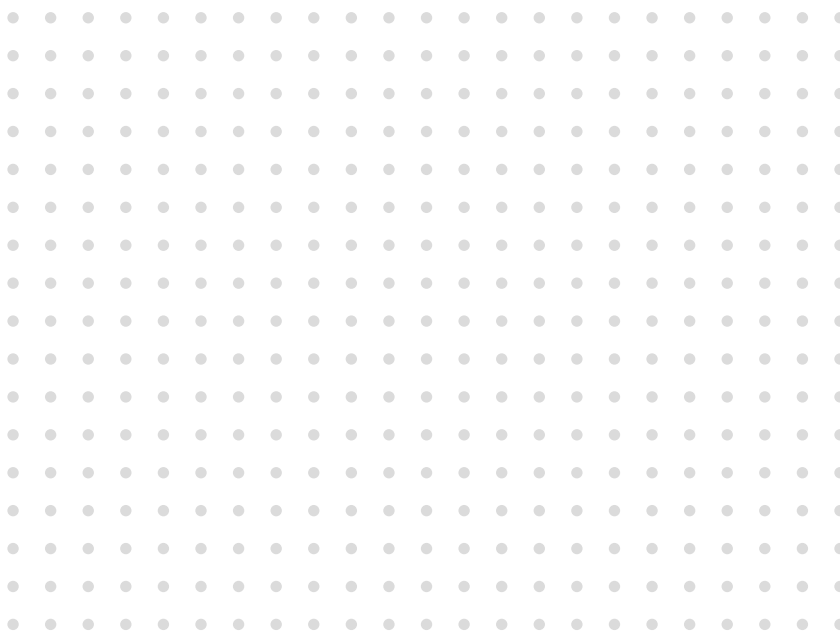


ROI_p & RON_w

HOW PRIME IS HARNESSING
ITS CAPITAL-LIGHT BUSINESS
MODEL TO ENHANCE
SHAREHOLDER VALUE

PRIME
SECURITIES
LIMITED

ANNUAL
REPORT
2019-20





ROIp & RONw

At Prime Securities, we believe that capital alone is not a value-driver.

The power of knowledge and networks has emerged as a potent driver of organisational value in the last few decades.

Prime Securities combines capital-lightness with the power of knowledge and networks.

Bringing into play Return on Intellectual Property (ROIp) and Return on Networks (RONw).

THE WORLD OF PRIME SECURITIES LIMITED.

Ethos

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

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

Core values

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





Offerings

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

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

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

People

Prime comprises a small focused team of 19 (as on March 31, 2020) with key executives involved in every transaction without the people-intensity and overheads of large organisations.

The Company's agility is reflected in a nimble, market-driven team constantly responding to market stimuli and client needs with eyes and ears trained to capture moods and sentiments, to make mid-course corrections.

Management

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

Cientele

Prime Securities Limited has developed a strong client roster comprising prestigious Indian customers like Piramal Group, M&M Group, Vodafone Idea, VA Tech,

Bombay Burmah, Hi Tech, U Gro, Indostar, Yes Bank, India Infradebt, Incred, Avanse Financial Services, Edelweiss Financial Services, MEP Infrastructure Developers, IRB Infrastructure Developers, Next Media, JSW Steel, Jindal Stainless, to name a few.

Customers

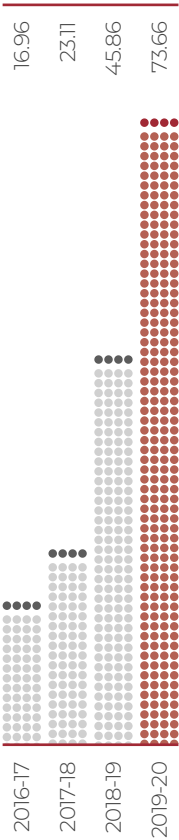
The Company has long-standing relationships with domestic and international clients, including corporations, foreign institutional investors, financial institutions, banks, mutual funds, insurance companies and high net worth individuals.

