net) | | 4.84 | - |
| Total Current Liabilities | | 764.51 | 954.57 |
| Total Equity and Liabilities | | 4,635.39 | 2,167.80 |

Significant accounting policies Note No. 28

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

As per our Report attached

For and on behalf of

GANDHI & ASSOCIATES LLP

Chartered Accountants

(FRN: 102965W/W100192)

Milind Gandhi

Partner

Membership No. 043194

Mumbai, May 18, 2019

For and on behalf of the Board

N. Jayakumar
Managing Director
& Group CEO

S. R. Sharma
Director

Pradip Dubhashi
Chairman

Ajay Shah
Company Secretary

Mumbai, May 18, 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lacs)

| Particulars | Note No. | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|--|----------|-------------------------|-------------------------|
| I Revenue from Operations | 20 | 4,585.71 | 2,311.42 |
| II Other Income | 21 | 109.19 | 91.05 |
| III Total Income (I+II) | | 4,694.90 | 2,402.47 |
| IV Expenses | | | |
| Employee benefits expenses | 22 | 1,239.77 | 354.31 |
| Finance cost | 23 | 17.43 | 1.87 |
| Depreciation and amortization expenses | 1 | 38.55 | 14.97 |
| Other expenses | 24 | 1,096.22 | 421.04 |
| Total Expenses | | 2,391.97 | 792.19 |
| V Profit / (loss) before exceptional items and tax (III -IV) | | 2,302.93 | 1,610.28 |
| VI Exceptional Items | 25 | (137.74) | 104.71 |
| VII Profit / (loss) before tax (V + VI) | | 2,165.19 | 1,714.99 |
| VIII Tax expense: | | | |
| Current tax | 26 | 478.20 | 373.10 |
| Deferred tax | | (9.13) | (89.23) |
| Tax from earlier years | | - | 0.64 |
| IX Profit / (loss) for the year (VII - VIII) | | 1,696.12 | 1,430.48 |
| X Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit liability | 27 | (69.94) | (19.71) |
| Income tax effect on above | | 14.35 | 4.02 |
| XI Total Comprehensive Income for the period (IX + X) (Comprising Profit / (loss) and other comprehensive income for the period) | | 1,640.52 | 1,414.79 |
| XII Earnings per equity share | | | |
| Basic | | 6.40 | 5.39 |
| Diluted | | 6.27 | 5.39 |

Significant accounting policies Note No. 28

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

As per our Report attached

For and on behalf of

GANDHI & ASSOCIATES LLP

Chartered Accountants

(FRN: 102965W/W100192)

For and on behalf of the Board

N. Jayakumar
Managing Director
& Group CEO

Pradip Dubhashi
Chairman

S. R. Sharma
Director

Ajay Shah
Company Secretary

Milind Gandhi

Partner

Membership No. 043194

Mumbai, May 18, 2019

Mumbai, May 18, 2019

Consolidated Cash Flow Statement for the year ended March 31, 2019 (₹ in Lacs)

| | INFLOWS/(OUTFLOWS) | |
|---|----------------------|----------------------|
| | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
| A Cash flow from Operating Activities | | |
| Net Profit / (Loss) before tax from continuing operations | 2,095.25 | 1,695.28 |
| Adjustments for : | | |
| Dividend Received | (17.46) | - |
| Interest Received | (39.66) | (37.43) |
| Depreciation | 38.55 | 14.97 |
| Interest & Finance Charges | 17.43 | 1.87 |
| Loss / (Gain) on Sale of Investments (Net) | (4.01) | (4.14) |
| Amount Written-back | (0.09) | (302.40) |
| Balances written off | 137.83 | 197.69 |
| (Appreciation) / Diminution in value of Investments | (42.75) | 23.07 |
| Loss / (Gain) on Sale of Fixed Assets | (5.54) | - |
| Provision for outstanding ESOS | 48.86 | 29.22 |
| | 144.24 | (77.15) |
| Operating Profit / (Loss) before Working Capital changes | 2,239.49 | 1,618.13 |
| Adjustments for Changes in the Working Capital | | |
| Debtors | (2,582.11) | 299.25 |
| Current Assets | 107.39 | (59.78) |
| Loans & Advances | (26.19) | (393.87) |
| Current Liabilities & Provisions | 321.29 | (11.89) |
| | (2,179.63) | (166.29) |
| Cash generated from Operations | 59.86 | 1,451.84 |
| Direct Taxes (Paid) / Refund (net) | (362.45) | (800.99) |
| Net Cash from Operating Activities (A) | (302.59) | 650.85 |
| B Cashflow from Investment Activities | | |
| Purchase of Investments | (1,516.58) | - |
| Purchase of Fixed Assets | (208.06) | (9.53) |
| Sale of Investments | 1,452.55 | 5.39 |
| Other Non-Current Assets | (23.18) | - |
| Sale of Assets | 5.75 | - |
| Dividend Received | 17.46 | - |
| Interest Received | 39.66 | 37.43 |
| Net Cash from Investment activities (B) | (232.40) | 33.29 |
| C Cashflow from Financing Activities | | |
| Interest & Finance Charges | (17.43) | (1.87) |
| Application Money against warrants | 864.25 | 2.00 |
| Funds Borrowed / (Repaid) (net) | (413.38) | (869.61) |
| Net Cash from Finance Activities (C) | 433.44 | (869.48) |
| Net Cashflow (A + B + C) | (101.54) | (185.34) |
| Changes in the Cash & Bank Balances | (101.54) | (185.34) |
| Cash and Cash Equivalents at the beginning of the year | 535.74 | 721.07 |
| Cash and Cash Equivalents at the end of the year | 434.20 | 535.74 |

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 in 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)

For and on behalf of the Board

N. Jayakumar
Managing Director
& Group CEO

Pradip Dubhashi
Chairman

S. R. Sharma
Director

Ajay Shah
Company Secretary

Milind Gandhi
Partner
Membership No. 043194

Mumbai, May 18, 2019

Mumbai, May 18, 2019

Statement of Changes in Equity (SOCIE) for the year ended March 31, 2019

(a) Equity Share Capital

(₹ in Lacs)

| Particulars | As at 31-Mar-2019 | | As at 31-Mar-2018 | |
|--|-------------------|----------|-------------------|----------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the Beginning of the Reporting Period | 2,65,15,325 | 1,329.94 | 2,65,15,325 | 1,329.94 |
| Changes in Equity Share Capital during the Year | - | - | - | - |
| Balance at the End of the Reporting Period | 2,65,15,325 | 1,329.94 | 2,65,15,325 | 1,329.94 |

(b) Other Equity

(₹ in Lacs)

| Particulars | Reserves and Surplus | | | | | | | Items of Other Comprehensive Income | Total |
|---|----------------------|----------------------------|----------------------------|-----------------------------------|-------------------------------|-----------------|-------------------|---|----------|
| | Capital Reserve | Capital Redemption Reserve | Securities Premium Reserve | Share Options outstanding account | Advance against Share Capital | General Reserve | Retained Earnings | Remeasurements of the net defined benefit plans | |
| Balance at March 31, 2018 | 165.00 | 217.27 | 5,316.82 | 29.22 | - | 2,400.00 | (8,391.02) | (55.12) | (317.83) |
| Profit for the year | - | - | - | - | - | - | 1,696.09 | - | 1,696.09 |
| Share based payment to employees | - | - | - | 48.86 | - | - | - | - | 48.86 |
| Provided during the Year | - | - | - | - | 866.25 | - | - | - | 866.25 |
| Actuarial gain / (Loss) on defined benefits plan net of tax | - | - | - | - | - | - | - | (55.59) | (55.59) |
| Other comprehensive income for the year | - | - | - | - | - | - | - | (55.59) | (55.59) |
| Total comprehensive income for the year | - | - | - | - | - | - | - | (55.59) | (55.59) |
| Balance at March 31, 2019 | 165.00 | 217.27 | 5,316.82 | 78.08 | 866.25 | 2,400.00 | (6,694.93) | (110.70) | 2,237.77 |

