

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TULLETT PREBON (INDIA) LIMITED
Report on the Financial Statements**

We have audited the accompanying financial statements of TULLETT PREBON (INDIA) LIMITED (formerly known as PREBON YAMANE (INDIA) LIMITED), ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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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 obtained by us, 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 Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

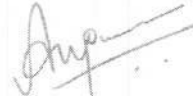
1. As required by Section 143 (3) of the Act, based on our audit, we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the 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 prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)



Anjum A. Qazi
Partner
(Membership No. 104968)

Place : Mumbai
Date: May 15, 2018

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**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting 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 Tullett Prebon (India) Limited (formerly known as Prebon Yamane (India) Limited) ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

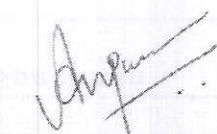
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)



Anjum A. Qazi
Partner
(Membership No. 104968)

Place: Mumbai
Date: May 15, 2018

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)**

- (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 explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (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.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order in respect of these is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and the provisions of Sections 73 to 76 of the Companies Act, 2013 are not applicable and hence reporting under clause 3(v) of the Order is also not applicable
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. Employees' State Insurance, Sales Tax, Value Added Tax, Customs Duty and Excise Duty are not applicable to the Company.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

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(c) Details of dues of Income-tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which Amount Relates | to the | Amount Involved (Rs.) | Amount Unpaid (Rs.) |
|----------------------|----------------|--------------------------------------|--------------------------------|--------|-----------------------|---------------------|
| Income Tax Act, 1961 | Income Tax | Commissioner of Income Tax (Appeals) | Financial Year 2011-12 | | 1,67,210 | 1,67,210 |
| Income Tax Act, 1961 | Income Tax | Assessing Officer | Financial Year 2009-10 | | 2,85,534 | 2,85,534 |
| Income Tax Act, 1961 | Income Tax | Assessing Officer | Financial Year 2010-11 | | 7,93,792 | 7,93,792 |

There are no dues in respect of Service Tax and Goods and Service Tax which have not been deposited on account of disputes.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

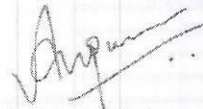
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connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)



Anjum A. Qazi
Partner
(Membership No. 104968)

Place: Mumbai
Date: May 15, 2018

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TULLETT PREBON (INDIA) LIMITED
Formerly known as Prebon Yamane (India) Limited
CIN - U65990MH1995PLC091626

Balance Sheet as at March 31, 2018

| | Note No. | As at 31-Mar-18 (Audited) (In ₹) | As at 31-Mar-17 (Audited) (In ₹) |
|---|----------|----------------------------------|----------------------------------|
| A. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 3 | 2,94,83,330 | 2,94,83,330 |
| (b) Reserves and surplus | 4 | 15,43,13,855 | 13,88,82,240 |
| | | <u>18,37,97,185</u> | <u>16,83,65,570</u> |
| 2 Non - current liabilities | | | |
| (a) Long - term provisions | 5 | 99,04,491 | 88,71,277 |
| | | <u>99,04,491</u> | <u>88,71,277</u> |
| 3 Current liabilities | | | |
| (a) Trade payables | 6 | - | - |
| (i) Total outstanding dues of Micro enterprises and Small Enterprises and | | | |
| (ii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises | | 1,18,12,346 | 1,32,22,931 |
| (b) Other current liabilities | 7 | 35,77,330 | 33,27,016 |
| (c) Short - term provisions | 8 | 1,22,11,847 | 1,56,42,426 |
| | | <u>2,76,01,523</u> | <u>3,21,92,373</u> |
| TOTAL | | <u><u>22,13,03,199</u></u> | <u><u>20,94,29,220</u></u> |
| B. ASSETS | | | |
| 1 Non - current assets | | | |
| (a) Fixed assets | 9 | | |
| (i) Tangible assets | | 25,13,382 | 27,36,317 |
| (ii) Intangible assets | | 45,572 | 3,000 |
| | | <u>25,58,954</u> | <u>27,39,317</u> |
| (b) Deferred tax assets (net) | 10 | 50,37,012 | 71,82,493 |
| (c) Long - term loans and advances | 11 | 4,49,89,376 | 4,11,67,437 |
| (d) Other non-current assets | 12 | 1,91,50,165 | 85,96,019 |
| | | <u>6,91,76,553</u> | <u>5,69,45,949</u> |
| | | <u>7,17,35,507</u> | <u>5,96,85,266</u> |
| 2 Current assets | | | |
| (a) Trade receivables | 13 | 1,44,60,412 | 1,99,86,780 |
| (b) Cash and cash equivalents | 14 | 12,86,80,152 | 12,14,38,224 |
| (c) Short - term loans and advances | 15 | 28,36,872 | 24,01,174 |
| (d) Other current assets | 16 | 35,90,256 | 59,17,776 |
| | | <u>14,95,67,692</u> | <u>14,97,43,954</u> |
| TOTAL | | <u><u>22,13,03,199</u></u> | <u><u>20,94,29,220</u></u> |

See accompanying notes forming part of the financial statements 1 to 31

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Anjum A. Qazi
Partner

Place : Mumbai
Date: May 15, 2018

For and on behalf of the Board of Directors

Sheetal Kapadia
DIN - 3317767
Wholtime Director
Mumbai

Date: May 15, 2018

Navroze Talati
DIN - 3486070
Wholtime Director
Mumbai

Date: May 15, 2018

Barry Dennaahy
DIN - 2946522
Director

Date: May 15, 2018

TULLETT PREBON (INDIA) LIMITED
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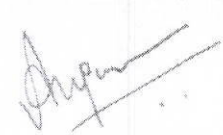
Profit and Loss for the period ended on March 31, 2018