Listing

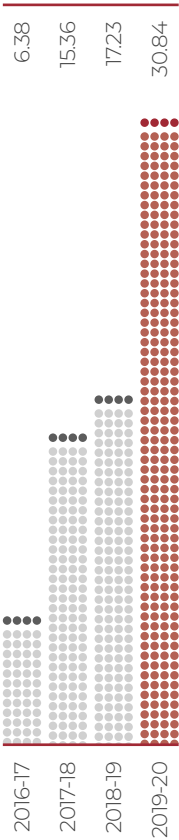
The Company has been listed on the NSE and the BSE since 1994. The Company enjoyed a market capitalisation of ₹78.1 crore as on March 31, 2020.

HOW WE HAVE TRANSFORMED OUR FINANCIALS OVER THE YEARS

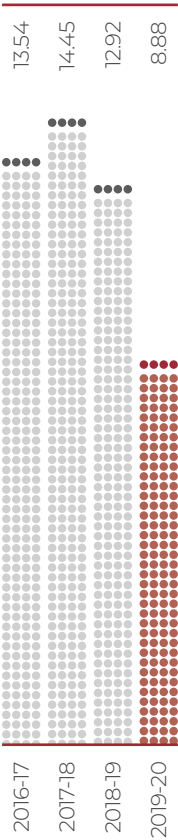
Consolidated Income from operations
(₹ crore)



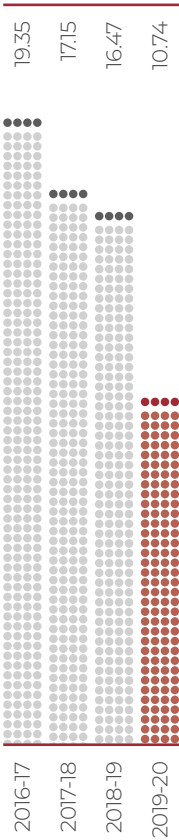
Consolidated EBITDA
(₹ crore)



Consolidated Cash Profit
(₹ crore)



Consolidated Profit (or loss) before tax
(₹ crore)



Balance Sheet ratios

Ratios	2016-17	2017-18	2018-19	2019-20
Earnings per share	5.06	5.39	4.76	2.97
Book Value per share	(1.63)	3.82	12.69	17.08

Profitability ratios

Margins	2016-17	2017-18	2018-19	2019-20
EBITDA margin (%)	37.62	66.46	37.57	41.87
Net profit margin (%)	79.11	61.89	27.54	10.70
Return on assets (%)	59.80	64.87	35.96	14.31
Return on capital employed (%)	49.45	98.99	60.97	71.75
Return on equity (%)	NM*	493.10	57.73	19.98

Liquidity and solvency ratios

Ratio	2016-17	2017-18	2018-19	2019-20
Debt-equity ratio (incl working capital)	(3.93)	0.79	0.11	0.01
Debt-equity ratio (only long-term debt)	(0.95)	0.21	0.03	0.01
Interest Cover	281.64	813.42	97.45	137.70

* Not Meaningful

78.1

Market capitalisation, March 31, 2020 (₹ crore)

62.1

Enterprise value, March 31, 2020 (₹ crore)

CHAIRMAN'S LETTER TO SHAREHOLDERS



Pradip
Dubhashi,
Chairman

Dear shareholders,

Despite these very troubled times for our people, the nation, its economy and geo-politics, I continue to be an optimist. I believe we will pull through, helped by the good 'karma' of our people, their hard work, the valour of our jawans, the 'never say die' attitude of our entrepreneurs, forbearance of the RBI and enabling policies of the Governments, both Central and State. I hope you share my optimism.

I am happy to inform you that the leadership and the team at Prime and its subsidiaries have achieved revenues in the year under review, that are historically the best ever. In an economy that was perceptibly slowing to GDP growth of sub 4% by fourth quarter, Prime has achieved revenues of ₹73.66 crore and net margin of about 10.97%; revenue represents growth of 61% on a y-o-y basis.

I deal with performance later but let me assure you that this performance leaves us with cash and cash equivalents that will cover our expenses for about 3 years. More importantly, your Company is debt free.