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

For and on behalf of the Board

N. Jayakumar
Managing Director
& Group CEO

Pradip Dubhashi
Chairman

S. R. Sharma
Director

Ajay Shah
Company Secretary

Milind Gandhi
Partner
Membership No. 043194

Mumbai, May 18, 2019

Mumbai, May 18, 2019

Notes to Consolidated Financial Statements for the year ended March 31, 2019

1. Property, Plant and Equipment

(₹ in Lacs)

| Particulars | Tangible | | | | | | Intangible | |
|----------------------------------|---------------|---------------------|-------------------|---------------|--------------|---------------|-------------------|-------------|
| | Building | Furniture & Fixture | Office Equipments | Vehicles | Computers | Total | Computer Software | Total |
| Gross Block | | | | | | | | |
| Balance as at 01-Apr-2017 | 260.08 | 13.05 | 1.90 | 26.61 | 2.11 | 303.75 | 0.18 | 0.18 |
| Additions | - | 3.02 | 2.57 | - | 2.70 | 8.29 | 1.24 | 1.24 |
| Adjustments | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - |
| Balance as at 31-Mar-2018 | 260.08 | 16.07 | 4.47 | 26.61 | 4.81 | 312.04 | 1.42 | 1.42 |
| Balance as at 01-Apr-2018 | 260.08 | 16.07 | 4.47 | 26.61 | 4.81 | 312.04 | 1.42 | 1.42 |
| Additions | - | 38.76 | 3.68 | 151.69 | 9.13 | 203.26 | 4.80 | 4.80 |
| Adjustments | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | 19.60 | - | 19.60 | - | - |
| Balance as at 31-Mar-2019 | 260.08 | 54.83 | 8.15 | 158.71 | 13.93 | 495.70 | 6.22 | 6.22 |
| Depreciation: | | | | | | - | | - |
| Balance as at 01-Apr-2017 | 6.55 | 2.02 | 0.57 | 2.81 | 0.57 | 12.52 | 0.16 | 0.16 |
| Additions | 6.55 | 2.13 | 0.66 | 4.33 | 1.25 | 14.92 | 0.05 | 0.05 |
| Adjustments | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - |
| Balance as at 31-Mar-2018 | 13.09 | 4.15 | 1.23 | 7.14 | 1.83 | 27.44 | 0.21 | 0.21 |
| Balance as at 01-Apr-2018 | 13.09 | 4.15 | 1.23 | 7.14 | 1.83 | 27.44 | 0.21 | 0.21 |
| Additions | 9.31 | 6.82 | 1.55 | 17.39 | 2.84 | 37.90 | 0.65 | 0.65 |
| Adjustments | - | - | - | (8.30) | - | (8.30) | - | - |
| Disposals | - | - | - | - | - | - | - | - |
| Balance as at 31-Mar-2019 | 22.40 | 10.97 | 2.77 | 16.22 | 4.67 | 57.03 | 0.86 | 0.86 |
| Net Block: | | | | | | | | |
| As at 31-Mar-2018 | 246.98 | 11.92 | 3.25 | 19.47 | 2.98 | 284.60 | 1.21 | 1.21 |
| As at 31-Mar-2019 | 237.67 | 43.86 | 5.38 | 142.49 | 9.26 | 438.67 | 5.36 | 5.36 |

Note:

1. Net block of the Building include a residential flat of Rs. 237.67 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

2. Investment in Equity instruments (Non-Trade)

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| Investment in Equity instruments (Non Trade) | | |
| In Other Companies | | |
| (At Fair Value through Profit & Loss Account) | | |
| I) Quoted, Fully Paid-up | 167.59 | 136.17 |
| II) Unquoted, Fully Paid-up | 200.00 | 200.00 |
| | 367.59 | 336.17 |
| Less: Impairment in value of Investments. | 200.00 | 200.00 |
| Total | 167.59 | 136.17 |

3. Other Non-Current Assets

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| Advances other than capital advances | | |
| (i) Security Deposit (Unsecured, Considered good) | 52.01 | 28.83 |
| (ii) Advance Given (Unsecured, Considered good) | 327.50 | 327.50 |
| Total | 379.51 | 356.33 |

4. Investment in Equity Instruments (Non-Trade)

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| In Other Companies | | |
| (At Fair Value through Profit & Loss Account) | | |
| Quoted, Fully Paid-up | 107.43 | 28.10 |
| Total | 107.43 | 28.10 |

5. Trade Receivables

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|----------------------------|--------------------|--------------------|
| Unsecured, Considered Good | 2,711.74 | 129.63 |
| Total | 2,711.74 | 129.63 |

6. Cash and Cash Equivalents

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|--|--------------------|--------------------|
| Cash on Hand | 0.52 | 0.68 |
| Balance with Banks in Current Accounts | 86.32 | 10.06 |
| Total | 86.84 | 10.74 |

7. Bank Balances other than Cash and Cash Equivalents

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|--|--------------------|--------------------|
| Bank Deposits with 3-12 months original maturity | 347.36 | 525.00 |
| Total | 347.36 | 525.00 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

8. Current Loans

| Particulars | (₹ in Lacs) | |
|---|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| Loans to Related Parties | | |
| Subsidiary Companies (Unsecured, Considered Doubtful) | 48.59 | 48.59 |
| Associate Company (Unsecured, Considered Good) | - | 200.00 |
| Loans to others | 100.00 | - |
| | 148.59 | (248.59) |
| Less: Provision for Doubtful Loans | (48.59) | (48.59) |
| Total | 100.00 | (200.00) |

9. Other Current Financial Assets

| Particulars | (₹ in Lacs) | |
|--|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| Other Receivables (Unsecured, Considered Good) | 124.91 | 133.48 |
| Interest Receivable (Unsecured, Considered Good) | 3.90 | 6.97 |
| | 128.81 | 140.45 |
| Less: Provision for Doubtful Loans | - | - |
| Total | 128.81 | 140.45 |

10. Other Current Assets

| Particulars | (₹ in Lacs) | |
|--------------------------------------|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| Advances other than Capital Advances | | |
| Prepaid Expenses | 15.94 | 11.69 |
| Other Advances | 46.45 | 158.08 |
| Total | 62.39 | 169.77 |

11. Equity Share Capital

| Particulars | (₹ in Lacs) | |
|--|--------------------|--------------------|
| | As at 31-Mar-19 | As at 31-Mar-18 |
| Authorised | | |
| 3,50,00,000 (March 31, 2018 3,50,00,000) Equity Shares of Rs. 5/- each | 1,750.00 | 1,750.00 |
| 18,00,000 (March 31, 2018 18,00,000) Unclassified Shares of Rs. 100/- each | 1,800.00 | 1,800.00 |
| Total | 3,550.00 | 3,550.00 |
| Issued | | |
| 2,72,64,525 (March 31, 2018 2,72,64,525) Equity Shares of Rs. 5/- each | 1,363.23 | 1,363.23 |
| Total | 1,363.23 | 1,363.23 |
| Subscribed & Fully Paid-up | | |
| 2,65,15,325 (March 31, 2018 2,65,15,325) Equity Shares of Rs. 5/- each | 1,325.77 | 1,325.77 |
| Add : Share Forfeiture Account [7,48,600 Equity Shares forfeited] | 4.17 | 4.17 |
| Total | 1,329.94 | 1,329.94 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

12. Other Equity

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| (a) Capital Reserve | | |
| At the commencement and at the end of the year | 165.00 | 165.00 |
| Total | 165.00 | 165.00 |
| (b) Capital Redemption Reserve | | |
| At the commencement and at the end of the year. | 217.27 | 217.27 |
| Total | 217.27 | 217.27 |
| (c) Securities Premium Reserve | | |
| At the commencement of the year | 5,316.82 | 5,316.82 |
| Add: Received during the year | - | - |
| Total | 5,316.82 | 5,316.82 |
| (d) Share Options outstanding account | | |
| At the commencement of the year | 29.22 | - |
| Add: Provided during the year | 48.86 | 29.22 |
| Total | 78.08 | 29.22 |
| (e) Advance against Share Capital | | |
| At the commencement of the year | - | - |
| Add: Advance received against issue of warrants (Refer Note No 37) | 866.25 | - |
| Total | 866.25 | - |
| (f) General Reserve | | |
| At the commencement and at the end of the year.. | 2,400.00 | 2,400.00 |
| Total | 2,400.00 | 2,400.00 |
| (g) Surplus | | |
| At the commencement of the year | (8,391.02) | (9,821.50) |
| Add: Net Profit / (Loss) for the Year | 1,696.08 | 1,430.48 |
| Total | (6,694.94) | (8,391.02) |
| (h) Items of Other Comprehensive Income | | |
| Remeasurement of defined benefit liability | | |
| At the commencement of the year | (55.12) | (39.43) |
| Add : Remeasurement of defined benefit liability | (55.59) | (15.69) |
| Total | (110.70) | (55.12) |
| Total Other Equity | 2,237.77 | (317.83) |

