

MICROSEC COMMERCE LIMITED

Corporate Identification No. (CIN) - U74140WB1954PLC056346

Shyam Chambers, 1st Floor, 53, Syed Amir Ali Avenue

Kolkata-700019



BALANCE SHEET AS AT MARCH 31, 2017

	Notes	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	1,60,29,500	1,60,29,500
(b) Reserves and Surplus	4	11,19,159	8,43,32,906
(2) Current Liabilities			
(a) Short Term Borrowings	5	20,85,740	-
(b) Trade Payables	6	-	-
Total outstanding dues of micro-enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small		33,53,990	25,29,676
(c) Other Current Liabilities	7	30,03,045	53,84,507
(d) Short Term Provision	8	-	79,001
		2,55,92,343	10,83,57,992
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	9	57,960	67,960
(i) Property, Plant and Equipment		-	2,716
(ii) Intangible Assets		-	-
(b) Deferred Tax Assets (Net)		-	6,15,04,743
(c) Non Current Investments	10	-	-
(d) Long Term Loans and Advances	11	23,30,000	23,30,000
(e) Other Non Current Assets	12	15,31,957	-
(2) Current Assets			
(a) Trade Receivables	13	36,943	2,00,703
(b) Cash and Bank Balances	14	1,32,35,690	1,52,43,529
(c) Short Term Loans and Advances	11	81,68,002	85,16,730
(d) Other Current Assets	12	2,31,616	4,91,189
		2,55,92,343	10,83,57,992

Summary of Significant Accounting Policies

7

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Narodi & Associates
Chartered Accountants
Firm Registration No: 332770E

For and on behalf of the Board of Directors

Radhika Patodia
Radhika Patodia
Partner
Membership No. 309219



B.L. Mittal
B.L. Mittal
Director
DIN:00365000

Rishi Sharma
Ravi Kant Sharma
Director
DIN:00364000

Place: Kolkata
Date: 23rd May, 2017

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

	Notes	2016-17	2015-16
		Rs.	Rs.
I. Revenue from Operations	15	20,32,673	44,37,519
II. Other Income	16	7,17,157	59,67,864
III. TOTAL REVENUE		27,49,830	1,04,05,383
IV. Expenses:			
Employee Benefits Expenses	17	19,59,512	29,46,217
Finance Costs	18	36,205	32,704
Depreciation and Amortization Expenses	19	10,306	94,988
Other Expenses	20	23,36,811	26,09,488
TOTAL EXPENSES		43,33,834	56,73,497
V. PROFIT/ (LOSS) BEFORE TAX		(15,84,004)	45,31,926
VI. Tax Expenses:			
- Current Tax		-	-
- Provision for Income Tax relating to earlier years		8,332	99,550
- Deferred Tax		-	38,901
VII. PROFIT FOR THE YEAR		(15,97,341)	43,93,475
VIII. Earnings per equity share:			
Basic and diluted (Face Value per Share Rs. 10 each) (in Rs.)	21	(1)	2.74
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements
 As per our report of even date

