

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF MICROSEC CAPITAL LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **Microsec Capital Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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



Opinion

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

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the Directors as on 31st March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



S. K. AGRAWAL & CO.

Chartered Accountants

Firm Registration No. 306033E

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- iii. The company was not required to transfer any amount to the Investor Education and Protection Fund.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management -- Refer Note (34).

For, S.K. Agrawal & Co.

Chartered Accountants

Firm's Registration Number- 306033E

Mamta Jain
(Mamta Jain)

Partner

Membership No: 61299

Place: Kolkata

Dated: May 23, 2017



Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of Microsec Capital Limited ("the Company") on the Standalone financial statements for the year ended on 31st March 2017. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to information and explanation given to us and on the basis of our examination of the records of the Company, no immovable properties are held in the name of the Company.

(ii) The Company is engaged in the business of providing stock broking and related services and is not required to maintain inventory. Consequently, the requirements of paragraph 3(ii) of the Order are not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and the provision of Section 186 of the Companies Act, 2013 in respect to loans, investments, guarantees and securities made.

(v) The Company has not accepted any deposits from the public.

(vi) As explained to us, the Company is not required to maintain cost records prescribed by the Central Government under sub-section (1) of section 148 of the Act.

(vii) According to information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Value Added Tax, Duty of Custom, Duty of Excise, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were outstanding as at March 31, 2017 for a period of more than six months from the date on which they became payable.

(b) According to the information and explanations given to us, there are no material dues in respect of Income Tax, Custom Duty, Service Tax and Cess which have not been deposited with the appropriate authority on account of any dispute. During the year, the Company did not have any dues towards stamp duty, wealth tax, custom duty excise duty and value added tax.



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- (viii) In our opinion and according to the information and explanations given to us by the management, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (ix) The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company has paid or provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provision of clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has made private placement of 11,80,000 non-convertible redeemable preference shares of Rs.10 each fully paid up at a premium of Rs.35 each during the year under review and the requirement of Section 42 of Companies Act, 2013 have been complied with and the amount raised has been utilized for the purpose for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For, S.K. Agrawal & Co.

Chartered Accountants

Firm's Registration Number- 306033E

Mamta Jain

(Mamta Jain)

Partner

Membership No: 61299

Place: Kolkata

Dated: May 23, 2017



Annexure B to the Independent 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 of Microsec Capital Limited ("the Company") in conjunction with our audit of the financial statements of the company as of and for the year ended 31st March, 2017.

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. 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 Companies Act, 2013.

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 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 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; (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 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.



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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.

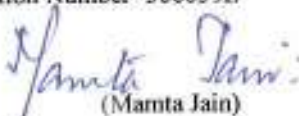
Opinion

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 31st March 2017, 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.

For, S.K. Agrawal & Co.

Chartered Accountants

Firm's Registration Number- 306033E


(Manita Jain)

Partner

Membership No: 61299

Place: Kolkata

Dated: May 23, 2017



Balance Sheet as at 31st March, 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	34,435,610	22,035,610
(b) Reserves and Surplus	4	116,082,452	421,726,285
2. Non Current Liabilities			
(a) Long Term Provisions	5	4,375,684	398,071
3. Current Liabilities			
(a) Short Term Borrowings	6	102,314,240	80,426,083
(b) Trade Payables	7		
Total outstanding dues of micro enterprises and small enterprises		266,647	516,631
Total outstanding dues of creditors other than micro enterprises and small enterprises		131,481,593	36,361,433
(c) Other Current Liabilities	8	20,806,549	20,581,730
(d) Short Term Provisions	5	72,859	1,900,000
		409,797,634	584,545,343

II. ASSETS

1. Non Current Assets

(a) Fixed Assets			
(i) Property, Plant and Equipment	9	13,959,792	18,382,506
(ii) Intangible Assets		2,991,735	964,604
(b) Non Current Investments	10	18,197,332	222,803,638
(c) Long Term Loans and Advances	11	26,990,760	25,775,459
(d) Other Non Current Assets	12	5,581,136	183,332,289

2. Current Assets

(a) Trade Receivables	13	180,256,713	72,361,493
(b) Cash and Bank Balances	14	139,468,431	50,379,569
(c) Short Term Loans and Advances	11	10,226,311	9,516,647
(d) Other Current Assets	12	12,125,424	965,138

409,797,634 584,545,343

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 S.K. Agrawal & Co.

Firm registration number: 306033E

Chartered Accountants

Mamta Jain

Partner

Membership No. 061299

Place : Kolkata

Date : 23th May, 2017

For and on behalf of Board of Directors

B. L. Mittal

Director

DIN : 00365809

Pankaj Haribha

Director

DIN : 01939275

Ravi Kant Sharma

Director

DIN : 00364006



Statement of Profit & Loss for the Year Ended 31st March, 2017

	Notes	2016-17 Rs.	2015-16 Rs.
I. Revenue from Operations	15	13,77,59,189	12,74,39,862
II. Other Income	16	14,91,553	3,81,19,397
III. Total Revenue		13,92,50,742	15,75,59,259
IV. EXPENSES			
Employee Benefits Expense	17	6,05,65,903	6,81,60,902
Finance Costs	18	1,28,90,820	61,78,600
Depreciation and Amortization Expense	19	46,29,243	34,13,371
Other Expenses	20	8,14,61,814	7,79,13,320
Total Expenses		15,97,47,780	15,56,64,193
V. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		(2,04,97,038)	18,95,066
VI. Profit on Sale of Property		1,80,87,213	40,58,302
V. PROFIT BEFORE TAX		(24,09,825)	59,53,368
VI. Tax Expense			
(1). Current Tax		-	-
(2). Deferred Tax		-	(45,12,227)
VII. PROFIT FOR THE YEAR		(24,09,825)	1,04,55,595
VIII. EARNINGS PER EQUITY SHARE:			
Basic and Diluted (Face Value Rs.10 Each) (in Rs.)	21	(1.06)	4.62

Summary of Significant Accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

For: S.K. Agrawal & Co.