- Securities premium reserve**
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.
- Capital Reserve**
The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.
- General Reserve**
General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.
- Remeasurements of the net defined benefit Plans**
Remeasurements of the net defined benefit Plans comprises actuarial gains and losses and return on plan assets (excluding interest income).
- Share Options outstanding account**
The amount is provided on determination of fair value of options in accordance with requirements of Ind AS 102.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

13. Borrowings - Non-Current Liabilities

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| Secured Loan (For Security and terms of repayment : Refer Note no 38) | | |
| Term Loan from Bank | 88.18 | 7.13 |
| Total | 88.18 | 7.13 |

14. Non-Current Provisions

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| Provision for employee benefits (Refer note no 46) | | |
| Compensated Absences | 213.66 | 193.99 |
| Total | 213.66 | 193.99 |

15. Borrowings - Current Liabilities

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| Borrowings - Current Liabilities | | |
| Secured Loan (For Security and terms of repayment : Refer Note no 38) | | |
| Other Loan from Bank. | - | 97.36 |
| Unsecured | | |
| Loans repayable on demand from banks | 3.18 | - |
| Loans and advances from related parties | 270.00 | 490.00 |
| Total | 273.18 | 587.36 |

16. Trade Payables

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|----------------|--------------------|--------------------|
| Trade Payables | 43.04 | 34.15 |
| Total | 43.04 | 34.15 |

17. Other Current Financial Liabilities

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| (a) Current maturities of Long-Term debt (Refer note no 38) | 21.92 | 202.17 |
| (b) Application Money received for allotment of warrants | - | 2.00 |
| Total | 21.92 | 204.17 |

18. Other current liabilities

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|--|--------------------|--------------------|
| (a) Revenue received in advance | 2.40 | 2.40 |
| (b) Statutory Dues Payable (includes Provident Fund, GST, Withholding Tax etc.) | 184.09 | 25.72 |
| (c) Outstanding Expenses Payable | 47.10 | 13.06 |
| (d) Other Payables | 94.40 | 52.93 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|----------------------------|--------------------|--------------------|
| (e) Employees dues payable | 48.10 | - |
| Total | 376.09 | 94.11 |

19. Current Provisions

(₹ in Lacs)

| Particulars | As at 31-Mar-19 | As at 31-Mar-18 |
|---|--------------------|--------------------|
| Provision for Employee Benefits (Refer note no 46) | | |
| Gratuity | 26.22 | 17.73 |
| Compensated Absences. | 19.22 | 17.05 |
| Total | 45.44 | 34.78 |

20. Revenue from Operations

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|--------------------------------------|-------------------------|-------------------------|
| Merchant Banking and Advisory Fees | 2,083.51 | 827.18 |
| Restructuring Advisory Fees | 2,065.50 | 1,484.24 |
| Income from Brokerage on Mutual Fund | 436.69 | - |
| Total | 4,585.71 | 2,311.42 |

Reconciliation of revenues from Operations with contract price

| Particulars | Year ended 31-Mar-19 |
|--------------------------------|-------------------------|
| Contract price | 4,585.71 |
| Less : adjustments | - |
| Revenue from Operations | 4,585.71 |

21. Other Income

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|--|-------------------------|-------------------------|
| Brokerage Income | - | 1.08 |
| Interest Income | 39.66 | 37.43 |
| Dividend Income | 17.46 | - |
| Net Gain / (Loss) on Sale of Investments | - | 4.14 |
| Appreciation in value of investments | 42.75 | 0.86 |
| Profit & Loss On Sale Of Mutual Fund | 4.01 | - |
| Gain on Foreign Exchange Transactions | - | 2.74 |
| Rent | 4.80 | 4.80 |
| Reimbursement of Expenses | - | 40.00 |
| Miscellaneous Income | 0.51 | - |
| Total | 109.19 | 91.05 |

22. Employee Benefits Expense

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|---|-------------------------|-------------------------|
| Salaries | 1,156.51 | 312.85 |
| Contribution to Provident and Other Funds | 24.85 | 6.40 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|----------------------------------|-------------------------|-------------------------|
| Share Based Payment to Employees | 48.85 | 29.22 |
| Staff Welfare Expenses | 9.55 | 5.84 |
| Total | 1,239.77 | 354.31 |

23. Finance Costs

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|------------------|-------------------------|-------------------------|
| Interest Expense | 17.43 | 1.87 |
| Total | 17.43 | 1.87 |

24. Other Expenses

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|--|-------------------------|-------------------------|
| Electricity Expenses | 4.26 | 3.03 |
| Rent | 138.01 | 47.17 |
| Repairs & Maintenance | 15.70 | 33.90 |
| Insurance Premium | 3.99 | 2.90 |
| Rates & Taxes | 1.17 | 0.62 |
| Travelling & Conveyance | 49.67 | 46.37 |
| Consultancy & Professional Charges | 700.44 | 108.08 |
| Director's Sitting Fees | 33.40 | 45.90 |
| Auditor's Remuneration | | |
| - For Audit Fees | 10.30 | 7.10 |
| - For Other Services | 0.75 | 0.85 |
| Corporate Social Responsibility Expenses | 12.32 | 20.20 |
| Diminution in Value of Investments | - | 23.93 |
| Registration Charges | 1.78 | - |
| Loss on Sale of Fixed Assets | 5.54 | - |
| Miscellaneous Expenses | 118.89 | 81.01 |
| Total | 1,096.22 | 421.04 |

25. Extraordinary Items

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|---------------------------|-------------------------|-------------------------|
| Amounts Written Back | 0.09 | 302.40 |
| Sundry Balance W/Back-Off | (137.83) | (197.69) |
| Total | (137.74) | 104.71 |

26. Tax Expenses

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|--|-------------------------|-------------------------|
| (a) Amounts recognised in profit & loss | | |
| Current income tax | 478.20 | 373.10 |
| Adjustment in respect of current income tax of previous year | - | 0.64 |
| Deferred income tax liability / (asset), net | | |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|---|-------------------------|-------------------------|
| - Origination and reversal of temporary differences | (9.13) | (89.23) |
| Deferred tax expense | (9.13) | (89.23) |
| Tax expense for the year | 469.07 | 283.87 |
| Effective tax rate for the year | 21.66% | 16.55% |

(b) Amounts Recognised In Other Comprehensive Income

| | Year ended March 31, 2019 | | | Year ended March 31, 2018 | | |
|---|---------------------------|--------------------------|---------------|---------------------------|--------------------------|---------------|
| | Before tax | Tax (expense) benefit | Net of tax | Before tax | Tax (expense) benefit | Net of tax |
| Items that will not be reclassified to profit or loss | | | | | | |
| Remeasurement of defined benefit liability | (69.94) | 14.35 | (55.59) | (19.71) | 4.02 | (15.69) |
| | (69.94) | 14.35 | (55.59) | (19.71) | 4.02 | (15.69) |