For Haroti & Associates
 Chartered Accountants
 Firm Registration No. 322770E

For and on behalf of the Board of Directors

Radhika Patodia
 Radhika Patodia
 Partner
 Membership No. 309219



B.L. Mittal
 B.L. Mittal
 Director
 DIN:00365809

Ravi Kant Sharma
 Ravi Kant Sharma
 Director
 DIN:00364066

Place: Kolkata
 Date: 23rd May, 2017

Cash Flow Statement for the year ended 31st March, 2017

Particulars	2016-17 Rs.	2015-16 Rs.
A. Cash Flow from Operating Activities		
Profit before tax	(15,84,004)	45,31,926
Adjustment for :		
Depreciation and Amortization expense	10,306	94,968
Profit on sale of Fixed Assets	-	(56,509)
Interest on Bank Deposits and others	(9,45,455)	(12,68,191)
Share of Profit from Limited Liability Partnership	-	(48,50,491)
Unspent Liability no longer required written back	-	(1,125)
Interest Expense	36,205	22,784
Operating Loss before Working Capital Changes	(24,82,948)	(15,26,638)
Adjustment for :		
Decrease in Long Term Loans and Advances	-	49,48,500
(Increase)/ Decrease in Short Term Loans and Advances	(6,76,313)	2,87,783
(Increase) in Trade Receivables	(7,990)	(1,19,269)
Increase in Trade Payables	8,24,314	8,29,029
Increase/(Decrease) in Other Current Liabilities	(23,75,062)	19,46,390
Increase/ (Decrease) in Short term Provisions	(14,767)	79,003
Cash from/(Used in) operations	(47,32,766)	64,44,798
Direct taxes paid (Net)	10,65,685	2,48,536
Net Cash from/(Used in) Operating Activities	(36,67,081)	66,93,334
B. Cash Flow from Investing Activities		
Investment in shares of Microsec Health Buddy Limited	-	(4,99,99,992)
Redemption from Investment in Limited Liability Partnership	-	4,40,00,000
Proceeds from sale of Fixed Assets	-	60,000
Interest on Bank Deposits and others	11,24,095	28,13,641
Purchase of Fixed Deposits	(17,50,000)	(87,50,000)
Encashment of Fixed Deposits	-	1,00,00,000
Net Cash from/(Used in) investing activities	(6,25,905)	(18,76,351)
C. Cash Flows from Financing Activities		
Proceeds from Short Term Borrowing	20,85,749	-
Interest expense	(36,205)	(22,784)
Net cash from/(Used in) Financing Activities	20,49,544	(22,784)
Net Change in Cash and Cash Equivalents (A+B+C)	(22,43,442)	47,94,199
Cash and Cash equivalents - Opening Balance*	49,93,529	1,99,330
Less : Cash and Bank Balances adjustment pursuant to Scheme of Arrangement [Refer Note 24]	14,207	-
Cash and Cash equivalents - Closing Balance*	27,35,880	49,93,529

* Represent Cash & Bank Balances as indicated in Note 14 and excludes Rs. 1,05,00,000 (Rs. 1,02,50,000) of Fixed Deposit with maturity more than three months.

Notes

In the view of demerger of Consultancy & Investment Division, previous year figures have been regrouped taking effect of Scheme of Arrangement [Refer Note 24], wherever necessary to confirm to current year's classification.

As per attached report of even date

For Maroti & Associates
Chartered Accountants
Firm Registration No: 322770E

Radhika Patodia
Partner
Membership No. 306729

Place: Kolkata
Date: 23rd May, 2017

For and on behalf of the Board of Directors

B.L. Mittal
Director
DIN:00365809

Ravi Kant Sharma
Director
DIN:00364066



B.L. Mittal

RKSNA

Financial Statements as at and for the year ended 31st March, 2017

Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Summary of Significant Accounting Policies:

i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Broking Activities

Revenue from brokerage activities is accounted for on trade date basis and excludes Service Tax.

Interest

Interest from fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Penal Charges

Penal charges for delayed receipt of dues from the clients are credited on accrual basis, as per managements' judgment as to the certainty in realization thereof.

Dividend

Dividend income is recognized when the shareholder's right to receive payment is established by the balance sheet date.

iii) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

iv) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.



Notes to Financial Statements as at and for the year ended 31st March, 2017

v) **Depreciation on Property, Plant and Equipment and Amortization on Intangible assets**

- a. Depreciation on fixed assets is calculated on a WDV basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II of the Companies Act, 2013.
- b. Depreciation on Fixed Assets added/dropped off during the year is provided on prorata basis with reference to the date of addition/drop-off.
- c. Computer softwares are amortized on straight line basis over a period of three/five years from the date the assets become available for use.

vi) **Impairment of Fixed Assets**

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation, amortization is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortization if there was no impairment.

vii) **Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investment are made are classified as Current Investments. All other Investments are classified as Long term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Long term investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit & Loss.

viii) **Taxation**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be

The deferred tax for timing differences between the book and tax profit for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax asset is reviewed at each Balance Sheet date. The company writes down the carrying amount of a Deferred Tax Asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each Balance Sheet date, the company recognizes the unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.