| | Note No. | For the period ended 31-Mar-18 (Audited) (In ₹) | For the year ended 31-Mar-17 (Audited) (In ₹) |
|--|----------|--|--|
| 1 Revenue from operations | 17 | 18,32,22,655 | 18,80,71,605 |
| 2 Other income | 18 | 1,08,90,220 | 1,05,75,633 |
| Total revenue | | 19,41,12,875 | 19,86,47,238 |
| 3 Expenses | | | |
| (a) Employee benefits expense | 19 | 8,73,54,977 | 8,07,36,178 |
| (b) Administration and other expenses | 20 | 7,19,38,054 | 7,17,61,694 |
| (c) Brokerage expenses | | 1,53,96,047 | 1,24,09,290 |
| (d) Finance costs | 21 | 9,323 | 29,765 |
| (e) Depreciation and amortisation expense | 9 | 11,97,296 | 12,33,434 |
| Total expenses | | 17,58,95,697 | 16,61,70,361 |
| 4 Profit before tax | | 1,82,17,178 | 3,24,76,877 |
| 5 Tax expense | | | |
| (a) Current tax | | 53,50,000 | 1,15,00,000 |
| (b) Add/(Less) : Short/(Excess) provision for tax relating to prior year | | (46,64,000) | 30,584 |
| (c) Less: MAT Credit | | 45,918 | 15,30,584 |
| (d) Net current tax expense | | 6,40,082 | 1,00,00,000 |
| (e) Deferred tax | | 21,45,481 | (37,51,931) |
| Net tax expense | | 27,85,563 | 62,48,069 |
| 6 Profit after tax | | 1,54,31,615 | 2,62,28,808 |
| 7 Earnings per equity share of ₹10/- each: - | | | |
| Basic and diluted (₹) | 27 | 5.23 | 8.90 |

See accompanying notes forming part of the financial statements 1 to 31

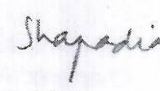
In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants



Anjum A. Qazi
Partner

Place : Mumbai
Date: May 15, 2018

For and on behalf of the Board of Directors


Sheetal Kapadia
DIN - 3317767
Wholtime Director
Mumbai Date: May 15, 2018


Navroze Talati
DIN - 3486070
Wholtime Director
Mumbai Date: May 15, 2018


Barry Dannahy
DIN - 2946522
Director
Date: May 15, 2018

TULLETT PREBON (INDIA) LIMITED

Formerly known as Prebon Yamane (India) Limited

CIN - U65990MH1995PLC091626

Cash Flow Statement for the period ended March 31, 2018



| | 31-Mar-18 (In ₹) | 31-Mar-17 (In ₹) |
|--|---------------------------|---------------------------|
| A. Cashflow from operating activities | | |
| Net Profit before tax | 1,82,17,178 | 3,24,76,877 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation | 11,97,296 | 12,33,434 |
| Profit on sale of fixed assets (net) | (6,965) | (34,784) |
| Interest income | (87,65,397) | (88,60,929) |
| Debit balances written off | | 85,168 |
| Credit balances written Back | (88,192) | (2,78,580) |
| Provision for gratuity | 12,65,036 | 25,14,902 |
| Provision for compensated leave absences | 1,52,843 | 87,939 |
| Provision for contingencies | - | (14,01,190) |
| Operating profit before working capital changes | <u>1,19,71,799</u> | <u>2,58,22,837</u> |
| <i>Changes in working capital:</i> | | |
| <i>Adjustment for (increase)/ decrease in operating assets / liabilities :</i> | | |
| Long - term loans and advances | 14,57,725 | (14,28,353) |
| Other non-current assets | - | (4,28,071) |
| Trade receivables | 55,26,368 | (17,77,612) |
| Short - term loans and advances | (4,35,698) | 30,459 |
| Other current assets | 23,27,520 | (14,59,106) |
| Debit / Credit balances written off/back (net) | | - |
| Trade payables | (13,22,393) | 76,77,124 |
| Other current liabilities | 2,50,314 | (14,10,568) |
| Short - term provisions | - | (55,80,135) |
| Long - term provisions | - | (6,43,427) |
| Cash generated from operations | <u>1,97,75,634</u> | <u>2,08,03,148</u> |
| Income tax (paid) net of refunds | <u>(95,24,989)</u> | <u>(67,99,333)</u> |
| Net cash flow from / (used in) operating activities (A) | <u><u>1,02,50,645</u></u> | <u><u>1,40,03,815</u></u> |
| B. Cash flow from investing activities | | |
| Purchase of fixed assets & capital advance | (12,27,468) | (16,58,749) |
| Proceeds from sale of fixed assets | 7,500 | 35,300 |
| Interest received | 89,30,729 | 81,67,821 |
| Bank balance not considered as cash & cash equivalents | (1,42,02,534) | (1,46,98,215) |
| Net cash flow (used in)/ from investing activities (B) | <u><u>(64,91,773)</u></u> | <u><u>(81,53,843)</u></u> |
| C. Cash flow from financing activities | | |
| Net cash flow from / (used in) financing activities (C) | <u><u>-</u></u> | <u><u>-</u></u> |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | <u><u>37,58,872</u></u> | <u><u>58,49,972</u></u> |
| Cash and cash equivalents at the beginning of the year (Note 14) | <u><u>1,84,16,209</u></u> | <u><u>1,25,66,237</u></u> |
| Cash and cash equivalents at the end of the year (Note 14) | <u><u>2,21,75,081</u></u> | <u><u>1,84,16,209</u></u> |

See accompanying notes forming part of the financial statements 1 to 31

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Anjum A. Qazi
Partner

Place : Mumbai

May 15, 2018

For and on behalf of the Board of Directors

Sheetal Kapadia
DIN - 3317767
Wholetime Director
Mumbai

Date: May 15, 2018

Navroze Talati
DIN - 3486070
Wholetime Director
Mumbai

Date: May 15, 2018

Barry Dannahy
DIN - 2946522
Director

Date: May 15, 2018

TULLETT PREBON (INDIA) LIMITED
 Formerly known as Prebon Yamane (India) Limited
 CIN - U65990MH1995PLC091626
 Notes forming part of the financial statements

1. Corporate information

Tullett Prebon (India) Limited (TPIL) formerly known as Prebon Yamane (India) Limited is a joint venture between Crest Ventures Limited and Prebon Holdings B.V. of Netherlands (PHBV).

Prebon Yamane (India) Limited (PYIL) was a joint venture between ITI Capital Holdings Private Limited (earlier known Intime Spectrum Finmart Private Limited), wholly owned subsidiary of Crest Ventures Limited (Formerly known as Sharyans Resources Limited) and Prebon Holdings B.V. of Netherlands (PHBV). ITI Capital Holdings Private Limited has been merged during the previous year with Crest Ventures Limited. As a result of the merger Crest Ventures Limited w.e.f. 08th December, 2015 has become the holding company of Prebon Yamane (India) Limited.