(c) Reconciliation of Effective Tax Rate

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|---|-------------------------|-------------------------|
| Profit Before Tax | 2,095.25 | 1,695.28 |
| Applicable Tax Rate | 29.12% | 27.55% |
| Computed Tax Expense | 610.14 | 478.74 |
| Tax effect of: | | |
| Allowances | (21.51) | (12.65) |
| Expenses Disallowed | 73.31 | 71.47 |
| Capital Gains Set off against brought forward losses | - | (1.15) |
| Brought forward losses | (510.99) | (429.03) |
| MAT under Section 115JB | 312.90 | 261.39 |
| Current Tax Provision (A) | 463.85 | 368.77 |
| Deferred Tax Asset on account of Property, Plant and Equipment | 1.72 | (27.99) |
| Deferred Tax Asset on account of Retirement Benefit of Employees | (10.84) | (61.24) |
| Deferred Tax Provision (B) | (9.12) | (89.23) |
| Adjustment in respect of Current Income Tax of Previous Year | - | 0.64 |
| Tax Expense recognised in Statement of Profit and Loss (A) + (B) | 454.73 | 280.18 |

(d) Movement in deferred tax balances

| | March 31, 2019 | | | | |
|---|------------------------------|---------------------------------|-------------------------------|-----------------------|---------------------------|
| | Net balance April 1, 2018 | Recognised in profit or loss | Net balance March 31, 2019 | Deferred tax asset | Deferred tax liability |
| Deferred tax asset / (liabilities) | | | | | |
| Property, plant and equipment | 27.99 | (1.72) | 26.27 | 27.60 | 1.33 |
| Employee benefits | 61.24 | 10.85 | 72.09 | 72.09 | - |
| Tax assets / (Liabilities) | 89.23 | 9.13 | 98.36 | 99.69 | 1.33 |
| Set off tax | - | - | - | - | - |
| Net tax assets / (liabilities) | 89.23 | 9.13 | 98.36 | 99.69 | 1.33 |

- 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

- 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.

27. Other Comprehensive Income

| Particulars | (₹ in Lacs) | |
|----------------------------|-------------------------|-------------------------|
| | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
| Gratuity Provision | (16.11) | (5.58) |
| Leave Encashment Provision | (53.82) | (14.13) |
| Total | (69.94) | (19.71) |

28. Significant accounting policies

a) Basis of preparation of Financial Statements:

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the section 133 of the Companies Act 2013("the 2013 Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, and Companies (Indian Accounting Standards) Rules, 2016. The financial statements were authorised for issue by the Company's Board of Directors on May 18, 2019.

Current and Non Current Classification:

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

Functional and presentation currency:

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

Historical cost convention:

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

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

b) Use of Estimates and Judgements:

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

- **Determination of the estimated useful lives of Property Plant and Equipments:**
Useful lives of Property Plant and Equipments are based on the life prescribed in Schedule II of the Companies Act, 2013.
- **Recognition and measurement of defined benefit obligations:**
The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation,

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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.

- **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 techniques as follows.

- 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

Notes to Consolidated Financial Statements for the year ended March 31, 2019

its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

- The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

c) Property, plant and equipment:

• Recognition and measurement:

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

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

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.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2019

financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Financial Assets:

Classification:

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

Initial recognition and measurement:

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

Equity investments:

Equity investments in subsidiaries are measured at cost less impairment.

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

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

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

Derecognition:

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

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

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

Notes to Consolidated Financial Statements for the year ended March 31, 2019

the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets:

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

i) **Borrowing Costs:**

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

j) **Revenue Recognition**

The Company derives revenues primarily from advisory services.

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

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

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

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

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

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

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

k) **Recognition of Non-Operating Income:**

- i) Dividend income is recognised when the right to receive is established.
- ii) Interest income is recognised on accrual basis.
- iii) Gain or losses on sale of investments are recognized on trade dates by comparing the sales realization with the weighted average cost of such investment.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

l) Leases:

Lease payments:

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

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

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

m) Impairment of non-financial assets:

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

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

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

n) Cash and cash equivalents:

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

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

o) Taxation:

Income tax expenses comprises Current and Deferred Tax. It is recognized in Profit & Loss except to the extent that it relates to a business combination or items recognized directly in Equity or OCI.

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

ii) **Deferred tax:**

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

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

p) **Provisions, Contingent Assets and Contingent Liabilities:**

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

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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

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

q) Segment reporting:

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

29. Contingent Liabilities to the extent not provided for in respect of:

(₹ in Lacs)

| Sr. No. | Particulars | 31-Mar-2019 | 31-Mar-2018 |
|---------|---|-------------|-------------|
| i) | Demands raised by Tax Authorities against which the Company has preferred appeals | 13.45 | 13.18 |

30. The Group has accounted for revenue of Rs.500 lacs pending satisfaction of performance obligations mandated by the Accounting Standard on Revenue from Contract with Customers (IND AS 115)
31. In the earlier financial year, the Group 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.
32. In the earlier financial year the Group has written back an outstanding payable of Rs. 219.07 lacs by crediting the statement of Profit & Loss as the same was no longer payable in the opinion of the Management.
33. The Group has not received confirmation of account from certain debtors whose aggregate balance outstanding is Rs. 1,312.70 Lacs at the year-end. No provision for doubtful debt is considered necessary by the Group as in the opinion of its management the amount will be fully realized in ordinary course of business.
34. The group has not received confirmation of account from certain Parties to whom advances are given whose aggregate balance outstanding is 234.90 lacs at the year end. No provisions for doubtful advances is considered necessary by the Group as in the opinion of the management the amount will be fully realized in the ordinary course of business.

35. 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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

| Name of the Shareholder | 31-Mar-2019 | | 31-Mar-2018 | |
|------------------------------------|--------------------|--------------|--------------------|--------------|
| | No. of shares held | % of Holding | No. of shares held | % of Holding |
| Judith Investments Private Limited | 17,83,497 | 6.73 | 17,83,497 | 6.73 |
| N. Jayakumar | 34,03,059 | 12.83 | 31,24,759 | 11.78 |

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

| Particulars | 2018-19 | | 2017-18 | |
|------------------------------------|-------------|-------------|-------------|-------------|
| | Numbers | Rs. in Lacs | Numbers | Rs. in Lacs |
| Opening Balance | 2,65,15,325 | 1,329.94 | 2,65,15,325 | 1,329.94 |
| Add: Shares issued during the year | - | - | - | - |
| Closing Balance | 2,65,15,325 | 1,329.94 | 2,65,15,325 | 1,329.94 |

36. Employees Stock Option Schemes (ESOS)

Employees Stock Option Schemes (ESOS)

The Company's stock based compensation plan for Employees comprises ESOS 2018, which have been instituted for all eligible Employees / Directors of the Company and its Subsidiaries. ESOS 2018 permits allocation of an aggregate of 4,500,000 Equity Shares of the face value of Rs. 5/- per share to the eligible Employees / Directors of the Company and its Subsidiaries, on the recommendation of the Nomination and Remuneration Committee, at an Exercise Price which shall be at 10% discount to the Three Months Average Market Price on the Grant Date. During the Year, the Company has granted 18,87,000 Options to the eligible Employees / Directors of the Company and its Subsidiaries. All Options granted under earlier ESOS viz. ESOS 2007, ESOS 2008 and ESOS 2009 have lapsed / expired and accordingly, ESOS 2007, ESOS 2008 and ESOS 2009 have been discontinued.

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

| Particulars (Exercise Price) | ESOS 2007 | | ESOS 2009 | | ESOS 2018 | |
|--|--------------|---------------|--------------|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Options outstanding, beginning of the Year | - | 40,000 | 1,06,400 | 2,13,200 | - | - |
| Add: Granted during the Year | - | - | - | - | 18,87,000 | - |
| Less: Exercised during the Year | - | - | - | - | - | - |
| Less: Lapsed during the Year | - | 40,000 | 1,06,400 | 1,06,800 | 5,12,000 | - |
| Options outstanding, end of the Year | - | - | - | 1,06,400 | 13,75,000 | - |

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 | 2018-19 |
|---------|--|---|
| (A) | Average risk-free rate | 7.87% |
| (B) | Average expected life of options | 6.5 years |
| (C) | Average expected volatility | 60.74% |
| (D) | Weighted average share price | Rs. 41.10 Per Share |
| (E) | Weighted average exercise price | Rs. 34.70 Per Share |
| (F) | Method used to determine expected volatility | Based on the returns generated on equity shares of Company for the period from F.Y. 2017 to F.Y. 2019 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Expense on Employee Stock Options Scheme debited to the Statement of Profit and Loss during the year is Rs. 48.86 lacs

37. Equity Share Warrants

During the year, the Company has issued and allotted 70,00,000 (Seventy Lacs) Equity Share Warrants on a preferential basis, carrying an entitlement to subscribe to an equivalent number of Equity Shares of Rs. 5/- each, to the Investors at an Exercise Price of Rs. 49.50 per share. The Company has received 25% of Exercise Price at the time of application of warrants. The warrant holders have an option to acquire the Equity Shares, in one or more tranches, on or before the expiry of 18 months from the date of allotment of the Warrants upon payment of balance 75%. The Company has shown the amount received from warrant holders as advance against share capital under Other Equity.