Firm registration number: 306033E

Chartered Accountants

Mamta Jain

Partner

Membership No. 061299

Place: Kolkata

Date: 23th May, 2017

For and on behalf of Board of Directors

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Director

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Pankaj Harilal

Director

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Ravi Kant Sharma

Director

DIN: 00364066



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

(Amount in Rs.)

Particulars	2016-17	2015-16
A. Cash Flow from Operating Activities		
Profit before tax	(24,09,825)	59,53,388
Adjustments for:		
Depreciation and Amortization expense	48,29,743	34,13,371
Interest Expense	1,24,76,559	38,75,601
Interest on Fixed Deposits, Bonds & others	(74,61,247)	(2,34,27,250)
Share of Profit from Microsec Juxclus Advisors LLP	-	(87,60,500)
Profit on Sale of Investment	-	(8,20,000)
Irrecoverable debts/advances written off	4,743	3,16,772
Unpaid liabilities no longer requires written back	-	(2,16,243)
Provision for Gratuity	29,61,422	5,88,925
Bad Debt Recovery	(6,18,279)	(14,58,724)
(Profit)/Loss on sale/discard of fixed assets (net)	(1,80,87,212)	(42,35,022)
Operating Loss before working capital changes	(53,04,597)	(2,87,58,799)
Adjustment for:		
(Increase) / Decrease in Trade Receivables	(10,73,38,684)	3,82,95,411
(Increase) / Decrease in Long Term Loans & Advances	(12,15,301)	76,78,654
(Increase) / Decrease in Short Term Loans & Advances	(70,63,772)	29,46,382
Increase / (Decrease) in Trade Payables	9,48,72,176	(1,51,16,717)
Increase / (Decrease) in Short Term Provisions	-	(24,80,296)
Increase / (Decrease) in Other Current Liabilities	4,33,179	(1,88,33,001)
Cash used in operations	(2,36,18,499)	(2,76,26,623)
Direct taxes paid (Net)	20,75,270	28,00,418
Net Cash flow used in Operating Activities	(2,15,43,229)	(2,48,26,204)
B. Cash Flow from Investing Activities		
Sale of Fixed Assets	3,10,37,216	58,10,516
Purchase of Fixed Assets	(1,73,93,709)	(2,88,612)
Investment in Limited Liability Partnership	-	(1,70,10,000)
Investment in Non-current Investment	-	(4,99,98,585)
Investment in Convertible Debenture	-	(4,50,00,000)
Investment in Fixed Deposits	(2,50,00,000)	(2,57,00,000)
Exhaustment of Fixed Deposits	75,00,000	3,64,00,000
Profit on Sale of Investment	-	9,28,009
Proceeds from sale of NBARs Bonds	-	9,80,19,091
Interest on Fixed Deposits, Bonds & others	20,41,101	77,56,775
Net Cash from Investing Activities	(18,15,392)	44,18,153
C. Cash Flow from Financing Activities		
Issuance of Preference Share Capital	5,31,00,000	-
Proceeds from Short Term Borrowings	10,23,14,740	8,04,26,081
Repayment of Short Term Borrowings	(8,54,76,082)	(4,74,18,992)
Interest Paid	(1,24,76,559)	(38,75,601)
Net Cash from/(used in) Financing Activities	6,25,11,599	2,90,31,631
Net Increase in Cash and Cash Equivalents (A+B+C)	3,91,12,937	66,24,580
Cash and Cash Equivalents at the beginning of the year *	2,20,79,589	1,34,54,989
Less: Cash and Bank balance adjustment pursuant to Scheme of Arrangement (Refer Note 33)	24,075	-
Cash and Cash equivalents at the end of the year *	6,11,68,431	2,20,79,569

* Represents Cash and Bank Balances as indicated in Note No. 14 and equals Rs. 7,83,08,000 (2015-16: Rs. 2,83,08,000) being bank balances with restricted use or with maturity of more than three months.

Notes:

In the view of disclaimer of Consolidated & Investment Division, previous year figures have been regrouped taking effect of Scheme of Arrangement (Refer Note 33), wherever necessary to conform to current year's consolidation.

As per our report of even date
For: S.K. Agrawal & Co.
Firm registration number: 306033E
Chartered Accountants

Manita Jain
Partner
Membership No. 081299

For and on behalf of the Board of Directors:

B.L. Mittal
Director
DIN : 00365809

Ravi Kant Sharma
Director
DIN : 00364066

Place: Kolkata
Date: 23rd May, 2017

Pankaj Paralikar
Director
DIN : 01939275

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

1 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.

2 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.

Brokerage Activities

Revenue from brokerage activities is accounted for on Trade date basis and excludes Service Tax and Securities Transaction Tax. Annual Maintenance Charges in respect of depository services are collected from the customers at the time of account opening and every quarter thereafter and accounted for as income under the head Brokerage and related income, on a proportionate basis.

Commission from Primary Market Activities

Commission and Incentive income on primary market activities is recognized on receipt of confirmation from the concerned party after completion of the public issue.

Investment Banking Activities

Fees from Investment Banking activities which include Mergers & Acquisitions, Investment and other advisory services are recognised as revenue when the relevant services are rendered to the customers and there are reasonable certainties as regards ultimate collectability of such revenue. The company collects service tax on behalf of the government and, therefore it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Interest

Interest from fixed deposits and bonds 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.

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. Any trade discount and rebates are deducted in arriving at the purchase price.

Gains & losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss when the assets is de-recognised.

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 Property, Plant and Equipment 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 Property, Plant and Equipment added/disposed off during the year is provided on prorate basis with reference to the date of addition/disposal.

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

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 and Loss.

viii) Fixed Asset under lease

Operating

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leasehold assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

ix) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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.



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.



