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Independent Auditor's Limited Review Report on Consolidated Unaudited Financial Results of Prime Securities Limited for the Quarter and Nine months ended December 31, 2024, Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### TO THE BOARD OF DIRECTORS OF Prime Securities Limited

### Introduction

- 1. We have reviewed the accompanying statement of unaudited Consolidated financial results of Prime Securities Limited ("the Parent") and its subsidiaries and associate (the Parent and its subsidiaries and associate together referred to as "the Group") for the quarter and nine months period ended December 31, 2024 ("the statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- 2. This statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

### **Scope of the Review**

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

|          | Sr     | Name of the Entities                        | Relationship              |  |  |
|----------|--------|---|---------------------------|--|--|
|          | 1      | Prime Research and Advisory Limited         | Subsidiary                |  |  |
|          | 2      | Prime Global Asset Management PTE Limited   | Step-down Subsidiary      |  |  |
|          | 3      | Prime Trigen Wealth Limited (Formerly       | Subsidiary                |  |  |
| ICAI     | 2      | known as Prime Funds Management<br>Limited) |                           |  |  |
| ICAI NO. | tes 4. | Ark Neo Financial Services Private Limited  | Associate w.e.f. December |  |  |
| egn.No.  | *      | (Consolidated)                              | 12, 2024                  |  |  |
| Th       | E/     |   | Page 1 of                 |  |  |

4. The statement includes the results / share of Profit or (Loss) of the following entities:

#### Assurance | Consulting | GRC | Tax



### Conclusion

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material.

#### **Emphasis of matter**

6. We draw attention to Note 5 to the statement read together with the Basis for Qualification para of predecessor Auditor's report dated April 25, 2024 for the Quarter ended March 31, 2024 which states that the holding company management has recognised a reduction in fair value in investment amounting to INR 1,243 Lakhs in quarter ended March 31, 2024, but has not restated its financial information for the previous quarters ended December 31, 2023. The comparative information for the previous Quarter and nine months period ended December 31, 2023, is not comparable to that extent.

Our opinion is not modified with respect to this emphasis of matter

#### **Other Matters**

- 7. We did not review the consolidated unaudited interim financial results of 1 subsidiary and standalone unaudited interim financial results of another subsidiary included in the statement whose unaudited interim financial results reflects, total revenues from operation of Rs.701.00 Lakh and Rs.2452.00 Lakh, total net profit after tax of Rs.211.00 Lakh and Rs.741.00 and total comprehensive income of Rs.215.00 Lakh and Rs.746.00 Lakh for the quarter and nine months period ended December 31, 2024, respectively, as considered in consolidated unaudited interim financial results of the Group. These interim financial results have been reviewed by the other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.
- 8. The statement includes the Group share of consolidated loss after tax of Rs. 5 lakh for the quarter and nine months period ended December 31, 2024, and Consolidated Total Comprehensive income of Rs. (5) lakh for the quarter and nine months period ended December 31, 2024, with respect to 1 associate (Refer Note 6). The unaudited consolidated financial results have not been reviewed by their auditors and have been approved and furnished to us by the management and our conclusion on the statement, in so far it relates to the amounts and disclosure included in respect of the Associates is based solely on such unaudited consolidated financial results provided by the management, these unaudited consolidated financial results of Associate are not material to the Group.

Assurance | Consulting | GRC | Tax



- 9. The numbers and details pertaining to quarter and nine month period ended December 31, 2023, have been traced from the review report of the predecessor auditor who has issued a modified conclusion vide his report dated January 19, 2024, in terms of Regulation 33 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 10. The numbers and details pertaining to year ended as at March 31, 2024 and notes related thereto in the statement have been traced from the Financial Statements of the Company audited by the predecessor auditor who has issued an unmodified audit report dated April 25, 2024.

Our report is not modified in respect of these other matters.

### For Sharp & Tannan Associates

Chartered Accountants ICAI Firm Reg. No. 109983W By the hand of

CA Tirtharaj Khot Partner Membership No. (F)037457 UDIN:25037457BMMBDV3986

Place: Mumbai Date: January 21, 2025

## PRIME SECURITIES LIMITED - CONSOLIDATED

Regd. Office : 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 (CIN: L67120MH1982PLC026724) Tel: +91-22-61842525 Fax: +91-22-24970777 Website: www.primesec.com Email: prime@primesec.com

# STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED DECEMBER 31, 2024

|      | (Rs. in Lakhs, unless otherwis                           |               |             |             |              |             |            |
|------|--|---------------|-------------|-------------|--------------|-------------|------------|
|      |  | Quarter ended |             |             | Period ended |             | Year ended |
| Part | iculars  | 31-Dec-24     | 30-Sep-24   | 31-Dec-23   | 31-Dec-24    | 31-Dec-23   | 31-Mar-24  |
| T    | Revenue from Operations                                  | (Unaudited)   | (Unaudited) | (Unaudited) | (Unaudited)  | (Unaudited) | (Audited)  |
| 1    | Fee and commission income                                | 1,955         | 2,659       | 1,629       | 6,901        | 5,015       | 6,151      |
| п    | Other Income   | 1,755         | 2,059       | 1,029       | 0,701        | 5,015       | 0,131      |
|      | i) Interest income                                       | 99            | 107         | 120         | 323          | 330         | 457        |
|      | ii) Dividend income                                      | 1             | 0           | 0           | 2            | 0           |            |
|      | iii) Net gain on fair value changes                      | -             |             |             | -            | 0           | 0          |
|      | - Realised   | 59            | 32          | 3           | 138          | 15          | 21         |
|      | - Unrealised   | -             | 185         | 39          | 525          | 22          | 35         |
|      | iv) Others   | 4             | -           | 0           | 4            | 0           | 0          |
|      | Total Other Income                                       | 163           | 324         | 162         | 992          | 367         | 513        |
| Ш    | Total income (I+II)                                      | 2,118         | 2,983       | 1,791       | 7,893        | 5,382       | 6,664      |
|      | Expenses   | _,            |             |             | .,           | - )         | -,         |
|      | i) Finance cost  | 1             | 2           | 4           | 5            | 12          | 14         |
|      | ii) Fee and commission expense                           | 100           | 153         | 99          | 812          | 874         | 1,172      |
|      | iii) Net loss on fair value changes                      |               |             |             | _            |             | , .        |
|      | - Unrealised   | 122           | -           | -           | _            | _           | -          |
|      | iv) Impairment on financial instruments                  | 150           | 76          | 58          | 285          | 29          | 34         |
|      | v) Employee benefit expenses                             | 534           | 817         | 473         | 2,208        | 1,715       | 2,279      |
|      | vi) Depreciation and amortisation expense                | 32            | 31          | 24          | 91           | 72          | 97         |
|      | vii) Other expenses                                      | 167           | 114         | 146         | 459          | 570         | 729        |
| IV   | Total expenses   | 1,106         | 1,193       | 804         | 3,860        | 3,272       | 4,325      |
| V    | Profit before exceptional items and tax (III-IV)         | 1,012         | 1,790       | 987         | 4,033        | 2,110       | 2,339      |
| VI   | Exceptional items (net)                                  | -             | -           | -           | 368          | -           | -          |
| VII  | Profit before tax (V) + (VI)                             | 1,012         | 1,790       | 987         | 4,401        | 2,110       | 2,339      |
|      | Tax expenses   | ,             |             |             |              |             |            |
|      | - Current tax charge                                     | 236           | 324         | 193         | 894          | 458         | 523        |
|      | - Earlier year tax charge / (credit)                     | (4)           | 3           | -           | (1)          | -           | -          |
|      | - Impact on deferred tax liability due to change in      | (5)           | (316)       | -           | (321)        | -           | -          |
|      | tax rate   |               |             |             |              |             |            |
|      | - Deferred tax liability on temporary differences        | (40)          | 59          | 1           | 74           | (39)        | (40        |
| IX   | Profit after tax (VII-VIII)                              | 825           | 1,720       | 793         | 3,755        | 1,691       | 1,856      |
|      | Share of Profit / (Loss) of Associate                    | (5)           | -           | -           | (5)          | -           | -          |
| X    | Profit after Tax and Share of Profit / (Loss) of         | 820           | 1,720       | 793         | 3,750        | 1,691       | 1,856      |
|      | Associate  |               |             |             |              |             |            |
| XI   | Other comprehensive income                               |               |             |             |              |             |            |
|      | a) I) Items that will not be reclassified to profit or   |               |             |             |              |             |            |
|      |  |               |             | 0           |              | (7)         | (0         |
|      | (a) Remeasurement of defined employee                    | (3)           | (1)         | 9           | (25)         | (7)         | (8         |
|      | benefit plans<br>(b) Remeasurement gain / (loss) on fair | _             | 497         | 123         | 497          | 123         | 1,396      |
|      | valuation of investments in equity                       | _             | 77          | 125         | 477          | 125         | 1,570      |
|      | instruments  |               |             |             |              |             |            |
|      | II) Income tax relating to items that will not be        | 1             | (72)        | (32)        | (65)         | (27)        | (323       |
|      | reclassified to profit or loss                           |               |             |             |              |             |            |
|      | b) I) Items that will be reclassified to profit or loss  | -             | -           | -           | -            | -           | -          |
|      | II) Income tax relating to items that will be            | _             | -           | -           | -            | -           | -          |
|      | reclassified to profit or loss                           | -             |             |             |              |             |            |
|      | Other comprehensive income / (a+b)                       | (2)           | 424         | 100         | 407          | 89          | 1,065      |
| XII  | Total comprehensive income for the quarter / year        | 818           | 2,144       | 893         | 4,157        | 1,780       | 2,921      |
|      | $(\mathbf{X} + \mathbf{X}\mathbf{I})$                    |               | =:          |             |              |             |            |
| XIII | i) Paid-up equity share capital (face value Rs. 5        | 1,681         | 1,677       | 1,648       | 1,681        | 1,648       | 1,664      |
|      | each)  |               |             |             |              |             |            |
|      | ii) Other equity   |               |             |             |              |             | 14,093     |
| ۸IV  | Earnings per equity share                                |               |             |             |              |             |            |
|      | (Rs. not annualised for the quarters and year ended)     |               | E 10        | 0.41        |              | - 1-        |            |
|      | - Basic (amount in Rs.)                                  | 2.46          | 5.13        | 2.41        | 11.21        | 5.17        | 5.66       |
|      | - Diluted (amount in Rs.)                                | 2.39          | 4.98        | 2.32        | 10.88        | 4.95        | 5.42       |