38. Borrowings:

(A) Secured loans:

a) Term Loan from Bank:

Term loan of Rs. 110.10 lacs (March 31, 2018 Rs. 9.29 lacs) from the Bank is secured against Vehicle of the Group.

b) Other Loan from Bank:

Other Loan from Bank of Rs. Nil (March 31, 2018 Rs. 200 Lacs) is secured against pledge of shares of other parties. Overdraft against Fixed Deposit from Bank of Rs. Nil (March 31, 2018 Rs. 97.36 lacs) is secured against Fixed Deposit of the Bank.

c) Term of Repayment

Term Loan from Bank is repayable in equal monthly instalment, the last instalment is due on September 15, 2023 as per repayment schedule having interest rate of 8.70% p.a.

(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.

39. 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:

Associate Companies:

Gateway Entertainment Limited

Judith Investments Private Limited

ALSS Investments

PRP Professional Edge Associates Private Limited

Key Management Personnels:

Mr. N. Jayakumar (Managing Director & Group CEO)

Mr. Ajay Shah (VP Legal & Company Secretary)

Mr. SR Sharma (Managing Director of Primesec Investments Limited)

Mr. Puneet Pandey (Managing Director of Prime Research & Advisory Limited)

Mr. Akshay Gupta (Managing Director of Prime research & Advisory Limited)

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Independent Directors:

Mr. Pradip Dubhashi

Mr. Anil Dharker (Upto November 13, 2018)

Ms. Alpna Parida

Ms. Namrata Kaul (From February 14, 2019)

Ms. Smita Cawas Affinwalla (From February 14, 2019)

Relative of Independent Director:

Mr. Samresh Parida (Proprietor of S P Growth Consulting)

Relative of Key Management Personnel:

Mr. Prakhar Pandey

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

(₹ in Lacs)

| Sr. No. | Nature of Transaction | Relationship | Transactions | |
|---------|---|--------------------------|--------------|---------------|
| | | | Current Year | Previous Year |
| 1 | Interest free Inter corporate deposit received from Gateway Entertainment Limited Write back of ICD no longer payable | Associate Company | - | 30.00 |
| 2 | Remuneration paid to Key Managerial Personnel | Key Management Personnel | 566.69 | 178.03 |
| 3 | Sitting Fees to Independent Directors | Independent Directors | 33.40 | 45.90 |
| 4 | Rent received from S P Growth Consulting | Relative of Director | 4.80 | 4.80 |
| 5 | Repayment of Interest free unsecured loan received from Mr. N Jayakumar | Key Management Personnel | - | 430.00 |
| 6 | Repayment of Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited | Associate Company | 220.00 | 85.00 |
| 7 | Advance Received against Share Capital from Mr. Puneet Pandey | Key Management Personnel | 432.13 | 2.00 |
| 8 | Advance Received against Share Capital from ALSS Investments | Associate Company | 432.13 | - |
| 9 | Remuneration paid to Mr. Prakhar Pandey | Relative of Director | 39.00 | - |
| 10 | Transactions with PRP Professional Edge Associates Pvt. Ltd. towards purchase of Fixed Assets & reimbursement of expenses | Associate Company | | |
| | Purchase of Fixed Assets | | 37.86 | - |
| | Reimbursement of expenses | | 21.59 | - |
| | Rent Paid | | 18.00 | - |
| | Security Deposit | | 3.00 | - |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Outstanding Balance

(₹ in Lacs)

| Sr. No. | Nature of Transaction | Relationship | Balance as on | |
|---------|---|-------------------|-----------------|-----------------|
| | | | 31-Mar-19 | 31-Mar-18 |
| 1 | Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited | Associate Company | 270.00 (Credit) | 490.00 (Credit) |
| 2 | Transactions with PRP Professional Edge Associates Private Limited | Associate Company | 0.62 (Debit) | - |

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.

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

(₹ in Lacs)

| Particulars | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
|--|-------------------------|-------------------------|
| i) Total of future minimum lease payments | | |
| a) Not later than one year | 52.39 | 55.56 |
| b) Later than one year and not later than five years | 13.42 | 67.26 |
| ii) Lease payments recognised in the Profit and Loss account | 55.56 | 47.17 |

41. Segment Information:

Operating Segments :

- Financial Services
- Brokerage from Mutual Fund

Identification of Segments:

The chief operational decision maker monitors the operating results of its business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment Assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

| Particulars | March 31, 2019 | | | March 31, 2018 | | |
|---|--------------------|----------------------------|----------|--------------------|----------------------------|----------|
| | Financial Services | Brokerage from Mutual Fund | Total | Financial Services | Brokerage from Mutual Fund | Total |
| Revenue from Operations | 4,149.01 | 436.70 | 4,585.71 | 2,311.42 | - | 2,311.42 |
| Identifiable operating expenses | 1,818.67 | 517.32 | 2,335.99 | 775.35 | - | 775.35 |
| Segmental operating income | 2,330.34 | (80.61) | 2,249.72 | 1,536.07 | - | 1,536.07 |
| Unallocable expenses | | | (55.99) | | | (16.84) |
| Other income, net | | | 109.19 | | | 91.05 |
| Profit before exceptional items and tax | | | 2,302.93 | | | 1,610.28 |
| Exceptional items | | | (137.74) | | | 104.71 |
| Profit before tax | | | 2,165.19 | | | 1,715.00 |
| Tax expense | | | (469.08) | | | (284.52) |
| Profit for the period | | | 1,696.11 | | | 1,430.48 |
| Depreciation and amortization expense | | | 38.55 | | | 14.97 |
| Capital Employed : | | | | | | |
| a) Merchant Banking | | | 3,287.51 | | | 847.84 |
| b) Brokerage from Mutual Fund | | | 5.18 | | | - |
| c) Unallocated | | | 275.02 | | | 164.27 |
| Total Capital Employed in Segments | | | 3,567.71 | | | 1,012.11 |

42. Subsequent Events:

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

43. 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

- Gross amount required to be spent by the Company during the year 2018-19 Rs. 36.13 lacs (Previous year Rs.20.35 lacs).
- Amount spent during the year on:

(₹ in Lacs)

| Particulars | 2018-19 | 2017-18 |
|---|---------|---------|
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purpose other than (i) above | 12.32 | 20.20 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

44. 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.