Notes to Financial Statements as at and for the year ended 31st March, 2017

(ix) **Retirement and other employees benefits**

a. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to a reduction in future payment or a cash refund.

b. Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains / losses are recognised in full in the period in which they occur in the statement of profit and loss. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

c. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

x) **Earning Per Share**

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average numbers of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

xi) **Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise of Cash at Bank and Cash/Cheque on hand and fixed deposits with an original maturity of three months or less.

xii) **Provisions**

A Provisions is recognized when the company has a present obligation as a result of past event, it is probable that there will be an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

xiii) **Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.



MICROSEC COMMERZE LIMITED

Corporate Identification No. (CIN) - U74140WB1994PLC066386

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Kolkata-700019



Notes to Financial Statements as at and for the year ended 31st March, 2017

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
3: SHARE CAPITAL		
Authorized		
16,10,000 (16,10,000) Equity Shares of Rs. 10 each	<u>1,61,00,000</u>	<u>1,61,20,000</u>
Issued, Subscribed and Paid-up		
16,02,950 (16,02,950) equity shares of Rs. 10 each, fully paid up	<u>1,60,29,500</u>	<u>1,60,29,500</u>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31st March, 2017		31st March, 2016	
	Nos.	Rs.	Nos.	Rs.
Outstanding at the beginning and at the end of the year	<u>16,02,950</u>	<u>1,60,29,500</u>	<u>16,02,950</u>	<u>1,60,29,500</u>

(b) Terms / Rights attached to the equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Shareholders are entitled to dividends which the Board of Directors may propose, after distribution of preferential amounts, if any, subject to the approval of the shareholders at the general meetings.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares of the Company

Name of the shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	% of holding	No. of Shares	% of holding
Microsec Capital Limited, Holding Company and its nominees	16,02,950	100%	16,02,950	100%

As per the records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents beneficial ownership of shares.

4: RESERVE AND SURPLUS

Securities Premium Account	7,68,69,500	7,68,69,500
Less : Adjustment pursuant to Scheme of Arrangement (Refer Note 24)	<u>(7,41,58,000)</u>	<u>(7,41,58,000)</u>
	(A)	<u>27,11,500</u>
Surplus/(Deficit) in the Statements of Profit and Loss		
As per Last Account	74,63,406	30,69,931
Add: Profit for the year	(35,92,341)	43,93,475
Less : Adjustment pursuant to Scheme of Arrangement (Refer Note 24)	<u>(74,63,406)</u>	<u>-</u>
	(B)	<u>(15,92,341)</u>
	(A+B)	<u>11,19,159</u>
		<u>8,49,32,900</u>



Notes to Financial Statements as at and for the year ended 31st March, 2017

	As at 2016-17 Rs.	As at 2015-16 Rs.
5: SHORT TERM BORROWINGS		
(Secured)		
From Scheduled Banks	20,85,749	-
-Working Capital Facilities	20,85,749	-

Nature of Securities	Loan (Rs.)	Repayment Term	Rate of Interest
Fixed Deposits amounting Rs. 80,00,000 (2015-16: Rs. Nil) pledged with the bank (Refer Note 21)	25,05,547	On Demand	Fixed Deposit = 1%, presently 7.5% per annum to 8.5% per annum

6: TRADE PAYABLES

Due to Micro and Small Enterprises*	-	-
Due to clients	32,06,095	22,84,654
Due to Commodity Exchanges	26,109	36,385
Due to Others	1,21,796	2,08,637
	33,53,990	25,29,676

*Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provisions / payments have been made by the company to such creditors, if any, and no disclosures thereof are made in these financial statements.

7: OTHER CURRENT LIABILITIES

Security Deposits	2,00,000	1,10,000
Margin from Clients	24,93,750	47,95,032
Temporary Book overdraft from Scheduled Banks	1,114	-
Others	38,184	38,930
-Statutory Dues Payable	1,80,937	2,42,545
-Other Payable	38,184	-
	30,03,949	53,86,507

8: SHORT TERM PROVISION

Provision for Gratuity (Refer Note 22)	-	78,003
	-	78,003



Notes to Financial Statements as at and for the year ended 31st March, 2017

9. FIXED ASSETS :

(i) Property, Plant and Equipment

(Amount in Rs.)