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

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
3. SHARE CAPITAL		
Authorised Shares		
25,00,000 (2015-16: 30,00,000) Equity Shares of Rs. 10 each	2,50,00,000	3,00,00,000
15,00,000 (2015-16: Nil) Preference Shares of Rs. 10 each	1,50,00,000	-
Issued, Subscribed and Fully Paid-up Shares		
22,63,561 (2015-16: 22,63,561) equity shares of Rs. 10 each,	2,26,35,610	2,26,35,610
11,80,000 (2015-16: Nil) Non convertible Redeemable Preference shares of Rs. 10 each,	1,18,00,000	-

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

Equity Shares

	As at 31.03.2017		As at 31.03.2016
	Nos.	Rs.	Nos.
Outstanding at the beginning and at the end of the year	22,63,561	2,26,35,610	22,63,561

Non convertible Redeemable Preference shares

	As at 31.03.2017		As at 31.03.2016
	Nos.	Rs.	Nos.
Outstanding at the beginning and at the end of the year	-	-	-
Issued during the year	11,80,000	1,18,00,000	-
Outstanding at the beginning and at the end of the year	11,80,000	1,18,00,000	-

(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) Terms of conversion / redemption of Non convertible Redeemable Preference shares

During the year ended 31st March, 2017, the Company issued 11,80,000 non convertible redeemable preference shares of Rs. 10 each fully paid up at a premium of Rs. 35 each. Each holder of preference shares shall carry voting rights as may be prescribed under the provisions of Section 47(2) of the Companies Act, 2013.

Holder of preference shares will carry non-cumulative dividend right. The preference shares shall be non-convertible. The Preference Shares will be redeemed at a premium as may be decided by the Board at the time of redemption. The issuer and the holder of the Preference Shares will have an option to redeem the Preference Shares at any time.

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

	As at 31.03.2017		As at 31.03.2016
Name of the Equity Shareholder	No. of shares	% of holding	No. of shares
Sastisundar Ventures Limited (Formerly Microsec Financial Services Limited), Holding Company and its nominees	22,63,561	100	22,63,561

As per 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.

	As at 31.03.2017		As at 31.03.2016
Name of the Preference Shareholder	No. of shares	% of holding	No. of shares
Narmada Securities Limited	11,80,000	100	-



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

4. RESERVES AND SURPLUS

Securities Premium Account

Balance as per the last financial statements

less : Adjustment pursuant to Scheme of Arrangement (Refer Note 33)

Add : During the year

As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
23,30,53,400	23,30,53,400
15,58,61,123	-
6,13,00,000	-
(A) 11,84,92,277	23,30,53,400

Surplus in the Statement of Profit and Loss

Balance as per the last financial statements

less : Adjustment pursuant to Scheme of Arrangement (Refer Note 33)

Add: Profit/(Loss) for the year

As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
18,86,72,885	17,82,07,290
18,86,72,885	-
(24,09,825)	1,04,65,595
(B) (24,09,825)	18,86,72,885
(A+B) 11,60,82,452	42,17,26,285

5. PROVISIONS

Provision for Employee Benefits*

Gratuity (Refer Note 24)

As at 31.03.2017 Rs.	As at 31.03.2016 Rs.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
43,35,684	3,98,071	72,859	19,00,000
43,35,684	3,98,071	72,859	19,00,000

6. SHORT TERM BORROWINGS

(Secured)

From Scheduled Banks

- Working Capital Facilities

As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
10,23,14,240	8,04,26,083
10,23,14,240	8,04,26,083

Nature of Securities	Loan (Rs.)	Repayment Term	Rate of Interest
Fixed Deposits amounting Rs. 8,50,00,000 (2015-16: Rs. 14,75,00,000) pledged with the bank (Refer Note 23)	3,58,08,117	On demand	Fixed Deposit + 1%, presently 9% per annum to 10% per annum (approx)
Securities owned by the Debtors	1,01,10,970	On demand	11.00% per annum
Mortgage of Property of Sastisundar Ventures Limited (Formerly Microsec Financial Services Limited)	5,63,90,153	On demand	11.00% per annum
Total	10,23,14,240		

7. TRADE PAYABLES

Due to Micro and Small Enterprises (Refer Note 34)

Due to Clients

Due to Stock Exchanges & Clearing Member

Due to others

As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
2,68,647	5,16,631
12,29,45,815	3,08,19,852
14,26,420	2,42,984
71,00,158	60,98,597
13,17,50,240	3,68,78,064



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

8. OTHER CURRENT LIABILITIES

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
Security Deposits	43,71,523	47,84,471
Margin from Clients	40,10,359	98,64,484
Other liabilities		
- Statutory Dues	49,22,838	15,96,123
- Other Payables*	75,81,829	51,36,200
	2,08,06,949	2,05,81,230

10. NON CURRENT INVESTMENTS

Trade Investment (valued at cost)
Unquoted Equity Shares (Fully Paid)

In Wholly owned Subsidiary Companies

	No./Units	Face Value per Share/unit Rs.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
Microsec Insurance Brokers Limited	5,16,060 (5,16,060)	10	1,04,82,000	1,04,82,000
Microsec Commerce Limited [Refer Note 33]	18,02,950 (18,02,950)	10	77,35,332	4,14,24,500

In Fellow Subsidiary Companies

Microsec Technologies Limited [Refer Note 33]	-	10	-	4,99,99,585
	(50,761)			

In Limited Liability Partnership

Microsec Invention Advisors LLP - Capital Account [Refer Note 33]			-	4,72,33,303
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In Zero Coupon Compulsary Convertible Unsecured Debentures

Nyjoy Pharmaceuticals Private Limited [Refer Note 33]	-	10	-	4,50,00,000
	(45,00,000)			

Quoted Bonds (Fully Paid)

National Bank for Agriculture & Rural Development [Refer Note 33]				
Bonds*	-	20,000	-	2,86,84,250
	(3,101)			
			1,81,97,332	22,28,03,438

Aggregate amount of Non Current Investments

Quoted	-	2,86,84,250
Unquoted	1,81,97,332	19,41,19,388
	1,81,97,332	22,28,03,438

Market value of Quoted Investment

	-	12,38,04,010
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* Includes Rs. Nil (2015-16: Rs. 2,08,21,750) pledged with the following Scheduled banks as security against bank guarantees and working capital facility:

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
HDFC Bank Limited	-	57,62,750
Indus Ind Bank Limited	-	33,76,250
Axis Bank Limited	-	1,16,82,750
	-	2,08,21,750