#### **Consolidated Notes:**

- The above consolidated financial results, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind-AS") 34 "Interim Financial Reporting" as notified under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India, have been reviewed and recommended by the Audit Committee and approved and taken on record by the Board of Directors at their respective meetings held on January 21, 2025. The results for the Quarter and Nine Months ended December 31, 2024 have been reviewed by the Statutory Auditors of the Company and they have expressed an unmodified audit conclusion on these financial results. The results are available on the stock exchanges websites at www.bseindia.com / www.nseindia.com and on the website of the Company at www.primesec.com.
- 2 The consolidated financial results include the unaudited financial results of two wholly-owned subsidiaries, viz. Prime Research and Advisory Limited and Prime Trigen Wealth Limited (Formerly Prime Funds Management Limited), Prime Global Asset Management PTE Limited (60% subsidiary of Prime Research & Advisory Limited). The consolidated financial result also includes unaudited management certified consolidated share of loss of associate i.e Ark Neo Financial Service Private Limited.
- 3 Exceptional item for the nine months ended December 31, 2024 represent the net gain on sale of a residential flat during the quarter ended June 30, 2024, calculated on the basis of realisation of sale price as reduced by the cost of flat appearing as receivable, related directly allocatable expenses.
- 4 Pursuant to the amendment approved by the shareholders at their meeting held on June 13, 2023, to the object clause for the utilization of funds received against the issue of equity shares in November 2021 to specified investors on a preferential basis, the holding company have utilised part of the proceeds in terms of the permitted objects and the balance unutilized proceeds have been invested in the fixed deposits with bank pending utilisation in terms of the objects of the issue.
- 5 The audit report for the quarter ended March 31, 2024 was qualified in respect of the impact of the fair value change in the quarter ended March 31, 2024 and earlier quarters ended September 30, 2023 and December 31, 2023, in respect of the investment in an entity engaged in online gaming platform service business, on which the Company had recognised a reduction in fair value of the investment amounting to INR 1,243 lakhs in the quarter ended March 31, 2024. The Company had not made any adjustment in the financial information for the preceding quarters ended September 30, 2023 and December 31, 2023 as the regulatory changes in the gaming industry were in effect from October 1, 2023 and adequate data, such as consumer reaction and the legal status of demands for the previous years, were not available for appropriate evaluation and hence its impact on the fair valuation was unascertainable to that extent.
- 6 The Holding Company, on December 12, 2024, acquired 41.68% equity stake in Ark Neo Financial Services Private Limited ("Ark Neo"), from the Promoters of Ark Neo for consideration of INR 200 lakhs and subscribed to Optionally Convertible Debentures of INR 200 lakhs into Ark Neo. Ark Neo is a technology platform (known as "Dhanlap") for loans against securities in the realm of a loan service provider ("LSP") and has a 100% subsidiary operating as Suprasanna Finance Private Limited. The Company has recognized such investment by equity method and accordingly incorporated post-acquisition loss of INR (5) lakhs as a share of loss from associate in its consolidated financial results, arising out of post-tax unaudited management certified accounts of Ark Neo. The above impact is taken based on the unaudited management certified consolidated accounts of Ark Neo.
- During the quarter and nine months ended December 31, 2024, the Holding Company allotted 65,000 and 3,24,000 equity shares respectively, pursuant to the exercise of employee stock options.
- 8 As at December 31, 2024 the Holding Company has the following subsidiaries / associates:

#### Subsidiaries:

Prime Research and Advisory Limited - Incorporated in India - Wholly-owned Subsidiary of Prime Securities Limited Prime Trigen Wealth Limited - Incorporated in India - Wholly-owned Subsidiary of Prime Securities Limited **Stepdown Subsidiaries:** 

Prime Global Asset Management PTE Limited - Incorporated in Singapore - 60% Subsidiary of Prime Research & Advisory Limited Associates:

#### Ark Neo Financial Services Private Limited - Incorporated in India - Associate of Prime Securities Limited - w.e.f December 12, 2024 Subsidiary of Associates

Suprasanna Finance Private Limited - Incorporated in India - Wholly-owned Subsidiary of Ark Neo Financial Services Private Limited

The Group has only one segment of business i.e. Financial Advisory and Intermediation services. There are no separate reportable segments in terms of Ind-AS 108.

- 10 The amounts reflected as "0" in the financial information are values with less than rupees one lakh.
- 11 Previous quarter / period and year ended figures have been regrouped / reclassified, wherever necessary, to confirm to the current quarter / period presentation, the impact of such restatements / regroupings are not material to Financial Statements.

#### For Prime Securities Limited

JAYAKUMAR NARAYANS WAMI



Mumbai January 21, 2025

N. Jayakumar **Managing Director and Group CEO** (DIN: 00046048)