Business Environment

By all accounts, the economy, that was already in a structural slowdown, is in recession that is sharp, deep and with broad sectoral diffusion. The service sector, that accounts for 61% of the GDP, has suffered the deepest setback. According to FICCI, the capacity utilisation in the Industry in the first quarter varied between 28-63%, labour participation rate was at 40% and

labour force availability between 33 and 57%. But in the current quarter, the employment has bounced back with unemployment levels below 10%, that are near pre COVID levels, according to CMIE, a research agency.

However, the redeeming feature is that the Kharif sowing has been in full swing and farm output is likely to record a new high. Since farm sector accounts for only 40% of rural consumption, everyone is looking forward to a pick-up in urban consumption post lifting of lockdowns. With easing of rigour of containment, industrials are on a comeback with the core sector like steel reporting 85% of pre COVID levels. While auto is at 50% or below, the component sector, especially with export orientation, is getting bouncy. Anecdotally, I serve on the board of an auto transmission company and it is having a hard time coping with the schedules from international customers.

It seems that, this year, India's economy will have a negative GDP growth of 4%-10%, or even more, depending on which economist one follows. This is the scenario in most countries ex

China given that the consumer behaviour has been shaped by the fear of the unknown. And that's why it may also suddenly change. Especially if an effective vaccine hits the market. And that looks likely in the next few months. More importantly, such a vaccine may also emerge out of India given that three frontline companies are already in phased trials. Since India has, by far, the largest vaccine manufacturing capacity in the world, it may give India added geopolitical advantages.

Policy Response

Unlike the western economies, India hasn't "monetised" the COVID-19. The Government of India (GoI) and the RBI have come up with a slew of policy responses that all of you have read about. GoI has scripted response for the rural masses to protect their food intake, also provide liquidity and provide large scale employment through massive increase in MNREGA allocation. Rural tranquillity speaks for its effectiveness.

For industry, the GoI has put in motion schemes to provide loans on concessional terms, created subordinate debt

facility, set up a fund for direct injection of equity, large credit guarantee scheme to ease release of credit et al. Most are targeted towards the MSME sector that Prime largely services. RBI has similarly released massive liquidity for the banking and shadow banking sector, who are expected to transmit credit with some velocity. RBI has reduced the policy rate and supported initiative through forbearance that is now extended. Most importantly, RBI has announced intent to allow one-time restructuring of loans and set up a committee under veteran banker Mr K V Kamath, to draw up rules.

The just released Financial Stability Report estimates that non-performing loans may go as high as 12.5% by next year. Given the stress that the financial system is under, there is a compelling need for one-time restructuring to 'fix the balance sheet' as Mr Kamath said in a webinar last week. While the fact of stress would be universal, each entity would have its own reasons that contribute to poor financial health. Many initiatives to ease the stress means those 'stressed' require expert

help to navigate many schemes set up to alleviate the same. This is likely to generate a tsunami of workload for financial advisory firms like Prime.

Outlook

The situation now faced by participants in the economy has no historical parallel. This creates a market for the fast learners and fast movers. This particularly suits Prime's style of work, which in my 2018-19 letter to shareholders, I had likened to the Special Forces of the Indian Army; ready for any situation. I think the following quote describes the Prime advantage succinctly:

"In times of change, learners inherit the earth, while the learned find themselves beautifully equipped to deal with the world that no longer exists."

Like in the past three years, the Prime team is poised to continue to handle complexity with agility, combining learnings of each assignment with the network of external relationships in order to deliver results to its clients. I assure you that Prime's asset light model, combined with

its relational capital, has already led to the creation of a sustainable business.

Performance

Prime's client base generally falls into three buckets. Service sector dominates with 79% of the revenue, manufacturing about 13% and infrastructure and housing 8%. In the year under review, the revenue, which grew at a CAGR of 75% over the last three years, scaled up to a historic high of ₹73.66 crore. EBITDA margin improved to about 42% (37.57%), though the net margin post tax was substantially lower at 10.97% (27.53%) compared to 2018-19. The drop in net margin was due to write-offs of legacy items, that were warranted based on prudent considerations. I must caution that in the financial services segment that Prime operates in, the business is not given to smoothening and given that business comes in spurts, its revenues are chunky.