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

9. Property, Plant and Equipment

Particulars	Office Premises	Computers	Furniture and Fixtures	Office Equipments	Vehicles	Total
Gross Block						
At April 1, 2015	2,37,82,604	2,39,73,977	1,07,28,744	1,03,91,475	47,26,314	7,36,03,114
Additions	-	1,51,080	55,532	-	-	2,06,612
Disposals	6,52,000	5,31,133	16,95,046	26,39,857	19,36,396	74,74,432
At March 31, 2016	2,31,30,604	2,35,75,934	90,89,230	77,51,618	27,89,918	6,63,37,294
Additions	-	92,37,993	16,84,297	34,71,083	-	1,43,93,379
Transferred pursuant to scheme of arrangement (Refer Note 33)	28,91,299	1,00,905	-	-	18,31,914	48,24,118
Disposals	2,02,39,305	12,420	17,71,722	4,42,204	-	2,24,55,651
At March 31, 2017	-	3,27,00,598	90,01,805	1,07,30,497	9,58,004	5,33,90,904
Depreciation						
At April 1, 2015	76,74,173	2,20,91,520	87,89,654	91,02,582	34,74,784	5,11,32,763
Charge For the Year	7,81,563	5,77,825	5,61,651	5,15,931	2,83,993	27,20,963
Disposals	2,59,459	5,25,346	13,70,969	24,41,560	13,01,604	59,98,938
At March 31, 2016	81,96,277	2,21,44,049	79,80,316	71,76,953	24,57,173	4,79,54,788
Charge For the Period	6,28,928	23,14,133	3,75,671	4,60,464	22,848	38,02,044
Transferred pursuant to scheme of arrangement (Refer Note 33)	11,50,916	71,840	-	-	15,87,316	28,10,072
Disposals	76,74,289	11,858	14,19,857	4,09,644	-	95,15,648
At March 31, 2017	-	2,43,74,484	69,36,150	72,27,773	8,92,705	3,94,31,112
Net Block						
At March 31, 2016	1,49,34,327	14,31,875	11,08,894	5,74,665	3,32,745	1,83,82,506
At March 31, 2017	-	63,26,114	20,65,655	35,02,724	65,299	1,39,59,792

(1) Intangible Assets

Particulars	Business Rights	Computer Softwares	Total
Gross Block			
At April 1, 2015	40,15,579	1,32,00,442	1,72,16,021
Purchase	-	-	-
Disposals	-	-	-
At March 31, 2016	40,15,579	1,32,00,442	1,72,16,021
Purchase	-	30,50,330	30,50,330
Disposals	-	-	-
At March 31, 2017	40,15,579	1,62,50,772	2,02,66,351
Amortization			
At April 1, 2015	40,15,579	1,15,39,430	1,55,55,009
Charge For the Year	-	6,92,408	6,92,408
Disposals	-	-	-
At March 31, 2016	40,15,579	1,22,31,838	1,62,47,417
Charge For the Period	-	10,27,189	10,27,189
Disposals	-	-	-
At March 31, 2017	40,15,579	1,32,59,037	1,72,74,616
Net Block			
At March 31, 2016	-	9,68,604	9,68,604
At March 31, 2017	-	29,91,735	29,91,735



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

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	-	-	16,70,911	4,62,500
Deposit with Stock Exchange and others	2,66,18,549	2,53,04,301	-	-
Advances recoverable in cash or kind	-	-	14,36,199	5,34,742
Prepaid Expenses	3,72,211	4,71,158	12,80,733	13,33,329
Advance Income tax and Tax Deducted at Source (Net of Provision Rs. 2,05,84,224 (2015-16: Rs. 2,05,84,224))	-	-	55,32,468	72,46,676
	2,69,90,760	2,57,75,459	1,02,36,311	95,76,647

12. OTHER ASSETS
(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.
Non Current Bank Balances (Refer Note 14)	50,00,000	14,75,00,000	-	-
Accrued Interest on Fixed Deposits	5,81,176	2,14,92,269	1,21,25,424	9,65,138
Accrued Interest on Bonds	-	1,43,40,020	-	-
	55,81,176	16,93,32,289	1,21,25,424	9,65,138

13. TRADE RECEIVABLES

(Considered good, unless otherwise stated)

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

- Secured	10,47,399	18,63,393
- Unsecured	72,58,224	64,43,745
	83,05,623	83,07,138

Other Receivables

- Secured	16,64,80,998	6,12,16,638
- Unsecured	54,63,892	26,57,518
	17,19,50,890	6,40,54,155
	18,02,56,713	7,23,61,493

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	-	-	26,769	62,979
Balances with Scheduled Banks				
- on Current Account	-	-	6,11,41,662	2,20,16,390
			6,11,68,431	2,20,79,369
Other Bank Balances (Refer Note 23)				
- Fixed Deposits with original maturity for more than 12 months	50,00,000	14,75,00,000	7,29,00,000	16,00,000
- Fixed Deposits with original maturity for more than 3 months but not more than 12 months	-	-	54,00,000	2,67,00,000
- Amount disclosed under non current assets (Refer Note 12)	(50,00,000)	(14,75,00,000)	-	-
	-	-	7,83,00,000	2,83,00,000
	-	-	13,94,68,431	5,03,79,369