TPIL commenced operations in April, 1999 and is an active intermediary in the Wholesale Debt Market, Foreign Exchange Markets and Rupee Options. TPIL is empanelled with counter parties comprising of Scheduled Commercial Banks (Nationalized, Private Sector and Foreign), Co-operative Banks, Financial Institutions, Mutual Funds, Corporate Treasuries and Foreign Institutional Investors (FIIs).

TPIL has an integrated derivatives desk which intermediates on Interest Rate Swaps and Currency Options. The company is an approved Foreign Exchange Broker and has more than a decade long operations in the interbank foreign market. The operations are conducted from the registered office at Mumbai. It is among top five brokers operating in the markets and is an accredited member of the Foreign Exchange Dealers Association of India (FEDAI). TPIL's forex desk offers broking services in the INR/USD short and long swaps and outright forward segments.

TPIL is a well known player and a leading funds mobilizer for large Mutual Funds for their various schemes. The mutual fund distribution business started in 2001 and actively services large institutional investors, corporate clients and high net worth individuals through its compact and skilled AMFI certified sales team.

Prebon Holdings BV which is a subsidiary of Tullett Prebon Investments Holdings Limited, holds 48% in Tullett Prebon (India) Limited. Globally, Prebon Group of Companies are branded as "Tullett Prebon". Accordingly, the name of Prebon Yamane (India) Limited is changed to Tullett Prebon (India) Limited w.e.f. 22nd June, 2017.

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act").

2.2 Use of estimates

The presentation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made, that affect the reported amount of assets and liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reported period. Difference between the actual result and estimates are recognized in the year in which the results are known/ materialized.

2.3 Fixed assets

(a) Tangible Assets and Depreciation : The depreciation has been provided on Straight Line Method basis as per useful life prescribed in Schedule II to the Companies Act, 2013.

(b) Intangible Assets and Amortization:

An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis or a basis that reflects the pattern in which the asset's economic benefits are consumed.

Depreciation on fixed assets is charged so as to amortise the cost of assets, on the following basis:

| Type of asset | Method |
|---------------|---------------|
| Software | Straight line |

2.4 Revenue recognition

(a) Brokerage income is recorded net of service tax / GST for on an accrual basis on the day of execution of the order.

(b) Forward Foreign Exchange broking income is accounted for on an accrual basis at the point of time when the deal is struck, although invoices are raised at the time when the forward contract is finally settled, thereby recognizing the income when it becomes due though not receivable. Further, no significant uncertainty exists at the point of time when the deal is struck regarding the amount of the consideration that will be derived from rendering the service.

(c) Interest income is accounted for on an accrual basis.

(d) Dividends are recorded when the right to receive payment is established.

2.5 Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Exchange difference, if any arising out of transactions settled during the year is recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognised in the Statement of Profit and Loss and related assets and liabilities are accordingly re-stated in the Balance Sheet.

2.6 Employee benefits

(a) The Company contributes to Government provident fund as required by the statute, which is a defined contribution plan. The same is charged to Statement of the Profit and Loss.

(b) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

(c) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined on the basis of actuarial valuation, using projected unit credit method carried out at end of the year, is charged to Statement of Profit and Loss. Actuarial gains and losses in respect of past employment and other long term benefits are charged to the Statement of Profit and Loss.





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2.7 Leases

Operating Lease:

Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are retained by the lessors, are classified as operating leases. Operating lease payments are recognised as expenditure in the statement of profit and loss on a straight-line basis, which is representative of the time pattern of benefits received from the use of the assets taken on lease.

2.8 Earning per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.9 Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Current income tax expense comprises taxes on income from operations in India. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is calculated at current income tax rate enacted or substantively enacted by the balance sheet date and is recognised on timing differences; being the difference between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence, are recognised and carried forward only to the extent that there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax in the future period. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and where the Company intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

2.10 Provisions, Contingent liabilities and Contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

3. Share capital

| | As at 31-Mar-2018 | | As at 31-Mar-2017 | |
|--|-------------------|--------------|-------------------|--------------|
| | No. of shares | (In ₹) | No. of shares | (In ₹) |
| (a) Authorised | | | | |
| Equity shares of ₹10/- each | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 |
| | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 |
| (b) Issued, Subscribed and fully paid up | | | | |
| Equity shares of ₹10/- each | 29,48,333 | 2,94,83,330 | 29,48,333 | 2,94,83,330 |
| | 29,48,333 | 2,94,83,330 | 29,48,333 | 2,94,83,330 |

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Opening Balance | Closing Balance |
|----------------------------------|-----------------|-----------------|
| Equity shares with voting rights | | |
| Year ended 31 Mar., 2018 | | |
| - Number of shares | 29,48,333 | 29,48,333 |
| - Amount (₹) | 2,94,83,330 | 2,94,83,330 |
| Equity shares with voting rights | | |
| Year ended 31 Mar., 2017 | | |
| - Number of shares | 29,48,333 | 29,48,333 |
| - Amount (₹) | 2,94,83,330 | 2,94,83,330 |

(ii) Details of shares held by Shareholders holding more than 5% shares:

| | As at 31-Mar-2018 | | As at 31-Mar-2017 | |
|------------------------|--------------------|-----------------------------------|--------------------|-----------------------------------|
| | No. of shares held | % holding in that class of shares | No. of shares held | % holding in that class of shares |
| Prebon Holdings B.V | 14,15,300 | 48.003% | 14,15,300 | 48.003% |
| Crest Ventures Limited | 15,33,003 | 51.996% | 15,33,003 | 51.996% |
| | 29,48,303 | 99.999% | 29,48,303 | 99.999% |

(iii) Rights, preferences and restrictions attached to shares

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

4. Reserves and surplus

| | (In ₹) As at 31-Mar-2018 | (In ₹) As at 31-Mar-2017 |
|---|--------------------------------|--------------------------------|
| (a) General reserve | | |
| Opening balance | 85,14,729 | 85,14,729 |
| Add: Transferred from surplus in Statement of Profit and Loss | - | - |
| | <u>85,14,729</u> | <u>85,14,729</u> |
| (b) Surplus in Statement of Profit and Loss | | |
| Opening balance | 13,03,67,511 | 10,41,38,703 |
| Add : Profit for the year | 1,54,31,615 | 2,62,28,808 |
| | <u>14,57,99,126</u> | <u>13,03,67,511</u> |
| | <u>15,43,13,855</u> | <u>13,88,82,240</u> |