Rewarding the Shareholder

The Company has not been able to reward its shareholders all these years because the Company just didn't

have distributable surplus. Going forward, barring unforeseen circumstances, we hope to be better positioned. However, there are provisions of the Companies Act that need to be met. These technical details have been explained in the Directors' Report, including a scheme initiated. This 'scheme of arrangement' has already been approved by the Stock Exchanges and SEBI, now awaits hearing at the NCLT. I am cautiously optimistic that we will be able to take appropriate steps in the near future, to address this long-standing issue of shareholders.

Governance

Mr Subramanian Sharma, who had served on the board for over two decades, resigned for reasons personal. He and I have journeyed together for over 15 years on this board. He willingly took over executive responsibilities at Primesec Investments Ltd, a subsidiary, when the situation required intervention of an experienced hand. I can't thank him enough for his contribution to the board and counsel to me

personally.

During the year, Mr Akshay Gupta, CEO of Prime Research & Advisory, was invited to join the board; he brings rich experience in the financial sector to board deliberations. I look forward to his active participation in board discussions.

In a major development, the Audit Committee, under my chairmanship, appointed Walker Chandio & Co. LLP, as the Statutory Auditors of the Company, after Milind Gandhi & Associates retired after ten years of association. We expect this will further strengthen the audit function, in times of ever tightening regulations. The Board has also operationalised the Risk Management committee as per recommendations received from an expert consultancy firm. I am hoping the culture of managing risk proactively takes root in the team; 'reputation risk' is the predominant risk and each member is the guardian of the same.

CSR Initiatives

Later in this report, Prime's CSR initiatives are laid out in some detail. Suffice to say that the group invested ₹75 lakh

in various CSR activities. Your CSR committee continued to lend support to noble causes such as the Institute for Behavioural training for Autistic children being set up in Pune, training for women from EWS to acquire vehicle driving skills, that make them financially independent, by Azad Foundation of New Delhi and literacy initiatives for similarly placed children by Vidya Foundation in many cities in the country. Similarly, we supported cancer stricken kids through the Cankids Medical Assistance Fund. We also continued to support some local cultural initiatives like the Kala Ghoda festival, that many amongst you, especially those from Mumbai, would be familiar with.

Do write in your thoughts.

Best regards,

Pradip Dubhashi
Chairman

PRIME
SECURITIES.
THE CORPORATE
CITIZEN



Prime Securities is a responsible and sensitive corporate citizen.

The Company is not only driven by the need to make the world a better place through advisory services that take the businesses of its customers ahead but also by widening the prosperity circle.

At Prime Securities, our corporate citizenship is defined by a number of priorities.

One, we believe that we are engaged in business to holistically make the world a better place

Two, we believe that the benefits of our corporate capability must extend to those not connected with the Company in any way.

Three, our engagement in corporate social responsibility projects are aligned with national and regional societal priorities.

Four, we try to extend beyond mere cheque-writing to a deeper

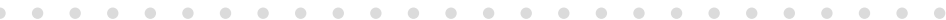
engagement on how our resources will take the identified spaces ahead.

Five, we partner agencies who possess a deeper terrain experience and subject matter understanding.

Six, we believe in investments where a moderate engagement can translate into disproportionately larger societal impact.

Seven, the Company's engagement is directed by a defined CSR Policy, implemented under the guidance of a CSR Committee and senior management.

The Company is focused on various areas (health care, education, livelihood generation) with the objective of mitigating poverty and health imbalances.



Initiative

CANKIDS KIDSCAN

An institution that
addresses child cancer





Rationale

Cancer is one of the biggest health challenges faced by humankind.

In India, cancer is the ninth common cause for deaths among children between 5 to 14 years of age. India has made significant improvement in childhood cancer services in the last few decades. However, the outcome still remains modest as compared to global standards due to significant barriers in recognition, diagnosis and cure.

Childhood cancer comprises almost 3-5% of the total cancer cases in India with the likelihood that about 50,000 children and adolescents (ages 0 to 19) could be diagnosed with cancer each year in India (Source: Scroll.in).

Indian Cancer Society (founded in 2004) is focused on facilitating superior care and treatment for child cancer patients through partnerships with helping centres. This is helping

shift attention towards a subject that has been largely overlooked – child disease.