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

	2016-17 Rs.	2015-16 Rs.
15. REVENUE FROM OPERATIONS		
(a) Sale of Services		
- Brokerage and Related Income	10,77,27,113	10,29,33,725
- Professional Fees - Consultancy & Investment Banking	33,75,000	15,49,000
(b) Other Operating Revenues		
- Penal Charges collected from clients	2,00,66,331	1,51,87,501
- Interest on Fixed Deposits lying with Stock/Currency Exchanges & Clearing Member	65,90,745	77,60,636
	13,77,59,189	12,74,39,862
16. OTHER INCOME		
(a) Interest Income		
- On Fixed Deposits other than lying with Stock/Currency Exchanges & Clearing Member	2,48,881	94,99,919
- On Long Term Bonds	-	15,57,863
- On Income Tax Refund	6,21,621	5,99,798
(b) Share of Profit from Microsec Invisus Advisors LLP	-	87,69,500
(c) Other Non Operating Income		
- Profit on Sale/discard of Fixed Assets (Net)	-	1,76,720
- Profit on Sale of Investment	-	8,20,059
- Liabilities no longer required written back	-	2,16,243
- Bad Debt Recovered	6,18,279	24,64,815
- Miscellaneous Income	2,772	14,490
	14,91,353	3,01,19,397
17. EMPLOYEE BENEFITS EXPENSE		
Salary, Bonus etc.	5,47,31,657	6,46,31,903
Contribution to Employees' State Insurance	3,89,286	1,80,470
Contribution to Employees' Provident Fund	11,89,860	13,88,035
Gratuities (Refer Note 24)	29,61,422	5,08,929
Staff Welfare expenses	12,93,698	12,51,365
	6,05,65,923	6,81,60,902
18. FINANCE COSTS		
(a) Interest Expense		
- Working Capital Facilities	1,02,44,392	34,55,981
- Clearing Member	15,00,000	-
- Ranges from Clients	3,15,715	5,19,626
- Short Term Loan	4,16,452	-
	1,24,76,559	39,75,607
(b) Other Borrowing Costs		
- Bank Guarantee Charges	4,34,364	22,00,993
	1,29,10,923	61,76,600
19. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of Property, Plant and Equipment	38,02,044	27,20,963
Amortization of intangible assets	10,27,199	6,92,408
	48,29,243	34,13,371



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

	2016-17 Rs.	2015-16 Rs.
20. OTHER EXPENSES		
Advertisement and Publicity	8,22,344	16,06,866
Auditor's Remuneration		
- As Audit Fees	1,30,650	1,30,325
- Reimbursement of expenses etc.	325	-
Communication expenses	26,12,405	34,64,497
Commission to Authorised Persons	2,23,54,685	1,95,71,083
Depository Transaction charges	17,32,670	12,78,625
Electricity	26,91,350	36,03,478
Insurance	70,798	1,04,275
Irrecoverable debts/advances written off	4,743	3,16,770
Legal and Professional fees	2,53,51,677	2,63,42,932
Membership Fees and Subscription	6,37,663	10,99,947
Postage and Courier expenses	4,00,809	3,86,690
Printing and Stationery	6,49,645	5,21,768
Repairs and Maintenance - Others	22,86,695	24,08,460
Rent (Refer Note 27)	26,06,011	14,38,076
Rates and Taxes	51,99,289	5,98,299
SEBI Turnover Fees	3,67,260	2,97,013
Service Charges		
- Market Research and Analysis services	4,18,087	23,257
- Facility Services etc.	32,21,506	50,49,504
Software Maintenance charges	36,66,421	34,38,715
Stock Exchange charges	53,81,032	39,02,111
Travelling and Conveyance	5,42,904	16,87,511
Miscellaneous Expenses	3,13,065	3,53,610
	8,14,61,814	7,79,13,320
21. EARNINGS/(LOSS) PER SHARE (EPS)		
Basis for Calculation for Basic & Diluted		
Earnings/(Loss) Per Share is as under:		
Profit/(Loss) after tax	(74,09,825)	1,04,65,595
Weighted average number of Equity Shares (Nos.)	22,63,561	22,63,561
Normal value of Equity Shares (Rs.)	10	10
Basic and Diluted Earnings per Share (Rs.)	(1.06)	4.62



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

22 Contingent Liabilities not provided for in respect of :

Particulars	(Amount in Rs.)	
	As at 31.03.2017	As at 31.03.2016
a) Claims against the company not acknowledged as debt	20,05,441	20,05,441
b) Bank Guarantees outstanding in favour of stock exchanges	4,75,00,000	9,50,00,000
c) Bank Guarantees outstanding in favour of Pension Fund Regulatory and Development Authority	-	5,00,000
d) Bank Guarantees outstanding in favour of Commercial Tax	2,50,000	-

23 Fixed Deposits with banks aggregating to Rs. 8,33,00,000 (2015-16: Rs. 17,58,00,000) are pledged as follows :

Pledged with	(Amount in Rs.)	
	As at 31.03.2017	As at 31.03.2016
National Stock Exchange of India Ltd.	8,00,000	8,00,000
National Securities Clearing Corporation Ltd.	57,00,000	32,00,000
IL&FS Securities Services Limited (Clearing Member)	7,00,00,000	7,00,00,000
HDFC Bank Ltd. (As security against Credit facilities / Bank Guarantees)	25,00,000	6,25,00,000
Indusind Bank Ltd. (As security against Credit facilities / Bank Guarantees)	-	1,25,00,000
Axis Bank Ltd. (As security against Credit facilities / Bank Guarantees)	-	2,25,00,000
NICX Stock Exchange Ltd.	8,00,000	8,00,000
Indian Clearing Corporation Limited	10,00,000	10,00,000
Bombay Stock Exchange	25,00,000	25,00,000
Total	8,33,00,000	17,58,00,000

24 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 summarise 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	As at 31.03.2017	As at 31.03.2016
	(Rs.)	(Rs.)
(i) Net Employee Expense /(benefit)		
Current service cost	9,84,466	8,85,647
Interest cost on benefit obligation	3,44,509	5,48,202
Expected return on plan assets	2,62,975	3,44,979
Net Actuarial (gain) /loss recognised for the year	18,95,422	(8,04,171)
Total employer expense recognised in Statement of Profit and Loss	29,61,422	2,84,699
(ii) Actual return on plan assets	2,26,413	3,66,892
(iii) Benefit Asset/(Liability)		
Defined benefit obligation	65,70,335	58,04,404
Fair value of Plan Assets	21,61,790	35,06,333
Benefit Asset/(Liability)	(44,08,543)	(22,98,071)
(iv) Movement in benefit liability		
Opening defined benefit obligation	58,04,404	83,28,017
Acquisition Adjustment	(8,50,950)	2,24,230
Interest cost	3,44,509	5,48,202
Current service cost	9,84,466	8,85,647
Benefits paid	15,70,954	33,99,434
Actuarial (gains)/losses on obligation	18,58,860	(7,82,258)
Closing benefit obligation	65,70,335	58,04,404