5. Long-term provisions

| | As at 31-Mar-2018 | As at 31-Mar-2017 |
|---------------------------------|----------------------|----------------------|
| Provision for employee benefits | | |
| Provision for gratuity | 99,04,491 | 88,71,277 |
| | <u>99,04,491</u> | <u>88,71,277</u> |

6. Trade payables

| | As at 31-Mar-2018 | As at 31-Mar-2017 |
|------------------------|----------------------|----------------------|
| Trade payables | | |
| Other than acceptances | 33,12,346 | 42,87,629 |
| Bonus payable | 85,00,000 | 85,00,000 |
| Ex-gratia payable | - | 4,35,302 |
| | <u>1,18,12,346</u> | <u>1,32,22,931</u> |

6a. Trade payables Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| Particulars | As at 31-Mar-2018 | As at 31-Mar-2017 |
|--|-------------------|-------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| (iv) The amount of interest due and payable for the year | - | - |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

7. Other current liabilities

| | As at 31-Mar-2018 | As at 31-Mar-2017 |
|------------------------|----------------------|----------------------|
| Other payables | | |
| Statutory remittances | 23,38,919 | 26,48,561 |
| Others | 11,47,814 | 5,86,701 |
| Advance from customers | 90,597 | 91,754 |
| | <u>35,77,330</u> | <u>33,27,016</u> |

8. Short-term provisions

| | As at 31-Mar-2018 | As at 31-Mar-2017 |
|--|----------------------|----------------------|
| (a) Provision for employee benefits | | |
| (i) Provision for compensated absences | 9,74,150 | 8,21,307 |
| (ii) Provision for gratuity | 7,70,634 | 5,38,812 |
| | <u>17,44,784</u> | <u>13,60,119</u> |
| (b) Provision - Others | | |
| (i) Provision for tax (net of advance tax of ₹ 6,00,75,111/-) (Previous year ₹ 5,13,70,848/-) | 65,63,908 | 1,03,79,152 |
| (ii) Provision for contingencies (Refer note below) | 39,03,155 | 39,03,155 |
| | <u>1,04,67,063</u> | <u>1,42,82,307</u> |
| | <u>1,22,11,847</u> | <u>1,56,42,426</u> |

Note : Details of provisions

| Particulars | As at 1-Apr-2017 | Utilisation/ Reversal (withdrawn as no longer required) | As at 31-Mar-2018 |
|---|---------------------|---|----------------------|
| Provision for contingent liability - STBI registration fees | 39,03,155 | - | 39,03,155 |
| | (1,09,65,164) | (70,62,009) | (39,03,155) |

Provision for contingencies represents amount provided towards contingent liability on account of interest payable (if any) as described in note no.29.

Previous year figures are denoted in brackets.

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10. Deferred tax asset (net)

- (a) Depreciation and amortisation
(b) Employee benefits
(c) Provision for contingencies

| | As at 31-Mar-2018 | As at 31-Mar-2017 |
|-----------------------------------|----------------------|----------------------|
| (a) Depreciation and amortisation | 7,44,542 | 9,89,894 |
| (b) Employee benefits | 32,15,199 | 61,92,599 |
| (c) Provision for contingencies | 10,77,271 | - |
| | 50,37,012 | 71,82,493 |

11. Long-term loans and advances (Unsecured, considered good)

- (a) Security deposits
(b) Prepaid expenses
(c) Advance tax (net of provisions of ₹ 8,49,42,681 /-)
(Previous year ₹ 7,27,26,097/-)
(d) MAT Credit Entitlement (Unsecured considered good)
(e) FBT advance tax (Net)
(f) Capital advances (Refer Note 22)

| | As at 31-Mar-2018 | As at 31-Mar-2017 |
|--|----------------------|----------------------|
| (a) Security deposits | 1,18,24,390 | 1,18,24,390 |
| (b) Prepaid expenses | 1,21,311 | 48,451 |
| (c) Advance tax (net of provisions of ₹ 8,49,42,681 /-) (Previous year ₹ 7,27,26,097/-) | 3,27,66,799 | 2,76,97,136 |
| (d) MAT Credit Entitlement (Unsecured considered good) | - | 15,30,584 |
| (e) FBT advance tax (Net) | 66,876 | 66,876 |
| (f) Capital advances (Refer Note 22) | 2,10,000 | - |
| | 4,49,89,376 | 4,11,67,437 |

12. Other non-current assets

- (a) Accruals
Interest accrued on deposits
(b) Earmarked Bank Deposits (Refer note below)
(i) Under lien with The Foreign Exchange Dealers' Asso. of India
(ii) Under lien with Fixed Income Money Market & Derivatives Asso.
(c) Deposit Accounts-Original maturity of more than 1 year

| | As at 31-Mar-2018 | As at 31-Mar-2017 |
|--|----------------------|----------------------|
| (a) Accruals Interest accrued on deposits | 51,090 | 2,16,422 |
| (b) Earmarked Bank Deposits (Refer note below) | | |
| (i) Under lien with The Foreign Exchange Dealers' Asso. of India | 70,21,937 | 66,04,423 |
| (ii) Under lien with Fixed Income Money Market & Derivatives Asso. | 17,75,174 | 17,75,174 |
| (c) Deposit Accounts-Original maturity of more than 1 year | 1,03,01,964 | - |
| | 1,91,50,165 | 85,96,019 |

Note:-

Balances with banks / deposits which are restricted from being exchanged or used to settle a liability for more than 12 months from the balance sheet date.