(₹ in Lacs)

| 31-Mar-2019 | Fair value through Profit and Loss | | | | Amortised Cost | | | |
|-------------------------------------|------------------------------------|----------|----------|---------------|----------------|----------|-----------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Non Current Investments * | 167.59 | - | - | 167.59 | - | - | - | - |
| Security Deposits | - | - | - | - | - | - | 52.01 | 52.01 |
| Advance Given | - | - | - | - | - | - | 327.50 | 327.50 |
| Quoted Equity Shares | 107.43 | - | - | 107.43 | - | - | - | - |
| Trade receivables | - | - | - | - | - | - | 2,711.74 | 2,711.74 |
| Cash and cash equivalents | - | - | - | - | - | - | 86.84 | 86.84 |
| Other Bank Balance | - | - | - | - | - | - | 347.36 | 347.36 |
| Loans | - | - | - | - | - | - | 100.00 | 100.00 |
| Other Current Financial Assets | - | - | - | - | - | - | 128.81 | 128.81 |
| | 275.02 | - | - | 275.02 | - | - | 3,754.27 | 3,754.27 |
| Financial liabilities | | | | | | | | |
| Non - current borrowings | - | - | - | - | - | - | 88.18 | 88.18 |
| Current borrowings | - | - | - | - | - | - | 273.18 | 273.18 |
| Trade and other payables | - | - | - | - | - | - | 43.04 | 43.04 |
| Other Current financial liabilities | - | - | - | - | - | - | 21.92 | 21.92 |
| | - | - | - | - | - | - | 426.31 | 426.31 |

(₹ in Lacs)

| 31-Mar-2018 | Fair value through Profit and Loss | | | | Amortised Cost | | | |
|---------------------------|------------------------------------|---------|---------|--------|----------------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Non Current Investments * | 136.17 | - | - | 136.17 | - | - | - | - |
| Security Deposits | - | - | - | - | - | - | 28.83 | 28.83 |
| Advance Given | - | - | - | - | - | - | 327.50 | 327.50 |
| Quoted Equity Shares | 28.10 | - | - | 28.10 | - | - | - | - |
| Trade receivables | - | - | - | - | - | - | 129.63 | 129.63 |
| Cash and cash equivalents | - | - | - | - | - | - | 10.74 | 10.74 |
| Other Bank Balance | - | - | - | - | - | - | 525.00 | 525.00 |
| Loans | - | - | - | - | - | - | 200.00 | 200.00 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lacs)

| 31-Mar-2018 | Fair value through Profit and Loss | | | | Amortised Cost | | | |
|-------------------------------------|------------------------------------|---------|---------|--------|----------------|---------|----------|----------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Other Current Financial Assets | - | - | - | - | - | - | 140.45 | 140.45 |
| | 164.27 | - | - | 164.27 | - | - | 1,362.15 | 1,362.15 |
| Financial liabilities | | | | | | | | |
| Non - current borrowings | - | - | - | - | - | - | 7.13 | 7.13 |
| Current borrowings | - | - | - | - | - | - | 587.36 | 587.36 |
| Trade and other payables | - | - | - | - | - | - | 34.15 | 34.15 |
| Other Current financial liabilities | - | - | - | - | - | - | 204.17 | 204.17 |
| | - | - | - | - | - | - | 832.81 | 832.81 |

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

B) Measurement of fair values:

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

C) Financial risk management

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

- Credit risk;
- Liquidity risk; and
- 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

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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.

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

| Particulars | Carrying amount (₹ in lacs) | |
|-------------------------------|-----------------------------|-------------------------|
| | Year ended 31-Mar-19 | Year ended 31-Mar-18 |
| Neither past due nor impaired | | |
| Past due 1-90 days | 1,256.78 | 126.35 |
| Past due 91-180 days | 812.70 | - |
| Past due 181-365 days | 559.40 | - |
| Past due 366 days | 82.86 | 3.28 |
| | 2,711.74 | 129.63 |

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. 86.84 lacs as on March 31, 2019 (March 31, 2018: Rs. 10.74 lacs). The cash and cash equivalents are held with banks with good credit ratings.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Loans and Advances:

The Company held Loans and advances of Rs. 228.81 lacs as on March 31, 2019 (March 31, 2018 Rs. 340.45 lacs). The loans and advances are in nature of rent deposit paid to landlords and advances to other parties and are fully recoverable in the opinion of 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.

(₹ in Lacs)

| 31-Mar-2019 | Carrying amount | Contractual cash flows | | | | | |
|-----------------------------|-----------------|------------------------|--------------------|-------------|-----------|-----------|-------------------|
| | | Total | less than 6 months | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Borrowings | 361.36 | 361.36 | 273.18 | - | 23.92 | 64.26 | - |
| Trade and other payables | 43.04 | 43.04 | 43.04 | - | - | - | - |
| Other financial liabilities | 21.92 | 21.92 | 10.71 | 11.21 | - | - | - |

(₹ in Lacs)

| 31-Mar-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 | 594.49 | 594.49 | 587.36 | - | 5.00 | 2.13 | - |
| Trade and other payables | 34.15 | 34.15 | 34.15 | - | - | - | - |
| Other financial liabilities | 204.17 | 204.17 | 202.00 | 2.17 | - | - | - |

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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, 2019 are as below:

| March 31, 2019 | GBP |
|-----------------------------|--------|
| Financial assets | |
| 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.

45. 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.

| Particulars | (₹ in Lacs) | |
|------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| Non-Current Borrowings | 88.18 | 7.13 |
| Current Borrowings | 273.18 | 587.36 |
| Current maturity of long term debt | 21.92 | 202.17 |
| Gross Debt | 383.28 | 796.66 |
| Total equity | 3,567.71 | 1,012.11 |
| Adjusted Net debt to equity ratio | 0.11 | 0.79 |

46. 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. 24.85 lacs for year ended March 31, 2019 (Rs. 6.40 lacs for year ended March 31, 2018) provident fund contributions in the Statement of Profit and Loss.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(ii) Defined Benefit Plan:

Gratuity

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(₹ in Lacs)

| A) Particulars | Gratuity | |
|--|-----------|-----------|
| | 31-Mar-19 | 31-Mar-18 |
| Defined benefit obligation | 74.92 | 56.15 |
| Fair value of Plan Assets at the end of the year | 50.09 | 39.55 |
| Net Obligation at the end of the year | 24.83 | 16.60 |

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:

(₹ in Lacs)

| Particulars | Gratuity | | | | | |
|---------------------------------------|----------------------------|-----------|---------------------------|-----------|---------------------------------------|-----------|
| | Defined benefit obligation | | Fair value of plan assets | | Net defined benefit (asset) liability | |
| | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| Opening balance | 56.15 | 48.15 | 39.54 | 23.31 | 95.69 | 71.46 |
| Included in profit or loss | - | - | - | - | - | - |
| Current service cost | 8.63 | 8.57 | - | - | 8.63 | 8.57 |
| Past service cost | - | - | - | - | - | - |
| Interest cost (income) | 4.41 | 3.54 | 3.10 | 1.71 | 7.51 | 5.25 |
| | 69.19 | 60.26 | 42.64 | 25.02 | 111.83 | 85.28 |
| Included in OCI | - | - | - | - | - | - |
| Remeasurement loss (gain): | - | - | - | - | - | - |
| Actuarial loss / (gain) arising from: | 5.73 | (4.11) | (0.22) | 0.17 | 5.51 | (3.94) |
| Demographic assumptions | - | - | - | - | - | - |
| Financial assumptions | - | - | - | - | - | - |
| Experience adjustment | - | - | - | - | - | - |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lacs)

| Particulars | Gratuity | | | | | |
|---|----------------------------|-----------|---------------------------|-----------|---------------------------------------|-----------|
| | Defined benefit obligation | | Fair value of plan assets | | Net defined benefit (asset) liability | |
| | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| Return on plan assets excluding interest income | - | - | - | - | - | - |
| | 74.92 | 56.15 | 42.42 | 25.19 | 117.34 | 81.34 |
| Other | | | | | | |
| Contributions paid by the employer | - | - | 7.67 | 14.36 | 7.67 | 14.36 |
| Benefits paid | - | - | - | - | - | - |
| Closing balance | 74.92 | 56.15 | 50.09 | 39.55 | 125.01 | 95.70 |
| Represented by | | | | | | |
| Net defined benefit asset | | | | | (50.09) | (39.55) |
| Net defined benefit liability | | | | | 74.92 | 56.15 |
| | | | | | 24.83 | 16.60 |

C) Plan assets

Plan assets comprise the following:

| Particulars | 31-Mar-19 | 31-Mar-18 |
|-----------------------------------|-----------|-----------|
| Fund managed by Insurance Company | 50.09 | 39.55 |
| | 50.09 | 39.55 |

D) Defined benefit obligations

i) Actuarial assumptions

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

| | 31-Mar-19 | 31-Mar-18 |
|--|----------------------|----------------------|
| Discount rate | 7.69% | 7.88% |
| Expected Rate of Return on Plan Assets | 7.69% | 7.88% |
| Salary escalation rate | 5.00% | 5.00% |
| Employee Turnover | 2.00% | 2.00% |
| Mortality rate | N.A. | N.A. |
| | Indian Assured Lives | Indian Assured Lives |
| | Mortality (2006-08) | Mortality (2006-08) |
| | Ult. | Ult. |