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

Particulars		As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)			
(v)	Movement in fair value of plan assets					
	Opening fair value of plan assets	35,06,333	40,58,579			
	Expected Return on plan assets	2,62,975	3,44,979			
	Contribution by employer	-	24,80,295			
	Benefits paid	15,70,954	33,99,434			
	Actuarial gains/(losses) on plan assets	(36,562)	21,913			
	Closing fair value of plan assets	21,61,792	35,06,333			
(vi)	Major categories of plan assets as a percentage of the fair value of total plan assets					
	Investments with insurer	100%	100%			
(vii)	The principal actuarial assumptions are as follows					
	Discount rate	7.50%	8%			
	Salary increase	6.00%	6%			
	Withdrawal rates	1.00%	1%			
(viii)	Amount incurred as expense for defined contribution plans					
	Contribution to Employees State Insurance	Rs. 3,89,266	Rs. 3,80,470			
	Contribution to Employees Provident Fund	Rs. 11,89,860	Rs. 13,88,035			
(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 expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.					
(xi)	The company expects to contribute Rs. 19,00,000 (2015-16: Rs. 19,00,000) to Gratuity Fund in 2017-18.					
(xii)	Particulars	2016-17 (Rs.)	2015-16 (Rs.)	2014-15 (Rs.)	2013-14 (Rs.)	2012-13 (Rs.)
	Amounts for the current Period and previous period are as follows :					
	Gratuity					
	Defined Benefit Obligation	65,70,335	58,04,404	83,28,017	58,65,861	40,31,267
	Plan Assets	21,61,792	35,06,333	40,58,579	40,83,148	39,45,398
	Surplus / (Deficit)	(44,08,543)	(22,98,071)	(42,69,438)	(17,82,733)	(85,869)
	Experience adjustments on plan liabilities	12,51,304	(7,02,250)	(5,36,648)	(32,48,231)	(7,75,646)
	Experience adjustments on plan assets	(1,499)	21,913	14,777	41,949	36,694



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

25 Related Party Disclosures

a) Name of the related parties and description of relationship

Related Parties where control exist

i) Holding Company

Sastasundar Ventures Limited (formerly Microsec Financial Services Limited)

ii) Subsidiary Companies

Microsec Commerce Limited

Microsec Insurance Brokers Limited

iii) Fellow Subsidiary Companies/LLP

Innogrow Technologies Limited (formerly Microsec Technologies Limited)

Microsec Resources Private Limited

PRP Technologies Limited

Bharatiya Sanskriti Village Private Limited

Myjoy Hospitality Private Limited

Myjoy Technologies Private Limited

Myjoy Pharmaceuticals Private Limited (upto 30th November, 2016)

Myjoy Tasty Food Private Limited

Sastasundar Healthbuddy Limited (formerly Microsec Health Buddy Limited)

Sasta Sundar Shop Private Limited

Microsec Invictus Advisors LLP

Bhavya Advisory Services LLP

Ruchika Advisory Services LLP

Alokik Advisory Services LLP

Dreamscape Advisors LLP

Kalashwar Advisory Services LLP

Shuti Advisory Services LLP

Name of other Related Parties with whom transactions have taken place during the year

iv) Key Management Personnel

Mr. Banwari Lal Mittal - Director

Mr. Ravi Kant Sharma - Managing Director (Upto 30.06.2015)

Mr. Ravi Kant Sharma - Director (w.e.f 01.07.2015)

Mr. Pankaj Hariolka - Executive Director and Company Secretary (upto 9.11.2016)

Mr. Pankaj Hariolka - Director (w.e.f 10.11.2016)

v) Relatives of Key Management Personnel

Mrs. Abha Mittal (Wife of Mr. Banwari Lal Mittal)

Mrs. Gombi Devi Mittal (Mother of Mr. Banwari Lal Mittal)

Mr. Narsingh Mittal (Brother of Mr. Banwari Lal Mittal)

Mr. Arjun Mittal (Brother of Mr. Banwari Lal Mittal)

Mrs. Sushila Devi Khaitan (Sister of Mr. Banwari Lal Mittal)

Mr. Krishna Mittal (Son of Mr. Banwari Lal Mittal)

Ms. Saloni Mittal (Daughter of Mr. Banwari Lal Mittal)

Ms. Vidhi Mittal (Daughter of Mr. Banwari Lal Mittal)

Mr. Sagun Kumar Sharma (Father of Mr. Ravi Kant Sharma)

Mr. Rajiv Sharma (Brother of Mr. Ravi Kant Sharma)

Mrs. Bharati Sharma (Wife of Mr. Ravi Kant Sharma)

Mr. Man Mohan Hariolka (Father of Mr. Pankaj Hariolka)

Mrs. Rashmi Hariolka (Wife of Mr. Pankaj Hariolka)

Mr. Niraj Hariolka (Brother of Mr. Pankaj Hariolka)

Mrs. Kanta Hariolka (Mother of Mr. Pankaj Hariolka)

vi) Enterprises on which Key Management Personnel and / or their relative exercise significant influence

Luv-Kush Projects Limited

Micro Resources Private Limited

B. L. Mittal (HUF)

Topview Endaves LLP

Longrange Management Services Pvt. Ltd

Topview Farming LLP

Umaputra Consultants LLP

Shri Krishna Creative Ideas LLP

Manokamna Advisory Services LLP

Chaturveda Advisory Services LLP

Gauri Advisory Private Limited

Virochan Consultants LLP

Servopani Consultants LLP



b) Aggregate Related party disclosures as at 31st March 2017 (Amount in Rs.)