The space that the institution addresses is deeply relevant on account of an increase in disease incidence, the low awareness of how to address the challenge and the different sensitivity required to address this disease in children. The result is that the institution's signature program You are Not Alone (YANA) provides holistic support to a child cancer victim and the family from the moment of detection, through diagnosis, treatment and after.

Building blocks

The building blocks of YANA comprise:

Cankids Hospital Support Units:

Facilitating the best treatment, care and support to children with cancer and their families

Change For Childhood Cancer State Projects:

Ensuring children and

their families are guided to appropriate treatment centers, detected, diagnosed and treated with speed and receive shared care.

The institution also provides low cost hospices where child patients and their families can stay while undergoing treatment, special school for child patients and a paediatric palliative care centre in Delhi. Besides, CanKids entered into partnerships with hospitals treating children with cancer, widening its influence.

The institution's engagement platforms

- Funding
- Social support staff
- Enhancing capacities
- Increasing quality care, research and impact assessment

Initiative

AZAD FOUNDATION

An institution that
enhances women
livelihood opportunities



Rationale

Women's livelihood creation is a critical society-building engagement that does not just make women financially independent but empowers them emotionally as well.

The rationale for supporting women's livelihood interventions goes deep. In India, women's workforce participation has declined, characterised by a substantial proportion of young women who are not in employment, education or training (NEET). Besides, 95% women are employed in the informal sector with no social security net. In India, the proportion of women who work has steadily declined from 36% to 24% in a decade as per the Economic Survey - half the global average of 48% and closer to that of the Arab world average of 21%.

Azad engages with the community to ensure women have access to information and support to engage in remunerative non-

traditional livelihoods like driving. Azad organises, facilitates and manages a transformative capacity building programme that trains resource-poor women to become professional drivers. Azad influences the community through action research, advocacy with civil society, government (transport department), corporate and other policy makers towards a more gender sensitive ecosystem.

The Foundation's Women with Wheels project expands women's economic opportunities so that resource-poor women can exercise control over their lives, enjoy full citizenship, earn a livelihood with dignity and generate wealth and value. The programme women with low economic and social capital are trained to become professional drivers. Besides, the project undertakes action research, advocates and influences stakeholders to create a favourable ecosystem for women in non-traditional livelihoods.

In 2019-20, 48% of the women Azad worked with were from lower caste groups and 13% from minority religious groups and 88% below the poverty line (as per World Bank norms). The project also engages with the family and communities (especially young men) in which these women reside, helping create an enabling environment.

26

% return on investment in training women drivers

2000+

Women trained

1000+

Women engaged as professional drivers

824,88,000

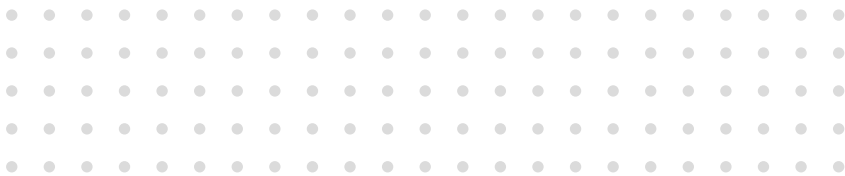
₹, cumulative annual remuneration of 400 women drivers engaged with Sakha

Initiative

EDUCATE,
EMPOWER
AND
TRANSFORM

Mainstreaming
marginalised children





VIDYA is committed to transform marginalised children through education and skill building. Since 2009, the NGO enrolled 1000+ students from the pre-primary level to the 12th standard in academics and extra-curricular activities with the objective to connect them with the external world. Over the years, the NGO engaged students with the cleaning of Yamuna banks, sharing with the needy etc, focusing on their holistic development.

Nearly 93% of India's population did not receive any vocational or technical training according to Periodic Labour Force Survey.

VIDYA is a non-profit NGO. Across 34 years, VIDYA has influenced 3,75,000 lives, more than half comprising girls and women. The institution was started with the founder teaching a class of five girls in her home on the campus of IIT Delhi, which has now grown to 78 projects across Delhi, Gurugram, Bangalore, Mumbai and Pune. The NGO addresses literacy in a multifaceted way – encompassing academics, vocational training, mental and physical well-being, life skills, awareness building to a fast-evolving global society, communication skills and values. The vision of the NGO is to be the fountain-head for empowering and transforming lives through education.