Particulars	Computers	Office Equipments	Total
Gross Block			
At April 1, 2015	12,84,899	4,82,386	17,67,285
Additions	-	-	-
Disposals	-	52,900	52,900
At March 31, 2016	12,84,899	4,29,486	17,14,385
Additions	-	-	-
Disposals	-	-	-
Transferred pursuant to scheme of arrangement [Refer Note 24]	48,849	-	48,849
At March 31, 2017	12,36,050	4,29,486	16,65,536
Depreciation			
At April 1, 2015	12,08,312	4,36,205	16,44,517
Charge For the Year	29,376	21,919	51,295
Disposals	-	49,409	49,409
At March 31, 2016	12,37,688	4,08,715	16,46,403
Charge For the Year	6,158	1,432	7,590
Disposals	-	-	-
Transferred pursuant to scheme of arrangement [Refer Note 24]	46,407	-	46,407
At March 31, 2017	11,97,439	4,10,147	16,07,586
Net Block			
At March 31, 2016	47,211	20,771	67,982
At March 31, 2017	38,611	19,339	57,950

(ii) Intangible Assets

Particulars	Membership Rights	Computer Software	Total
Gross Block			
At April 1, 2015	5,00,000	5,76,954	10,76,954
Purchase	-	-	-
Disposals	-	-	-
At March 31, 2016	5,00,000	5,76,954	10,76,954
Purchase	-	-	-
Disposals	-	-	-
At March 31, 2017	5,00,000	5,76,954	10,76,954
Amortization			
At April 1, 2015	5,00,000	5,30,565	10,30,565
Charge For the Year	-	43,673	43,673
Disposals	-	-	-
At March 31, 2016	5,00,000	5,74,238	10,74,238
Charge For the Year	-	2,716	2,716
Disposals	-	-	-
At March 31, 2017	5,00,000	5,76,954	10,76,954
Net Block			
At March 31, 2016	-	2,716	2,716
At March 31, 2017	-	-	-



Balance 2016

Notes to Financial Statements as at and for the year ended 31st March, 2017

	No./Units	Face Value Per Share / Unit Rs.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
10: NON-CURRENT INVESTMENTS				
Unquoted (Fully Paid)				
In Limited Liability Partnership				
Microsec Inventus Advisors LLP - Capital Account (Refer Note 24)				
			-	41,58,851
In Fellow Subsidiary Company				
Santakundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited) (Refer Note 24)				
	(8,19,672)	10	-	4,99,09,993
			-	5,40,68,844
Deep Discount Debentures (Refer Note 24)				
Microsec Resources Private Limited (Series I)				
	-	2,00,000	-	53,45,000
	(500)			
Microsec Resources Private Limited (Series II)				
	-	75,000	-	1,00,00,000
	(1,000)			
Microsec Resources Private Limited (Series III)				
	-	75,000	-	1,00,00,000
	(1,000)			
			-	3,53,45,000
			-	8,15,04,743
Total Investments				
Aggregate amount of Non-Current Investment				
Unquoted				
			-	7,06,54,260
			-	7,06,54,260

Details of Investments in Limited Liability Partnership

Microsec Inventus Advisors LLP

Name of the partners in Limited Liability Partnership	Weighted Average Capital Rs.		Share in Profit / Loss % of holding	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
RPZ Technologies Limited	-	90,17,650	-	15.17%
Microsec Commerce Limited	-	1,80,18,743	-	10.22%
Microsec Capital Limited	-	3,25,77,191	-	54.65%

* As per supplementary LLP agreement dated 23rd December, 2013 Profit / (Loss) in the event where capital contribution is not as per the profit sharing ratio of 34:33:33, then the profit shall be shared on the basis of weighted average capital contribution by the partners of the LLP during the year / period.

11: LOANS AND ADVANCES

(Unsecured, Considered good)

	Non-Current		Current	
	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
Deposits with Government Authorities	-	-	51,139	2,962
Deposits with Commodity Exchanges and Others	23,30,000	23,30,000	72,00,000	67,59,000
Gratuity (Refer Note 21)	-	-	10,644	-
Advances Recoverable in cash or in kind	-	-	2,40,324	1,67,165
Prepaid Expense	-	-	95,323	78,018
Advance Income Tax and Tax Deducted at source (net of provision Rs. 25,35,919 (Rs. 33,545))	-	-	5,00,544	15,25,585
	23,30,000	23,30,000	81,08,002	85,16,730