Sl No.	Particulars	Holding Company	Subsidiaries & Fellow Subsidiaries Companies	Key Management Personnel	Relatives of Key Management Personnel	Enterprises in which Key Management Personnel Exercise Significant Influence	Total
1	Brokerage & Related Income						
	Microsec Invictus Advisors LLP	-	1,83,840	-	-	-	1,83,840
		(-)	(53,772)	(-)	(-)	(-)	(53,772)
	Topview Enclaves LLP	-	-	-	-	2,84,619	2,84,619
		(-)	(-)	(-)	(-)	(1,05,009)	(1,05,009)
	Umaputra Consultants LLP	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(1,37,237)	(1,37,237)
	Chaturveda Advisory Services LLP	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(1,49,610)	(1,49,610)
	Shri Krishna Creative Ideas LLP	-	-	-	-	3,11,548	3,11,548
		(-)	(-)	(-)	(-)	(-)	(-)
	Others	2,763	1,24,493	24,464	62,631	70,770	2,85,122
		(2,879)	(33,327)	(6,324)	(81,136)	(59,088)	(1,82,754)
	Total	2,763	3,08,334	24,464	62,631	6,66,937	7,53,582
		(2,879)	(87,099)	(6,324)	(81,136)	(4,50,944)	(6,28,382)
2	Share of Profit from Limited Liability Partnership						
	Microsec Invictus Advisors LLP	-	-	-	-	-	-
		(-)	(87,69,500)	(-)	(-)	(-)	(87,69,500)
3	Managerial Remuneration						
	Ravi Kant Sharma	-	-	-	-	-	-
		(-)	(-)	(17,78,560)	(-)	(-)	(17,78,560)
	Pankaj Harleika	-	-	4,00,000	-	-	4,00,000
		(-)	(-)	(28,67,910)	(-)	(-)	(28,67,910)
	Total	-	-	4,00,000	-	-	4,00,000
		(-)	(-)	(46,46,470)	(-)	(-)	(46,46,470)
4	Professional Fees Paid						
	Innogyw Technologies Limited (formerly Microsec Technologies Limited)	-	1,75,00,000	-	-	-	1,75,00,000
		(-)	(-)	(-)	(-)	(-)	(-)
	Sastasundar ventures Limited (formerly Microsec Financial Services Limited)	60,00,000	-	-	-	-	60,00,000
		(2,00,00,000)	(-)	(-)	(-)	(-)	(2,00,00,000)
	Sasta Sundar Shop Private Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
	Bharatiya Sanskriti Village Private Limited	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
	Total	60,00,000	1,75,00,000	-	-	-	2,35,00,000
		(2,00,00,000)	(3,00,000)	(-)	(-)	(-)	(2,03,00,000)
5	Corporate Guarantee Taken						
	Sastasundar ventures Limited (formerly Microsec Financial Services Limited)	4,77,50,000	-	-	-	-	4,77,50,000
		(9,50,00,000)	(-)	(-)	(-)	(-)	(9,50,00,000)
6	Investment in Limited Liability Partnership						
	Microsec Invictus Advisors LLP	-	-	-	-	-	-
		(-)	(1,55,00,000)	(-)	(-)	(-)	(1,55,00,000)



b) Aggregate Related party disclosures as at 31st March 2017

(Amount in Rs.)

Sl No.	Particulars	Holding Company	Subsidiaries & Fellow Subsidiaries Companies	Key Management Personnel	Relatives of Key Management Personnel	Enterprises in which Key Management Personnel Exercise Significant Influence	Total
7	Investment in Equity Shares of Innogrow Technologies Limited (formerly Microsec Technologies Limited)						
	Innogrow Technologies Limited (formerly Microsec Technologies Limited)	(-)	(4,99,99,585)	(-)	(-)	(-)	(4,99,99,585)
8	Investment in Zero Coupon Convertible Unsecured Debentures of MyJoy Pharmaceuticals Private Limited						
	MyJoy Pharmaceuticals Private Limited	(-)	(4,50,00,000)	(-)	(-)	(-)	(4,50,00,000)



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

26. Segment Reporting:

The Company's segment information as at and for the year ended March 31, 2017 are as below:

(Amount in Rs.)

Particulars	Consultancy & Investment Division	Investment Banking & related Services	Equity & Currency Broking including Depository Services	Total
Segment Revenue	-	33,75,000	13,50,05,240	13,83,80,240
	(2,77,32,331)	(4,64,000)	(12,83,55,677)	(15,65,52,008)
Segment Result	-	6,08,969	1,20,13,160	1,26,22,129
	(2,42,54,227)	(-85,66,160)	(88,36,050)	(2,45,24,117)
Less: Unallocated expenses net of unallocated income				1,50,31,954
				(1,85,70,749)
Profit/Loss Before Tax				-24,09,825
				(59,53,368)
Less : Provision for				
- Current Tax				-
				(-)
- Deferred Tax				0
				(-45,12,227)
Profit/Loss for the year				-24,09,825
				(1,04,65,596)
Segment Assets	-	9,77,616	38,47,90,217	38,57,67,833
	(33,72,96,650)	(1,52,74,453)	(19,82,36,666)	(55,08,07,769)
Unallocated Corporate Assets				2,40,29,801
				(3,37,37,574)
Total Assets				40,97,97,634
				(58,45,45,343)
Segment Liabilities	-	2,71,096	15,65,63,261	15,68,34,357
	(10,56,810)	(9,36,246)	(5,76,99,308)	(5,96,92,364)
Unallocated Corporate Liabilities				10,24,45,215
				(8,04,91,084)
Total Liabilities				25,92,79,572
				(14,01,83,448)
Capital Expenditure	-	-	1,73,93,709	1,73,93,709
		(55,532)	(1,53,080)	(2,08,612)
Depreciation /Amortisation	-	2,83,344	45,45,899	48,29,243
	(2,76,252)	(13,29,853)	(18,07,266)	(34,13,371)
Non Cash Expenditure	-	0	4,743	4,743
	-	(80,445)	(2,36,325)	(3,16,770)

NOTES:

i) Business Segment: - The business segment has been identified on the basis of the services of the company. Accordingly, the Company has identified "Investment Banking & related services" and "Equity & Currency Broking including Depository Services" as the business segments. Pursuant to Scheme of Arrangement (the 'scheme') under section 391(2) and 394 of the Companies Act, 1956 the Consultancy & Investment Division has been demerged. [Refer Note 33]

ii) Geographical Segment: - The Company operates in only one geographical segment i.e. 'within India' and hence no separate information for geographical segment has been given.