13. Trade receivables (Unsecured, considered good)

- (a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment
(b) Other Trade receivables

| | As at 31-Mar-2018 | As at 31-Mar-2017 |
|---|----------------------|----------------------|
| (a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment | 11,53,272 | 6,88,397 |
| (b) Other Trade receivables | 1,33,07,140 | 1,92,98,383 |
| | 1,44,60,412 | 1,99,86,780 |

14. Cash and bank balances

A. Cash and cash equivalents (as per AS 3 Cash Flow Statements)

- (a) Cash on hand
(b) Stamps on hand
(c) Balances with banks
(i) In current accounts
(ii) Deposit Accounts-Original maturity of 3 months or less

| | As at 31-Mar-2018 | As at 31-Mar-2017 |
|---|----------------------|----------------------|
| (a) Cash on hand | 30,194 | 27,473 |
| (b) Stamps on hand | 51,748 | 62,746 |
| (c) Balances with banks | | |
| (i) In current accounts | 84,36,035 | 82,67,605 |
| (ii) Deposit Accounts-Original maturity of 3 months or less | 1,36,57,104 | 1,00,58,385 |
| | 2,21,75,081 | 1,84,16,209 |

B. Other bank balances

- (i) Deposit Accounts-Original maturity more than 3 months
(Fixed deposits of ₹ 6,83,53,173/- (Previous year ₹ 6,31,09,861/-) under lien against issue of guarantee)
(ii) Other Bank Balances in earmarked account
FX Charge Does Account

| | | |
|--|---------------------|---------------------|
| (i) Deposit Accounts-Original maturity more than 3 months (Fixed deposits of ₹ 6,83,53,173/- (Previous year ₹ 6,31,09,861/-) under lien against issue of guarantee) | 10,63,88,192 | 10,28,37,927 |
| (ii) Other Bank Balances in earmarked account FX Charge Does Account | 1,16,879 | 1,84,088 |
| | 10,65,05,071 | 10,30,22,015 |
| | 12,86,80,152 | 12,14,38,224 |

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Note 9 Fixed assets

| A. Tangible assets | Gross block | | | Accumulated depreciation and impairment | | | Net block | | |
|--|--------------------------|-----------------|------------------------|---|--------------------------|------------------|------------------------|---------------------------|---------------------------|
| | Balance as at 1-Apr-2017 | Additions | Disposals/ Adjustments | Balance as at 31-Mar-2018 | Balance as at 1-Apr-2017 | Additions | Disposals/ Adjustments | Balance as at 31-Mar-2018 | Balance as at 31-Mar-2017 |
| (a) Leasehold improvements (Previous year) | 21,87,187 | - | - | 21,87,187 | 21,87,187 | - | - | 21,87,187 | - |
| (b) Furniture and fixtures (Previous year) | (21,87,187) | - | - | (21,87,187) | (21,87,187) | - | - | (21,87,187) | - |
| (c) Office equipment (Previous year) | 18,79,164 | 17,366 | - | 18,96,530 | 13,25,285 | 1,28,340 | - | 14,53,625 | 5,53,879 |
| (d) Computer equipment (Previous year) | (18,79,552) | (50,625) | (51,014) | (18,79,164) | (12,51,573) | (1,24,725) | (51,014) | (13,25,285) | (6,27,979) |
| Total | 22,95,424 | 1,52,395 | 80,000 | 23,67,819 | 14,37,256 | 2,57,513 | 79,465 | 16,15,304 | 8,58,167 |
| (Previous year) | (15,47,700) | (7,72,024) | (24,300) | (22,95,424) | (12,26,026) | (2,35,287) | (24,057) | (14,37,256) | (3,21,673) |
| | 1,18,21,767 | 7,97,707 | - | 1,26,19,474 | 1,04,97,497 | 8,04,015 | - | 1,13,01,512 | 13,24,270 |
| (Previous year) | (1,15,91,932) | (8,36,100) | (6,06,265) | (1,18,21,767) | (1,02,30,067) | (8,73,421) | (6,05,992) | (1,04,97,496) | (13,61,865) |
| Total | 1,81,83,542 | 9,67,468 | 80,000 | 1,90,71,011 | 1,54,47,225 | 11,89,868 | 79,465 | 1,65,57,629 | 27,36,317 |
| (Previous year) | (1,72,06,371) | (16,58,749) | (6,81,579) | (1,81,83,542) | (1,48,94,853) | (12,33,433) | (6,81,063) | (1,54,47,225) | (27,36,317) |
| B. Intangible assets | Gross block | | | Accumulated depreciation and impairment | | | Net block | | |
| | Balance as at 1-Apr-2017 | Additions | Disposals | Balance as at 31-Mar-2018 | Balance as at 1-Apr-2017 | Additions | Disposals | Balance as at 31-Mar-2018 | Balance as at 31-Mar-2017 |
| (a) Godwill/ Know How (Previous year) | 1,25,00,000 | - | - | 1,25,00,000 | 1,25,00,000 | - | - | 1,25,00,000 | - |
| (b) Computer Software (Previous year) | 3,00,000 | 50,000 | - | 3,50,000 | (1,25,00,000) | 7,428 | - | 3,04,428 | 3,000 |
| Total | 1,28,00,000 | 50,000 | - | 1,28,50,000 | (2,97,000) | 7,428 | - | 1,28,04,428 | 3,000 |
| (Previous year) | (1,28,00,000) | - | - | (1,28,00,000) | (1,27,97,000) | - | - | (1,27,97,000) | - |

| Particulars | Depreciation and amortisation for the year : | |
|--|--|--------------------|
| | For the year ended | For the year ended |
| Depreciation for the year on tangible assets | 11,89,868 | 12,33,433 |
| Amortisation for the year on intangible assets | 7,428 | - |
| Depreciation and amortisation | 11,97,296 | 12,33,433 |

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15. Short-term loans and advances

Unsecured, considered good

- (a) Loans and advances to employees
- (b) Prepaid expenses
- (c) Balances with Government authorities
- (d) Other loans and advances

| | As at 31-Mar-2018 | As at 31-Mar-2017 |
|--|----------------------|----------------------|
| | 1,20,000 | 77,095 |
| | 22,67,516 | 17,39,218 |
| | 1,73,279 | 2,87,809 |
| | 2,76,077 | 2,97,052 |
| | 28,36,872 | 24,01,174 |

16. Other current assets

- (a) Unbilled revenue
- (b) Interest accrued on deposits

| | As at 31-Mar-2018 | As at 31-Mar-2017 |
|--|----------------------|----------------------|
| | 34,20,244 | 53,55,118 |
| | 1,70,012 | 5,62,658 |
| | 35,90,256 | 59,17,776 |

17. Revenue from operations

- (a) Sale of Services (Brokerage)
- (b) Other Operating Income (Information & Services)

| | For the year ended 31-Mar-2018 | For the year ended 31-Mar-2017 |
|--|-----------------------------------|-----------------------------------|
| | 17,87,50,376 | 16,45,68,164 |
| | 44,72,279 | 35,03,441 |
| | 18,32,22,655 | 18,80,71,605 |