MICROSEC COMMERZE LIMITED

Corporate Identification No. (CIN) - U74140WB1994PLC066386

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Kolkata-700019



Notes to Financial Statements as at and for the year ended 31st March, 2017

12: OTHER CURRENT ASSETS

	Non Current		Current	
	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
Non Current Bank Balances (Refer Note 13)	35,00,000	-	-	-
Accrued Interest on Fixed Deposits	31,952	-	2,31,616	4,91,189
	<u>15,31,952</u>	<u>-</u>	<u>2,31,616</u>	<u>4,91,189</u>

13: TRADE RECEIVABLES

(Considered good, unless otherwise stated)

Outstanding for a period exceeding six months from the date they become due for payment

- Secured				
- Unsecured			26,488	14,050
Other Receivables				
- Secured				
- Unsecured			10,456	1,86,653
			<u>36,944</u>	<u>2,00,703</u>

14: CASH AND BANK BALANCES

	Non Current		Current	
	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
Cash and Cash Equivalents				
Cash on Hand	-	-	17,432	8,384
Balances with Scheduled Banks				
- On Current Accounts	-	-	27,18,448	49,85,145
			<u>27,35,880</u>	<u>49,93,529</u>
Other Bank Balances (Refer Note 21)				
- Fixed Deposits with original maturity for more than 12 months	15,00,000	-	1,05,00,000	1,02,50,000
Amount disclosed under non current assets (Refer Note 11)	(15,00,000)	-	-	-
			<u>1,05,00,000</u>	<u>1,02,50,000</u>
			<u>1,32,35,880</u>	<u>1,52,43,529</u>



MICROSEC COMMERZE LIMITED

Corporate Identification No. (CIN) - U74149WB1994PLC066386

Shivam Chambers, 1st Floor, 53, Syed Amir Ali Avenue

Kolkata-700012

MICROSEC
COMMERZE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2017

	2016-17	2015-16
	Rs.	Rs.
15: REVENUE FROM OPERATIONS		
(a) Sale of Services		
- Brokerage and Related Income	17,37,808	38,79,310
(b) Other Operating Income		
- Penal Charges Collected from Clients	20,940	4,063
- Professional Fees	-	1,50,000
- on Fixed Deposits lying with Commodity Exchange	2,71,925	4,11,144
	20,32,673	44,37,517
16: OTHER INCOME		
(a) Interest Income		
- on Fixed Deposits other than lying with Commodity Exchange	4,22,549	8,16,709
- on Income Tax Refund	48,981	18,338
(b) Share of Profit from Microsec Invidus Advisors LLP	-	48,50,491
(c) Other Non Operating Income		
- Liabilities no longer required written back	-	1,125
- Gratuity Provision no longer required written back	45,411	-
- Profit on sale of Fixed Asset	-	58,509
- Miscellaneous Income	216	4,692
	7,17,157	87,67,864
17: EMPLOYEE BENEFIT EXPENSES		
Salary, Bonus etc.	17,59,890	28,72,965
Contribution to Employee's State Insurance	38,253	36,049
Contribution to Employee's Provident Fund	76,509	97,633
Gratuity (Refer note 22)	-	96,040
Staff Welfare Expenses	76,698	43,530
	19,50,350	29,46,217
18: FINANCE COSTS		
Interest Expense		
- On Working Capital Facilities	36,205	20,987
- Margin from Clients	-	1,797
	36,205	22,784
19: DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation of Property, Plant and Equipment	7,590	51,295
Amortization of Intangible Assets	2,716	43,673
	10,306	94,968
20: OTHER EXPENSES		
Communication expenses	5,04,017	3,55,166
Commodity Exchange charges	34,152	51,268
Commission to Authorized Person	7,48,559	9,43,285
Electricity	29,069	-
Insurance Premium	11,499	14,287
Legal and Professional Fees	1,49,723	1,55,430
Membership Fees and Subscription	2,30,759	4,75,000
Penalty Charges	-	1,07,522
Postage and Courier Expenses	4,944	-
Printing and stationery	2,655	12,939
Rent	60,320	-
Repairs and Maintenance - Others	740	612
Rates and Taxes	64,939	4,960
Service Charges		
- Market Research and Analysis services	7,750	3,200
Software Maintenance charges	3,94,542	3,23,310
Auditor's Remuneration		
- As Audit Fees	25,125	25,000
Travelling and Conveyance	26,458	33,435
Miscellaneous Expenses	21,538	1,00,074
	23,36,811	28,09,488
21: EARNING PER SHARE (EPS)		
Basis for calculation of Basic and Diluted Earnings Per Share is as under:		
Profit after tax	(15,92,341)	43,93,475.00
Weighted Average Number of Equity Shares (Nos)	16,02,950	16,02,950.00
Nominal Value of each Equity Share (Rs.)	10	10.00
Basic and Diluted Earnings Per Share (Rs.)	(14)	2.74