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

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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 | 31-Mar-2019 | | 31-Mar-2018 | |
|---|-------------|----------|-------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (4.64) | 5.28 | (4.01) | 4.58 |
| Future salary growth (1% movement) | 5.37 | (4.80) | 4.67 | (4.16) |
| Rate of employee turnover (1% movement) | 1.03 | (1.13) | 0.66 | (0.75) |

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

Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2019 were as follows

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2019, i.e. Rs. 7.67 lacs

| Expected future benefit payments | (₹ in Lacs) |
|----------------------------------|-------------|
| March 31, 2020 | 2.33 |
| March 31, 2021 | 2.43 |
| March 31, 2022 | 38.74 |
| March 31, 2023 | 1.42 |
| March 31, 2024 | 1.50 |
| Thereafter | 97.28 |

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. 53.82 lacs (March 31, 2018 Rs. 14.13 lacs) and is included in Note 27 - 'Other Comprehensive Income'. Accumulated non-current provision for leave encashment aggregates Rs. 213.66 lacs (March 31, 2018 Rs. 193.99 lacs) and current provision aggregates Rs. 19.22 lacs (March 31, 2018 Rs. 17.05 lacs).

Notes to Consolidated Financial Statements for the year ended March 31, 2019

47. 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

| (₹ in Lacs) | | |
|--|-------------|-------------|
| Particulars | 31-Mar-2019 | 31-Mar-2018 |
| Continuing operations | 1,696.12 | 1,430.48 |
| Profit attributable to equity holders of the Company for basic earnings | 1,696.12 | 1,430.48 |
| Profit attributable to equity holders of the Company adjusted for the effect of dilution | 1,696.12 | 1,430.48 |

b) Weighted average number of ordinary shares

| (₹ in Lacs) | | |
|---|-------------|-------------|
| Particulars | 31-Mar-2019 | 31-Mar-2018 |
| Issued ordinary shares at April 1 | 2,65,15,325 | 2,65,15,325 |
| Effect of dilutive common equivalent shares- share options outstanding | 5,19,863 | - |
| Weighted average number of shares at March 31 for basic and Diluted EPS | 2,70,35,188 | 2,65,15,325 |

c) Basic and Diluted earnings per share

| (₹ in Lacs) | | |
|----------------------------|-------------|-------------|
| Particulars | 31-Mar-2019 | 31-Mar-2018 |
| Basic earnings per share | 6.40 | 5.39 |
| Diluted earnings per share | 6.27 | 5.39 |

Notes to Consolidated Financial Statements for the year ended March 31, 2019

48. Additional Information to be given as required under Schedule III of to the 2013, of enterprises consolidated as Subsidiary

| Sr. No. | Name of the Entity | 31-Mar-19 | | | | | | 31-Mar-18 | | | | | | (Rs. in Lacs) | | | | |
|---------|---|----------------------------------|-----------|-------------------------------------|----------|----------------------------|---------|---|-----------|----------------------------------|---------|-------------------------------------|---------|---------------|----------------------------|--------|---|--------|
| | | Net Assets i.e Total Liabilities | | Share in Profit | | Other Comprehensive Income | | Total Comprehensive Income | | Net Assets i.e Total Liabilities | | Share in Profit | | | Other Comprehensive Income | | Total Comprehensive Income | |
| | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated Total Comprehensive income | Amount | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | | As % of consolidated OCI | Amount | As % of consolidated Total Comprehensive income | Amount |
| | | | | | | | | | | | | | | | | | | |
| | Prime Securities Limited | 157.87% | 5632.40 | 13.24% | 228.94 | 88.59% | (49.25) | 536.07% | 5425.62 | 24.27% | 347.20 | 95.86% | (15.04) | 332.16 | | | | |
| | Subsidiary | | | | | | | | | | | | | | | | | |
| 1 | Company Primesec Investments | (82.05%) | (9227.20) | 77.62% | 1342.16 | 11.41% | (6.34) | (421.20%) | (4263.02) | 60.38% | 863.72 | 4.14% | (0.65) | 863.07 | | | | |
| 2 | United Prime Research & Advisory | 21.62% | 771.26 | 9.00% | 155.59 | 0.00% | - | (23.15%) | (234.32) | 14.51% | 207.61 | 0.00% | - | 207.61 | | | | |
| 3 | United Commodities Broking (India) Limited | 2.42% | 86.25 | 0.14% | 2.42 | 0.00% | - | 8.28% | 83.83 | 0.84% | 11.96 | 0.00% | - | 11.96 | | | | |
| 4 | Prime Funds Management Limited | 0.14% | 5.00 | 0.00% | 0.00 | 0.00% | - | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | | | | |
| | Total | 100.00% | 3567.71 | 100.00% | 1,729.11 | 100.00% | (55.59) | 100.00% | 1012.11 | 100.00% | 1430.49 | 100.00% | (15.69) | 1414.80 | | | | |

* The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2019

Salient features of the financial statements of Subsidiaries / Associate Companies / Joint Ventures

[Pursuant to the first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014 -AOC-1]

Subsidiaries

| Sr. No. | Name of Subsidiary | Primesec Investments Limited | Prime Research & Advisory Limited | Prime Commodities Broking (India) Limited | Prime Funds Management Limited |
|---------|--|---------------------------------|-----------------------------------|---|---------------------------------|
| 1 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | April 1, 2018 to March 31, 2019 | April 1, 2018 to March 31, 2019 | April 1, 2018 to March 31, 2019 | April 1, 2018 to March 31, 2019 |
| 2 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | Indian Rupees | Indian Rupees | Indian Rupees | Indian Rupees |
| 3 | Share Capital | 163.60 | 135.00 | 50.00 | 5.00 |
| 4 | Reserve and Surplus | (3,090.80) | 636.26 | 36.25 | - |
| 5 | Total Assets | 1,811.81 | 1,047.60 | 356.98 | 5.00 |
| 6 | Total Liabilities (Excluding Minority interest) | 4,739.01 | 276.34 | 270.73 | - |
| 7 | Investment other than investment in Subsidiary | 137.57 | 68.01 | - | - |
| 8 | Turnover and Other Income | 2,100.08 | 1,504.13 | 39.66 | - |
| 9 | Profit Before Taxation | 1,708.29 | 211.92 | 3.27 | - |
| 10 | Provision for Taxation (incl Deferred Tax) | 366.13 | 56.33 | 0.85 | - |
| 11 | Profit after Tax | 1,342.16 | 155.59 | 2.42 | - |
| 12 | Dividend | - | - | - | - |
| 13 | % of shareholding | 100% | 100% | 100% | 100% |

Previous year figures have been re-grouped / reclassified wherever necessary.

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

Milind Gandhi
Partner
Membership No. 043194

Mumbai, May 18, 2019

For and on behalf of the Board

N. Jayakumar
Managing Director
& Group CEO


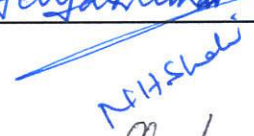


S. R. Sharma
Director

Pradip Dubhashi
Chairman

Ajay Shah
Company Secretary


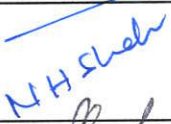
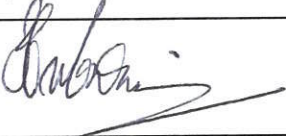
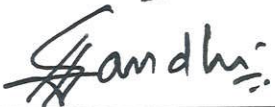

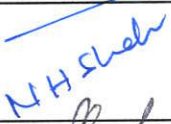
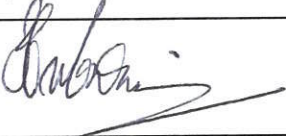
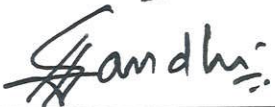

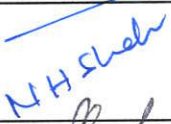
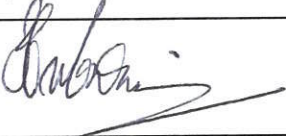
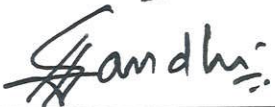
Mumbai, May 18, 2019