18. Other income

- (a) Interest from bank on deposits
- (b) Miscellaneous income
- (c) Net Profit on sale of asset
- (d) Credit balances written-back
- (e) Excess provision written back (Refer note 29)
- (f) Other Income

| | For the year ended 31-Mar-2018 | For the year ended 31-Mar-2017 |
|--|-----------------------------------|-----------------------------------|
| | 87,65,397 | 88,60,929 |
| | - | 150 |
| | 6,965 | 34,784 |
| | 88,192 | 2,78,580 |
| | - | 14,01,190 |
| | 20,29,666 | - |
| | 1,08,90,220 | 1,05,75,633 |

19. Employee benefits expense

- (a) Salaries, allowances and bonus
- (b) Contributions to Provident and other funds
- (c) Provision for Gratuity
- (d) Staff welfare expenses

| | For the year ended 31-Mar-2018 | For the year ended 31-Mar-2017 |
|--|-----------------------------------|-----------------------------------|
| | 8,05,32,012 | 7,36,03,025 |
| | 31,26,678 | 28,22,262 |
| | 14,81,383 | 25,14,902 |
| | 22,14,904 | 17,95,989 |
| | 8,73,54,977 | 8,07,36,178 |

20. Administration and other expenses

- Lease rent
- Repairs and maintenance
- Insurance
- Rates and taxes
- Stamp duty
- Communication expenses
- Commission
- Business promotion expenses
- Professional fees
- Payments to auditors (Refer note (i) below)
- Debit balances written-off
- Net loss on foreign currency transaction (other than considered as finance cost)
- Electricity expenses
- Entertainment expenses
- Sebi turnover fees
- Subscription
- Other expenses

| | For the year ended 31-Mar-2018 | For the year ended 31-Mar-2017 |
|--|-----------------------------------|-----------------------------------|
| | 83,79,300 | 83,79,300 |
| | 23,19,829 | 22,55,291 |
| | 2,75,966 | 3,95,599 |
| | 5,83,456 | 9,77,695 |
| | 1,15,31,608 | 1,33,70,007 |
| | 34,77,690 | 33,57,772 |
| | 17,50,000 | 36,00,000 |
| | 36,03,428 | 36,00,000 |
| | 2,41,10,921 | 2,33,09,225 |
| | 14,50,000 | 14,50,000 |
| | 4,32,789 | 85,168 |
| | 2,33,355 | 2,11,908 |
| | 12,51,128 | 12,32,502 |
| | 24,58,054 | 17,37,040 |
| | 4,64,125 | 5,34,201 |
| | 70,10,469 | 44,86,847 |
| | 26,05,936 | 27,74,139 |
| | 7,19,38,054 | 7,17,61,694 |

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Notes:

| (i) Payments to the auditors (net of service tax input credit, where applicable): | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | 31-Mar-2018 | 31-Mar-2017 |
| As auditors - statutory audit | 11,00,000 | 11,00,000 |
| As auditors - limited review | 3,50,000 | 3,50,000 |
| | 14,50,000 | 14,50,000 |

21. Finance costs

| Interest expense others: | For the year ended | For the year ended |
|--|--------------------|--------------------|
| | 31-Mar-2018 | 31-Mar-2017 |
| Interest on delayed payment of Tax Deducted at Source/ Service Tax | 9,323 | 29,765 |
| | 9,323 | 29,765 |

Additional information to the Financial Statements

22. Estimated amount of contracts remaining to be executed on capital account net of advances Rs.2,03,000/- (previous year NIL).

23. Foreign currency transactions

| Expenditure incurred | For the year ended | For the year ended |
|----------------------|--------------------|--------------------|
| | 31-Mar-2018 | 31-Mar-2017 |
| Travel | 1,57,480 | 4,76,827 |
| Subscription | 13,47,214 | 14,01,555 |
| Others | - | 57,295 |
| | 15,04,694 | 19,35,677 |

| Income earned | For the year ended | For the year ended |
|------------------------|--------------------|--------------------|
| | 31-Mar-2018 | 31-Mar-2017 |
| Information & Services | 44,72,279 | 35,03,441 |
| Other Income | 20,29,666 | - |
| | 65,01,945 | 35,03,441 |

Disclosures under Accounting Standards

24. Lease rentals

The Company has taken various commercial premises under operating leases. These lease agreements are generally renewed on expiry.

| Future minimum lease payments | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | 31-Mar-2018 | 31-Mar-2017 |
| not later than one year | 78,49,200 | 61,16,300 |
| later than one year and not later than five years | 45,26,000 | 10,60,200 |
| later than five years | - | - |

25. Segment reporting

The Company's principal business activity is to earn brokerage income from Foreign Currency Dealing (Forex), Wholesale Debt Market (WDM), Non-SLR securities and Mutual Fund distribution. Accordingly the Company operates in a single segment.

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26. Related party transactions

A. Details of related parties

| Sr.No | Name of related parties | Description of relationship |
|-------|--|---|
| 1 | Crest Ventures Limited | Holding Company |
| 2 | Fine Estate Private Limited | Ultimate Holding Company |
| 3 | Surbhi Investments & Trading Co. Pvt.Ltd. | Enterprise over which Director of Fine Estate Pvt. Ltd., exercise significant influence |
| 4 | Kempro Traders Pvt. Ltd. | Enterprise over which Director of Fine Estate Pvt. Ltd., exercise significant influence |
| 5 | Vijay Choraria | Individual having significant influence over the enterprise |
| 6 | Sheetal Kapadia | Key Management Personnel |
| 7 | Navroze Talati | Key Management Personnel |
| 8 | Caladium Properties Private Limited | Fellow Subsidiary |
| 9 | Crest Residency Private Limited | Fellow Subsidiary |
| 10 | Crest Wealth Management Private Limited | Fellow Subsidiary |
| 11 | Intime Spectrum Tradecom Private Limited | Fellow Subsidiary |
| 12 | Crest Capital and Investment Private Limited | Fellow Subsidiary |
| 13 | Escort Developers Private Limited | Fellow Subsidiary |
| 14 | Priyanka Finance Private Limited | Fellow Subsidiary |
| 15 | Allium Shelters Private Limited | Fellow Subsidiary |
| 16 | HJB Builders & Developers Pvt. Ltd. | Fellow Subsidiary |
| 17 | ITI Insurance Brokers Pvt. Ltd. | Fellow Subsidiary |
| 18 | Mind Factory Entertainment Pvt. Ltd. | Fellow Subsidiary |
| 19 | Fine Capital Resources Pvt. Ltd. | Fellow Subsidiary |
| 20 | Nirmal Capital Services Pvt. Ltd. | Fellow Subsidiary |
| 21 | A K Equities Pvt. Ltd. | Fellow Subsidiary |
| 22 | Crest Partners LLP | Fellow Subsidiary |
| 23 | Prebon Holding B V | Entity having significant influence |

Note: Related parties have been identified by the management.