Notes to Financials Statements as at and for the year ended 31st March, 2017

21 Fixed Deposits with banks aggregating to Rs. 1,20,00,000 (Rs. 1,02,50,000) are pledged as follows :-

Pledged with	(Amount in Rs.)	
	As at 31.03.2017	As at 31.03.2016
HDFC Bank Ltd. (As Security against Credit facilities)	80,00,000	80,00,000
National Commodity and Derivatives Exchange Limited	32,50,000	15,00,000
Multi Commodity Exchange of India Limited	7,50,000	7,50,000
Total	1,20,00,000	1,02,50,000

22 Employee Benefits

The Company has a defined employee benefit plan in the form of gratuity. Every employee, who has completed five years or more of services, gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The gratuity scheme is entrusted with Life Insurance Corporation of India.

The following tables summarises the components of net benefit /expenses recognised in the Statement of Profit & Loss and the funded status and amounts recognized in the balance sheet for the plan.

Particulars	2016-17 (Rs.)	2015-16 (Rs.)
(i) Net Employee Expense /(benefit)		
Current service cost	49,975	52,664
Interest cost on benefit obligation	20,832	28,355
Expected return on plan assets	(21,335)	(38,875)
Curtailment cost	(6,712)	-
Net Actuarial (gain) /loss recognised for the year	(88,171)	53,896
Total employer expense recognised in Statement of Profit and Loss	(45,411)	96,040
(ii) Actual return on plan assets	20,949	32,859
(iii) Benefit Asset/(Liability)		
Defined benefit obligation	2,50,401	3,68,881
Fair value of Plan Assets	2,81,045	2,89,878
Benefit Asset/(Liability)	30,644	(79,003)
(iv) Movement in benefit liability		
Opening defined benefit obligation	3,68,881	4,68,904
Acquisition Adjustment	(64,236)	-
Interest cost	20,832	28,355
Current service cost	49,975	52,664
Curtailment cost	6,712	-
Benefits paid	29,782	2,28,922
Actuarial (gains)/losses on obligation	(88,557)	47,880
Closing benefit obligation	2,50,401	3,68,881
(v) Movement in fair value of plan assets		
Opening fair value of plan assets	2,89,878	4,85,941
Expected Return on plan assets	21,335	38,875
Benefits paid	29,782	2,28,922
Actuarial gains/(losses) on plan assets	(386)	(6,016)
Closing fair value of plan assets	2,81,045	2,89,878
(vi) Major categories of plan assets as a percentage of the fair value of total plan assets		
Investments with insurer	100%	100%



Notes to Financials Statements as at and for the year ended 31st March, 2017

Particulars	2016-17 (Rs.)	2015-16 (Rs.)			
(vi) The principal actuarial assumptions are as follows					
Discount rate	7.4%	8.0%			
Salary increase	6.0%	6.0%			
Withdrawal rates	1.0%	1.0%			
(viii) Amount incurred as expense for Defined Contribution plans					
Contribution to Employees State Insurance	Rs. 38,255	Rs. 36,049			
Contribution to Employees Provident Fund	Rs. 76,509	Rs. 97,633			
(ix) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.					
(x) The Overall Exempted rate of return is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled.					
(xi) Amounts for the current year are as follows :					
	2016-17 (Rs.)	2015-16 (Rs.)	2014-15 (Rs.)	2013-14 (Rs.)	2012-13 (Rs.)
Gratuity					
Defined Benefit Obligation	2,50,401	3,68,881	4,68,904	3,72,479	4,61,670
Plan Assets	2,81,045	2,09,878	4,85,941	4,45,817	4,09,047
Surplus / (Deficit)	30,644	(79,003)	17,037	73,338	(52,623)
Experience adjustments on plan liabilities	(1,20,792)	47,860	(99,784)	(56,093)	(69,380)
Experience adjustments on plan assets	1,469	(1,156)	(1,116)	3,727	2,739
(xii) The Company expects to contribute Rs. Nil (Rs. Nil) to Gratuity Fund in 2017-18.					