Statement of Impact of Audit Qualifications (for Audit Report with Modified Opinion) submitted along-with Annual Audited Financial Results for the Financial Year ended March 31, 2019 (Standalone)

| I. | Sr. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
|------|---|--|---|---|
| | 1. | Turnover / Total Income | 1,110.60 | 1,110.60 |
| | 2. | Total Expenditure | 881.66 | 881.66 |
| | 3. | Net Profit / (Loss) | 228.94 | 228.94 |
| | 4. | Earnings Per Share | 0.86 | 0.86 |
| | 5. | Total Assets | 7,928.72 | 7,601.22 |
| | 6. | Total Liabilities | 560.29 | 560.29 |
| | 7. | Net Worth | 7,368.42 | 7,040.92 |
| | 8. | Any other financial item(s) (as felt appropriate by management) | --- | --- |
| II. | Audit Qualification: | | | |
| | 1) a) Details of Audit Qualification: The Company had, in an earlier financial year, re-instated an advance of Rs. 327.50 Lacs which was previously written-off as not recoverable. Accordingly, the loss in Surplus (Profit & Loss) under Other Equity is lower, and Other Non-Current Assets is higher by the said amount. | | | |
| | b) Type of Audit Qualification: Qualified Opinion. | | | |
| | c) Frequency of Qualification: Appearing since FY ended March 31, 2017. | | | |
| | d) For Audit Qualification where the impact is quantified by auditor, Management's views: The management is in receipt of confirmation from the party and is confident of recovery of the said amount in due course. | | | |
| | e) For Audit Qualification where the impact is not quantified by the auditor: | | | |
| | i) Management's estimation on the impact of audit qualification: Not Applicable | | | |
| | ii) If management is unable to estimate the impact, reasons for the same: Not Applicable | | | |
| | iii) Auditor's comments on (i) or (ii) above: Not Applicable | | | |
| III. | Signatories: | | | |
| | Mr. N. Jayakumar (Managing Director): |  | | |
| | Mr. Nikhil Shah (Chief Financial Officer): |  | | |
| | Mr. Pradip Dubhashi (Audit Committee Chairman) |  | | |
| | Mr. Milind Gandhi, Gandhi & Associates LLP, Chartered Accountants (Auditor of the Company) |  | | |

**Statement of Impact of Audit Qualifications (for Audit Report with Modified Opinion) submitted along-
with Annual Audited Financial Results for the Financial Year ended March 31, 2019 (Consolidated)**

| I. | Sr. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
|-----|-----------------------------|--|---|---|
| | 1. | Turnover / Total Income | 4,694.90 | 4,194.90 |
| | 2. | Total Expenditure | 2,998.80 | 2,998.80 |
| | 3. | Net Profit / (Loss) | 1,696.10 | 1,196.10 |
| | 4. | Earnings Per Share | 6.40 | 4.51 |
| | 5. | Total Assets | 4,635.39 | 3,807.89 |
| | 6. | Total Liabilities | 1,067.68 | 1,286.75 |
| | 7. | Net Worth | 3,567.71 | 2,521.14 |
| | 8. | Any other financial item(s) (as felt appropriate by management) | --- | --- |
| II. | Audit Qualification: | | | |
| | 1) | <p>a) Details of Audit Qualification: The Group has accounted for revenue of Rs. 500 Lacs pending satisfaction of performance obligations mandated by the Accounting Standard on Revenue from Contract with Customers (Ind AS 115). Accordingly, the Profit for the year and Trade Receivables are higher by the said amount.</p> <p>b) Type of Audit Qualification: Qualified Opinion.</p> <p>c) Frequency of Qualification: First mention.</p> <p>d) For Audit Qualification where the impact is quantified by auditor, Management's views: The management is confident of receipt of revenues shortly in due course as the underlying transaction has been completed and is awaiting regulatory approval.</p> <p>e) For Audit Qualification where the impact is not quantified by the auditor:</p> <p>i) Management's estimation on the impact of audit qualification: Not Applicable.</p> <p>ii) If management is unable to estimate the impact, reasons for the same: Not Applicable.</p> <p>iii) Auditor's comments on (i) or (ii) above: Not Applicable.</p> | | |
| | 2) | <p>a) Details of Audit Qualification: The Group had, in an earlier financial year, written-back an outstanding payable of Rs. 219.07 Lacs as in the opinion of the management the same was no longer payable. Accordingly, the loss in surplus (Profit & Loss) under Other Equity and Other Current Liabilities are both lower by the said amount.</p> <p>b) Type of Audit Qualification: Qualified Opinion.</p> <p>c) Frequency of Qualification: Appearing since FY ended March 31, 2018.</p> <p>d) For Audit Qualification where the impact is quantified by auditor, Management's views: The management has written-back the said liability as it was no longer payable in the opinion of the management.</p> <p>e) For Audit Qualification where the impact is not quantified by the auditor:</p> <p>i) Management's estimation on the impact of audit qualification: Not Applicable.</p> <p>ii) If management is unable to estimate the impact, reasons for the same: Not Applicable.</p> <p>iii) Auditor's comments on (i) or (ii) above: Not Applicable.</p> | | |

| | | | | | | | | | |
|---|--|---------------------------------------|--|--|--|--|--|---|--|
| | <p>3) a) Details of Audit Qualification: The Group had, in an earlier financial year, re-instated an advance of Rs. 327.50 Lacs which was previously written-off as not recoverable. Accordingly, the loss in surplus (Profit & Loss) under Other Equity is lower and Other Non-Current Assets is higher by the said amount.</p> <p>b) Type of Audit Qualification: Qualified Opinion.</p> <p>c) Frequency of Qualification: Appearing since FY ended March 31, 2017.</p> <p>d) For Audit Qualification where the impact is quantified by auditor, Management's views: The management is in receipt of confirmation from the party and is confident of recovery of the said amount in due course.</p> <p>e) For Audit Qualification where the impact is not quantified by the auditor:</p> <p>i) Management's estimation on the impact of audit qualification: Not Applicable.</p> <p>ii) If management is unable to estimate the impact, reasons for the same: Not Applicable.</p> <p>iii) Auditor's comments on (i) or (ii) above: Not Applicable.</p> | | | | | | | | |
| III. | <p>Signatories:</p> <table border="1"> <tr> <td data-bbox="277 712 858 824">Mr. N. Jayakumar (Managing Director):</td><td data-bbox="858 712 1426 824"></td></tr> <tr> <td data-bbox="277 824 858 947">Mr. Nikhil Shah (Chief Financial Officer):</td><td data-bbox="858 824 1426 947"></td></tr> <tr> <td data-bbox="277 947 858 1059">Mr. Pradip Dubhashi (Audit Committee Chairman)</td><td data-bbox="858 947 1426 1059"></td></tr> <tr> <td data-bbox="277 1059 858 1176">Mr. Milind Gandhi, Gandhi & Associates LLP, Chartered Accountants (Auditor of the Company)</td><td data-bbox="858 1059 1426 1176"></td></tr> </table> | Mr. N. Jayakumar (Managing Director): |  | Mr. Nikhil Shah (Chief Financial Officer): |  | Mr. Pradip Dubhashi (Audit Committee Chairman) |  | Mr. Milind Gandhi, Gandhi & Associates LLP, Chartered Accountants (Auditor of the Company) |  |
| Mr. N. Jayakumar (Managing Director): |  | | | | | | | | |
| Mr. Nikhil Shah (Chief Financial Officer): |  | | | | | | | | |
| Mr. Pradip Dubhashi (Audit Committee Chairman) |  | | | | | | | | |
| Mr. Milind Gandhi, Gandhi & Associates LLP, Chartered Accountants (Auditor of the Company) |  | | | | | | | | |

Route Map of the AGM Venue

(36th AGM scheduled to be held on Friday, September 27 2019, 10 a.m. at Victoria Memorial School for the Blind, 73, Tardeo Road, Opp. Film Centre,Mumbai -400034)