(B) Details of related party transactions for the year ended 31st March 2018 and balance outstanding as at 31st March, 2018.

(Figures in ₹)

| Nature of Transactions | Holding Company | Enterprise over which Director of Fine Estate Pvt. Ltd., exercise significant influence | Key Management Personnel |
|---|-----------------|---|------------------------------|
| Remuneration: | | | |
| (i) Ms. Sheetal Kapadia | - | - | 88,84,802 (67,69,185) |
| (ii) Mr. Navroze Talati | - | - | 1,02,99,996 (1,00,00,000) |
| Rent Expense: | | | |
| (i) Fine Estate Private Limited | 67,89,000 | - | - |
| Brokerage Expenses | | | |
| Surbhi Investment & Trading Co. Pvt. Ltd. | - | 1,53,96,047 | - |

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27. Earning per shares

| Particulars | 31-Mar-2018 | 31-Mar-2017 |
|---|-------------|-------------|
| Profit after tax for equity shareholders | 1,54,31,615 | 2,62,28,808 |
| Weighted average number of equity shares | 29,48,333 | 29,48,333 |
| Basic / Diluted Earnings Per Share of ₹ 10/- each | 5.23 | 8.90 |

28. Employee Benefit Plans
Short term employee benefits:

(i) The Company offers its employees defined contribution plan in the form of provident fund. Provident fund covers regular employees, including those who have opted for the scheme. The contributions are based on a certain proportion of the employee's salary. A sum of Rs.31,26,678/- (P.Y. Rs.28,22,262/-) has been charged to the Statement of Profit and Loss in this respect.

(ii) A sum of Rs. 1,52,843/- has been provided in the Statement of Profit and Loss in respect of compensated absences whereas excess provision of Rs. 87,939/- was reversed in the previous year.

Post employment and long term benefits:

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based either on years of service and the employee's compensation (immediately before retirement). The gratuity scheme covers all regular employees. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the profit and loss account. Gratuity scheme is not funded. However, provision as per revised (AS-15) has been made in the financial statements.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

| | | GRATUITY (NON- FUNDED) | |
|-----|--|-------------------------------------|-------------------------------------|
| I | Assumptions as at 31-03-2018 | 31-Mar-18 | 31-Mar-17 |
| | | Figures in ₹ | |
| | | IALM(2006-08) IIT. | |
| | Mortality | 7.40% | 6.69% |
| | Interest/ Discount Rate | 8.00% | 10.00% |
| | Rate of increase in compensation | | |
| | Rate of return (expected) on plan assets | | |
| | Employee Attrition Rate (Past Service (PS)) | PS: 0 to 5 : 10% PS: 5 to 40: 3% | PS: 0 to 5 : 12% PS: 5 to 40: 3% |
| | Expected average remaining services | 12.59 | 12.63 |
| II | Changes in present value of obligations | | |
| | PVO at beginning of period | 94,10,089 | 75,45,866 |
| | Interest cost | 6,22,298 | 5,38,651 |
| | Current Service Cost | 13,78,461 | 10,70,100 |
| | Past Service Cost - (non vested benefits) | 13,282 | - |
| | Past Service Cost - (vested benefits) | 19,48,499 | - |
| | Benefits Paid | (2,16,347) | (6,50,679) |
| | Actuarial (Gain)/Loss on obligation | (24,81,157) | 9,06,151 |
| | PVO at end of period | 1,06,75,125 | 94,10,089 |
| III | Changes in fair value of plan assets | | |
| | Fair Value of Plan Assets at beginning of period | - | - |
| | Expected Return on Plan Assets | - | - |
| | Contributions | 2,16,347 | 6,50,679 |
| | Benefit Paid | (2,16,347) | (6,50,679) |
| | Actuarial Gain/(Loss) on plan assets | - | - |
| | Fair Value of Plan Assets at end of period | - | - |
| IV | Fair Value of Plan Assets | | |
| | Fair Value of Plan Assets at beginning of period | - | - |
| | Actual Return on Plan Assets | - | - |
| | Contributions | 2,16,347 | 6,50,679 |
| | Benefit Paid | (2,16,347) | (6,50,679) |
| | Fair Value of Plan Assets at end of Period | - | - |
| | Funded Status (including unrecognised past serve cost) | (1,06,75,125) | (94,10,089) |
| | Excess of actual over estimated return on Plan Assets | - | - |