23 Related Party Disclosures :

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below

Name of the related parties and description of their relationship

Related Parties where control exists

Holding Companies

Microsec Capital Limited

Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited) (Ultimate Holding Company)

Fellow Subsidiary Companies/Limited Liability Partnership (LLP)

Microsec Insurance Brokers Limited

Microsec Resources Private Limited

Sastasundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited)

Microsec Invictus Advisors LLP



(b) STATEMENT OF AGGREGATED RELATED PARTY TRANSACTIONS AS AT 31ST MARCH, 2017

Particulars	Holding Company	Fellow Subsidiary Companies/Limited Liability Partnership	Key Management Personnel	TOTAL
Share of Profit from Limited Liability Partnership				
Microsec Invictus Advisors LLP	-	-	-	-
	(-)	(48,50,491)	(-)	(48,50,491)
Service Charges paid				
Microsec Capital Limited	877	-	-	877
	(960)	(-)	(-)	(960)
Redemption from Investment in Limited Liability Partnership				
Microsec Invictus Advisors LLP	-	-	-	-
	(-)	(4,40,00,000)	(-)	(4,40,00,000)
Investment in Equity Shares of Fellow Subsidiary Company				
Sastisundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited)	-	-	-	-
	(-)	(4,99,99,992)	(-)	(4,99,99,992)



Notes to Financials Statements as at and for the year ended 31st March, 2017

24 Scheme of Arrangement

a) Pursuant to Scheme of Arrangement (the 'scheme') under section 391(2) and 394 of the Companies Act, 1956 between PRP Technologies Limited (Resulting Company) and Microsec Capital Limited (Demerged Company) and Microsec Commerze Limited (Demerged Company), the Honourable High Court, Calcutta has approved the scheme of demerger of Microsec Capital Limited with Microsec Commerze Limited on 21.11.2016 and the certified copy of the order was received on 04.01.2017 and necessary form to effect the demerger was filed with the Registrar of Company, West Bengal on 06.01.2017, has been transferred by way of demerger to PRP Technologies Limited (Resulting Company) on a going concern basis with effect from appointment date i.e. April 1, 2016.

b) Consequent upon demerger of the said Microsec Commerze Limited (Demerged Undertaking) the following assets and liabilities as on April 1, 2016 (Appointed Date) has been transferred to PRP Technologies Limited (Resulting Company) at book value as set out below:

<u>Liabilities</u>	<u>Amount (Rs.)</u>	<u>Amount (Rs.)</u>
Long Term Provisions		64,236
Other Current Liabilities		7,500
Total Liabilities		71,736
Assets		
Fixed Asset		
Property, Plant and Equipment		
Computer		2,442
Investments		8,15,04,743
Trade Receivables		1,71,750
Cash & Cash Equivalents		
Cash in hand	212	
Balance in Bank	13,995	14,207
Total Assets		8,16,93,142

25 During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification no. G.S.R 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	-	3,697	3,697
+ Permitted receipts	-	10,000	10,000
- Permitted Payments	-	3,595	3,595
- Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	10,102	10,102

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

26 Contingent Liability

Income tax demand under appeal - Rs. 3,14,310 (Rs. 3,14,310) in connection to assessment year 2012-13. The management believes that the Company has a good case for success in this matter and therefore no provision there against is considered necessary.

27 In the view of demerger of Consultancy & Investment Division, previous year figures are not comparable and are regrouped/reclassified, wherever necessary, to confirm to this year's classification.

As per our report of even date

For Maroti & Associates
Firm registration number: 322770E
Chartered Accountants

For and on behalf of the Board of Directors

Radhika Potodia
Partner
Membership No. 309218



B. L. Mittal
Director
DIN:00365809

Ravi Kant Sharma
Director
DIN:00364066

Place : Kolkata
Date: 23rd May, 2017