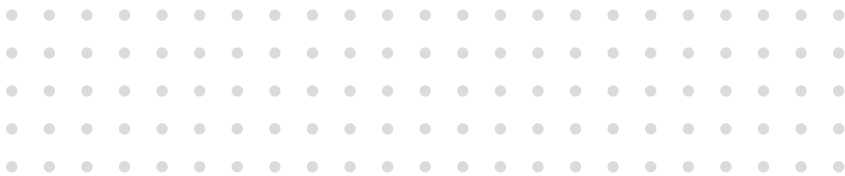


Initiative

AUTISM RESEARCH & TRAINING CENTRE

Supporting a relatively
under-funded area





Autism Research & Training Centre was launched to provide training and behavioural learning to autistic children in a residential environment. The institution made a provision to provide free training for marginalised children.

About 1 in 100 children in India under age 10 has autism, and nearly one in 8 has at least one neuro developmental condition. The estimate for neuro developmental conditions is about 10 times higher than the 1.3% reported in India's 2011 census.

What has made this institution different is that training extends to family members of the affected children who are immediate caregivers. The Centre represents a nucleus of research so that therapies are

communicated through published works, training and workshops.

The prime movers behind the Centre comprise Support of All-Abled Differently (SaaD), Rotary Club of Khadki (RCK) in Pune and parents of autistic children. The institution is now a residential centre supported by RCK.

Given the paucity of skilled persons, SaaD trains trainers, helped create a body of shareable knowledge, developed the 'home school' concept, provides course content and collaboration with experts (national and international). RCK comprises doctors, finance experts and corporate professionals who collaborated to make the project viable.



Initiative

OUR SUPPORT
IN EFFORTS
TO MITIGATE
COVID-19





We at Prime have taken the initiative to support mitigation efforts for COVID-19 through support for two key institutions, the Prime Minister Cares Fund and the Shrimad Rajchandra Love and Care (SRLC), an organisation that supports the remote, underprivileged tribal areas of southern Gujarat, whose overall socioeconomic development is exceedingly disadvantaged when compared with the other parts of the country.

This initiative is being managed by Shrimad Rajchandra Hospital (SRH); a charitable, multi-speciality hospital located in Dharampur that offers a wide range of high-quality medical services rarely seen in rural areas. SRH ranks among the best-staffed, best-equipped hospitals in the area, and is designated by the Government of Gujarat as a First Referral Unit.

In the fight against the COVID-19 pandemic, two state-of-the-art ventilators have been pledged to the Government Civil Hospital in nearby Valsad. 60 doctors and 90 nurses from government hospitals and health

centres have undergone extensive training in SRH on the use of ventilators. 200 PPE kits have been donated to the Government (GMERS) Medical College and Hospital in Valsad. As part of the current Coronavirus relief initiative, Shrimad Rajchandra Love and Care (SRLC) volunteers have worked across multiple cities of India have undertaken various activities. In Dharampur, volunteers have traversed several remote villages to distribute monthly ration kits, cooked meals and buttermilk to families in need as well as the local police force in the form of cooked meals.



THE BRIDGE ON THE RIVER CHOLUTECA

By Prakash Iyer

“The only constant in life is change”, said the Greek philosopher Heraclitus. As we navigate our way through the challenges of COVID-19, adapting and changing has never been more relevant. The team at Prime is adept at adjusting to the demands of a changing economic and business landscape. In this context we would like to share with you a recent article by the noted author and executive coach Prakash Iyer, “The Bridge on the River Choluteca”

Have you heard about the Choluteca Bridge? I hadn't either until not so long ago. It's a 484-metre-long bridge over the river Choluteca in Honduras, in Central America. A region notorious for storms and hurricanes.

So when they decided to build a new bridge over river Choluteca in 1996, they wanted to ensure it would withstand extreme weather conditions.

A Japanese firm was contracted and they built a solid bridge, designed to withstand the powerful forces of nature. The new Choluteca Bridge - a modern-day marvel of design and engineering - was thrown open to the public in 1998. And as people drove from one side of the Choluteca River to the other, they couldn't help but admire the new bridge. It was Choluteca's pride and joy.