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| | 31-Mar-18 | 31-Mar-17 |
|--|---------------|-------------|
| V Experience History | | |
| (Gain)/Loss on obligation due to change in Assumption | (30,41,394) | 9,74,237 |
| Experience (Gain)/Loss on obligation | 5,60,237 | (68,086) |
| Actuarial Gain/(Loss) on plan assets | - | - |
| VI Actuarial Gain/ (Loss) Recognized | | |
| Actuarial Gain/(Loss) for the period (Obligation) | 24,81,157 | (9,06,151) |
| Actuarial Gain/(Loss) for the period (Plan Assets) | - | - |
| Total Gain/(Loss) for the period | 24,81,157 | (9,06,151) |
| Actuarial Gain/(Loss) recognized for the period | 24,81,157 | (9,06,151) |
| Unrecognized Actuarial Gain/(Loss) at end of Period | - | - |
| VII Past Service Cost Recognised | | |
| Past Service Cost - (non vested benefits) | 13,282 | - |
| Past Service Cost - (vested benefits) | 19,48,499 | - |
| Average remaining future service till vesting of the benefit | 1 | - |
| Recognised Past service Cost-non vested benefits | 13,282 | - |
| Recognised Past service Cost- vested benefits | 19,48,499 | - |
| Unrecognised Past Service Cost-non vested benefits | - | - |
| VIII Amounts to be recognized in the balance sheet and statement of profit & loss | | |
| PVO at the end of period | 1,06,75,125 | 94,10,089 |
| Fair Value of Plan Assets at end of period | - | - |
| Funded Status | (1,06,75,125) | (94,10,089) |
| Unrecognized Actuarial Gains/(Loss) | - | - |
| Unrecognised Past Service Cost-non vested benefits | - | - |
| Net Asset/(Liability) recognized in the balance sheet | (1,06,75,125) | (94,10,089) |
| IX Expense recognized in the statement of P&L A/C | | |
| Current Service Cost | 13,78,461 | 10,70,100 |
| Interest cost | 6,22,298 | 5,38,651 |
| Past Service Cost - (non vested benefits) | 13,282 | - |
| Past Service Cost - (vested benefits) | 19,48,499 | - |
| Unrecognised Past Service Cost-non vested benefits | - | - |
| Expected Return on Plan Assets | - | - |
| Net Actuarial (Gain)/Loss recognized for the period | (24,81,157) | 9,06,151 |
| Expense recognized in the statement of P & L A/C | 14,81,383 | 25,14,902 |
| X Movements in the Liability recognized in Balance Sheet | | |
| Opening Net Liability | 94,10,089 | 75,45,866 |
| Adjustment to Opening balance | - | - |
| Expenses as above | 14,81,383 | 25,14,902 |
| Benefits paid | (2,16,347) | (6,50,679) |
| Closing Net Liability | 1,06,75,125 | 94,10,089 |
| XI Revised Schedule VI | | |
| Current Liability | 7,70,634 | 5,38,812 |
| Non-Current Liability | 99,04,491 | 88,71,277 |
| XII Projected Service Cost 31 Mar 2019 | 14,16,205 | - |
| XIII Asset Information | | |
| Cash and Cash Equivalents | - | 0% |
| Gratuity Fund () | | |
| Debt Security - Government Bond | | |
| Equity Securities - Corporate debt securities | | |
| Other Insurance Contracts | | |
| Property | | |
| Total Itemized Assets | - | 0% |

| Gratuity Experience History | 31-03-2018 | 31-03-2017 | 31-03-2016 | 31-03-2015 | 31-12-2013 |
|---|-------------|------------|-------------|------------|------------|
| (Gain)/Loss on obligation due to change in Assumption | (30,41,394) | 9,74,237 | (13,18,671) | 14,26,937 | (7,05,995) |
| Experience (Gain)/Loss on obligation | 5,60,237 | (68,086) | (12,76,037) | (9,88,041) | (7,78,221) |

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29. SEBI liability

The Company had a dispute with SEBI pertaining to payment of registration fees as provided in Regulation 10 read with Schedule III of Stock brokers & Sub-brokers Regulation, 1992. In 2004 the Company had paid an amount of Rs. 4.64 Cr under protest and provided for it in the accounts. Subsequently in 2005 the SEBI Securities Appellate Tribunal (SAT) had decided the matter in favor of the Company. Pursuant to this, in October 2005 SEBI had filed an appeal with the Supreme Court against the SAT Order. In Mar 2006 the Honorable Supreme court granted an interim relief to the Company permitting them to withdraw the deposit on furnishing of a Bank guarantee. In 2010 the Company exercised the option of withdrawing the deposit on furnishing of a bank guarantee and SEBI refunded the disputed amount of Rs 4.64cr along with interest of Rs 1.56 Cr.

The Company continued to carry the provision for the registration fees and the interest thereon totally amounting to Rs. 6.20 Cr and also created a provision of Rs 2.41 Cr towards the interest at the approximate prevailing bank rates on the total amount refunded of Rs 6.20 Cr. During the previous year, the matter had been decided by the Honourable Supreme Court in favor of SEBI. Based on this decision, SEBI demanded an amount of Rs 11.59 Cr which includes interest of Rs 6.95 Cr. The Company contends that while calculating the demand, SEBI has considered an interest rate of 15% instead of the bank rate as mentioned in the Honourable Supreme Court Order. Further when SEBI refunded the money to them it was based on the existing Bank rate. Based on advice from a legal consultant, the Company had paid the amount of Rs 4.64 Cr which was the original amount paid under protest, together with interest received at the time of withdrawal of the said amount, on the basis of Honourable Supreme court interim order, of Rs 1.56 Cr (totally amounting to 6.20 Cr) and interest of Rs 1.94 Cr for the period from the withdrawal till the date of payment calculated at the respective bank rates during that period on December 30, 2015. Simultaneously the Company had written to SEBI clarifying its contention. On February 4, 2016, SEBI revised its calculation of interest which has been based on Corporation Bank fixed deposit rates and modified the demand for interest to Rs 3.04 Cr as against the amount of Rs.1.94 Cr as per the Company. The Company was not in agreement with the same. However, the Company provided for the amount of Rs. 6.20 Cr and interest of Rs. 3.04 Cr as demanded by SEBI.

SEBI issued a notice of attachment on March 10, 2016 and sought to initiate attachment proceedings if the balance for differential interest was not deposited by the Company within 15 days. Consequently, the Company had filed an appeal with SAT contending that they had duly discharged their liability by paying the Rs. 8.14 Cr. SEBI then filed a counter affidavit with the SAT in reply. The hearing for the same took place on June 6, 2016.

As per the SAT Order dated June 6, 2016, the Company has recomputed the interest liability and paid an amount of Rs 0.56 Cr. On August 31, 2016, SEBI raised an additional demand of Rs. 0.39 Cr after re-computing the interest at rates higher than the Corporation Bank deposit rates used when it made its previous demand on February 4, 2016. The Company has objected to the same vide a letter dated September 22, 2016 to SEBI. However, the Company has retained a provision of Rs. 0.39 Cr and reversed the balance amount of Rs. 0.14 Cr in the previous year.

The Company has filed an appeal with SAT for the aforesaid dispute.

30. Disclosure regarding derivatives instruments


Category-wise quantitative data about derivative instrument that are outstanding at the balance sheet date: - Nil

The purpose, viz., hedging or speculation, for which such derivative instrument have been acquired and:- Nil


The Foreign currency exposures that are not hedged by a derivative instrument or otherwise as of balance sheet date in respect of trade payables USD 5,250 ₹2,90,227/- (Previous year NIL) and receivables of USD NIL (Previous year USD 11,294 ₹ 7,53,925/-).

31. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors


Sheetal Kapadia
DIN - 3317767
Wholetime Director
Mumbai
Date: May 15, 2018


Navroze Talati
DIN - 3486070
Wholetime Director
Mumbai
Date: May 15, 2018


Barry Dennaah
DIN - 2946522
Director
Date: May 15, 2018

*for
SD*