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

- 27 **Lease:**
Operating Lease:
Certain office premises are obtained on operating lease. The lease term is for 1 to 9 years and renewal for further period either mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no sub-leases. The leases are cancellable.
The details of lease payment are as follows

Particulars	2016-17	2015-16
Lease payments made for the year	26,06,011	14,36,076
Contingent rent recognised in the Statement of Profit and Loss	Nil	Nil

- 28 **Details of Remuneration to Managing Director & Executive Director**

Particulars	Salary, Bonus etc. (Rs.)		Contribution to Provident Fund (Rs.)		Gratuity (Rs.)		Total (Rs.)	
	2016-17 Rs.	2015-16 Rs.	2016-17 Rs.	2015-16 Rs.	2016-17 Rs.	2015-16 Rs.	2016-17 Rs.	2015-16 Rs.
- Managing Director	-	7,24,242	-	54,318	-	10,00,000	-	17,78,560
- Executive Director	4,00,000	28,67,910	-	-	-	*	4,00,000	28,67,910
Total	4,00,000	35,92,152	-	54,318	-	10,00,000	4,00,000	46,46,470

* In the previous year as the liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to the directors is not included above.

- 29 Minimum Alternative Tax (MAT) Credit Entitlement of Rs. 28,04,418 (2015-16: Rs. 28,04,418) for the year although available as tax credit for set off in future years as per Income Tax Act, 1961 has not been accounted for in view of accounting policy specified in Note 2 (ix) herein.

- 30 **Deferred Tax Asset / (Liability) (Net)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Liability (A)		
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial	4,62,239	27,66,431
Timing difference of accrued interest on bonds	-	15,80,270
Deferred Tax Assets (B)		
Provision for Gratuity	11,35,200	7,59,742
Business Loss and Unabsorbed Depreciation	1,45,89,913	2,21,84,549
Net Deferred Tax Asset / (Liability) (B - A)	1,52,62,874	1,89,97,590
Opening Deferred Tax Asset / (Liability)	-	(45,12,227)
Less : Deferred Tax Asset not recognized	1,52,62,874	2,31,09,817
Net Deferred Tax Asset / (Liability) recognized	-	(45,12,227)

In the absence of virtual certainty, the Company has recognized Deferred Tax Asset in the current year only to the extent of Deferred Tax Liability as at 31st March, 2017 i.e. Rs. 4,62,239 (2015-16 : Rs. 43,46,701).

- 31 **Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006**

Particulars	As at 31st March, 2017	As at 31st March, 2016
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	2,68,647	5,16,631
Interest due on above	Nil	Nil
ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
Principal	Nil	Nil
Interest	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (which been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil



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

- 32 Sastisunder Ventures Limited (formerly Microsec Financial Services Limited) Holding Company and the Company has entered into a Share Purchase Agreement on April 19, 2016 for sale of its entire shareholding in the Company (the demerged Company). In lieu of that, the Company has filed an application for change in management to the depositories and stock exchanges and is awaiting approval in this regards. Pending such approvals, the effect to the agreement has not been recognised in these results.

33 **Scheme of Arrangement**

a) The Board of Directors of the Company, have approved the demerger of the Consultancy and Investments undertaking of the company and MCL's wholly owned subsidiary MCZL into a resulting company w.e.f. the appointed date April 01, 2016 subject to the approvals from members and creditors of MCL, approval of the Hon'ble High Court at Calcutta and other necessary regulatory approvals. During the year, the Company has received the necessary approval of the Hon'ble High Court of Calcutta and necessary adjustment have been recognised in these financials.

b) 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 Commerce Limited (Demerged Company), the Honourable High Court, Calcutta has approved the scheme of demerger of Microsec Capital Limited with Microsec Commerce 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.

c) Consequent upon demerger of the said Microsec Capital 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:

Liabilities	Amount (Rs.)	Amount (Rs.)
Long Term Provisions		
Provision for Gratuity		8,50,950
Other Current Liabilities		
Other Payable		2,05,860
Total Liabilities		10,56,810
Assets		
Fixed Asset		
Tangible Assets		
Office Premises	17,40,383	
Computer	29,065	
Motor Vehicle	2,44,598	20,14,046
Investments		20,46,06,306
Other Non Current Asset		
Fixed Deposit	9,50,00,000	
Accrued Interest on Fixed Deposits	1,42,19,887	
Accrued Interest on NABARD Bonds	1,43,40,020	12,35,59,907
Current Asset		
Trade Receivables		57,000
Cash & Cash Equivalents		
Cash in Hand	4,401	
Balances in Banks		
- HDFC Bank, Stephen House (Account No. 00080340022846)	19,673	
Fixed Deposit	1,50,00,000	1,50,24,074
Other Current Asset		
Accrued Interest on Fixed Deposits		3,29,485
Total Assets		24,55,90,818

- 34 Amendment of Schedule III of Companies Act 2013 by notification No. G.S.R 308(E)3, under the heading of General Instruction for Preparation of Balance Sheet, disclosure related to old currency notes of INR 500 & INR 1000 held and transacted during November 8, 2016 to December 30, 2016, are required to be disclosed in the format given below:

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	23,500	48,554	70,854
+ Permitted receipts	-	1,37,425	1,37,425
- Permitted Payments	-	(1,09,338)	(1,09,338)
- Amount deposited in banks	(23,500)	(39,200)	(62,700)
Closing cash in hand as on December 30, 2016	-	35,440	35,440

* 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.



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

35 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 S. K. Agrawal & Co.

Firm registration number: 306033E

Chartered Accountants

Mamta Jain

Mamta Jain

Partner

Membership No. 061299

1

Place : Kolkata

Date : 23rd May, 2017



For and on behalf of the Board of Directors

B. L. Mittal *Ravi Kant Sharma*

B. L. Mittal

Director

DIN : 00363809

Ravi Kant Sharma

Director

DIN : 00364066

Pankaj Harsh

Pankaj Harsh

Director

DIN : 01939275