And in October that year, Hurricane Mitch hit Honduras. There was 75 inches of rain in four days - the equivalent of what they receive in six months. There was

devastation all around. The Choluteca River swelled and flooded the entire region. Some 7000 people lost their lives. All the bridges in Honduras were destroyed. All, except one. The new Choluteca Bridge remained unaffected.

But there was a problem. While the bridge was intact, the road leading to it and the road leaving it were both swept away. Leaving no sign that there was once a road there. And that's not all. The flooding forced the Choluteca River to change course. It created a new channel, and the river flowed beside the bridge. Not under, but beside the bridge. So while the bridge was strong enough to survive the hurricane, it became a bridge over nothing. A bridge to nowhere.

It happened 22 years ago. But the lesson from the Choluteca Bridge is more relevant to us today than ever before. The world is changing in ways we may have never imagined. And the Choluteca Bridge is a terrific metaphor

for what can happen to us - our careers, our businesses, our lives - as the world around us gets transformed. Adapt to change. Or else.

As you look at your career, think again before you take one more course that makes you even more of an expert in your area of specialisation. That role, that expertise might soon become redundant. Before spending money on refurbishing your old office, pause. Thinking of opening more branches in every nook and corner of the country? Think again. Physical office spaces could soon be a thing of the past.

The challenge for us is that we get focused on creating the best solution to a given problem. We forget that the problem itself might change. We are focussing on building the strongest, more sophisticated product or service. Without thinking of the possibility that the need could vanish. The market could change. We focus on the bridge. And ignore the possibility that the river underneath

could change course. Think about that too. 'Built to Last' might have been a popular mantra. But 'Build to Adapt' could be the way to go.

You might want to add a picture of the Choluteca Bridge to the paintings that adorn the walls of your office. To remind you to build a business and a career that can adapt to change.

Else, you could be left with the Choluteca Bridge. A superb bridge. Over nothing. To nowhere.

Choluteca Bridge is a terrific metaphor for what can happen to us - our careers, our businesses, our lives - as the world gets transformed.

OUR BOARD OF DIRECTORS



Mr. Pradip Dubhashi

Chairman & Independent Director, Prime Securities and Primesec Investments

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



Mr. N. Jayakumar

Managing Director & Group CEO, Prime Securities, Director, Primesec Investments and Prime Research & Advisory

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



Ms. Alpana Parida

*Independent Director, Prime Securities
and Primesec Investments*

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



Ms. Smita Affinwalla

*Independent Director, Prime Securities
and Prime Research & Advisory*

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



Ms. Namrata Kaul

*Independent Director, Prime Securities
and Prime Research & Advisory*

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



Mr. Akshay Gupta

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

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

MANAGEMENT TEAM

Mr. S. R. Sharma

*Chief Financial Officer,
Prime Securities*

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

Mr. Ajay Shah

*Sr. Vice President - Legal &
Company Secretary*

Ajay Shah joined Prime Securities Limited in July 2001 as a Company Secretary and Compliance Officer and is presently the Vice President – Legal & Company Secretary. He has hands on experience of more than 15 years in the streams of legal, corporate secretarial compliance. In addition to compliances under corporate laws with a specific impetus on secretarial compliance and corporate governance, he is also responsible for compliances with rules and regulations applicable to stock brokers, portfolio managers and depository activities as well as for drafting legal agreements and contracts, reporting to the management, statutory bodies and stakeholders of Prime Group. He is a qualified Company Secretary affiliated to the Institute of Company Secretaries of India. Prior to joining Prime, he was associated with Asian Star Company Limited as Company Secretary.

Arun Shah

*Executive Director –
Investment Banking*

Arun Shah is a graduate with Chemistry as major; and a Chartered Accountant by profession. His experience over the 4 decades has taken him to the fields of Foreign exchange risk management, Financial restructuring, innovative funding evaluation, corporate laws and direct and indirect taxes.

He has been actively involved as an executive and non executive chairman and vice chairman of large listed business groups. His experience covers FMCG, EPC, Software and services and Lifestyle business establishments.

The depth and variety of his experience makes him a useful member of critical assignments undertaken by the Company.



Mr. Ganesh Agarwal

*Executive Director -
Investment Banking*

Ganesh Agarwal is a Chartered Accountant with almost 15 year's experience in Investment Banking. He has diverse experience across products including Private Equity, Mergers and Acquisitions, IPOs, QIPs, Valuations and Corporate Advisory Services. He has been associated with several successful transactions across Infrastructure, Lifesciences, Financial Services, Consumer and Industrials. Previously, he worked with well established Investment Banks such as Axis Capital (erstwhile ENAM Securities) and Anand Rathi Advisors.

Mr. Apurva Doshi

*Sr. Vice President -
Investment Banking*

Apurva Doshi joined Prime Securities in 2007. He has over 12 years of experience, principally as an investment banker. His skill lies in financial and business analysis, negotiations, valuation, business planning and financial advisory. Prior to joining Prime Securities, Apurva worked with CRISIL Research & Information Services Limited, an S&P company, as a research analyst for around two years, tracking the automobile sector. He began his career at Stratcap Securities, as an equity research analyst and tracked the automobile and cement sectors. He has a post graduate diploma in Business Administration (PGDBA) in Finance from Chetana's Institute of Management & Research and Masters in Commerce (M. Com.) from Mumbai University.

Mr. Nischay Saraf

*Sr. Vice President -
Investment Banking*

Nischay Saraf is a Chartered Accountant with an experience of over 12 years. Has worked with global professional firms (PwC and KPMG) in the audit and consulting services, in the finance verticals of multinational companies (Wipro and HP) and with a Vietnamese conglomerate (Masan Group). He has experience in operational financials including accounting & reporting and strategic finance including fund raising and corporate restructuring.

Mr. Ranen Gandhi

*Managing Partner – Prime
Research & Advisory*

Ranen Gandhi is a Certified Financial Planner and has worked in Mutual Fund, Life Insurance and Stock Broking segments over last 24 years. Significant part of his career has been with ICICI Prudential MF, in Retail Sales & Investments, and during his last role he was heading Emerging Markets and Agency. He has also been part of been part of AMFI Sub-Committee for Investor Connect. His life Insurance exposure has been with Star Union Dai-Ichi Life Insurance where he was responsible for retail sales to start with and later moved to managing P & L of Central Zone.



Rajat Chopra

*Managing Partner – Prime
Research & Advisory*

Rajat is self-driven, result oriented senior executive with over 19 years of experience in Insurance, retirement solutions, investments across BFSI sector. He has held various senior positions and worked for companies like Aviva, MetLife Edelweiss and ICICI Prudential AMC. He has been part of various committees and represent organisations at various forums like FICCI, CII, Insurance Council, IRDA.

He brings with him a successful track record of setting up new businesses with an eye to detail and innovative solutions to drive business efficiency and proven P & L management skills. In his last role he was associated with Star Union Daiichi as Vice president where he was heading strategic alliances across country and Zonal Business Head for North Zone with P & L responsibility. He is an MBA and pursued CFA Level 2.

Mr. Deepak Dubey

*Vice President -
Investment Banking*

Deepak Dubey has 12 years of corporate banking experience with HDFC Bank, RBL Bank and Yes Bank. Post Graduate from IRMA Anand and BE Textile Technology. Diverse experience across industry segments and in banking compliances and documentation. Successfully sourced and executed complex Debt structuring, Project Finance, Term Loans, ECBs, Overseas Acquisition Funding and Working Capital transactions across Logistics, Pharma, Food Processing, Education and Services Industry.

Rachit Goel

*Vice President – Investment
Banking*

Rachit has over 12 years of multi-sector experience focused towards Mergers & Acquisitions, Corporate Restructuring, Private Equity and Capital Markets. Previously, he has worked with HSBC as an Associate Director for more than 8 years as part of their Investment Banking and Equity Capital Markets team. He is an MBA (Finance) and done his Bachelors in Commerce (Hons.) from University of Delhi.

CORPORATE INFORMATION

REGISTERED OFFICE

1109/1110, Maker Chambers V,
Nariman Point, Mumbai 400021
Tel: +91-22-61842525
Fax: +91-22-24970777
E-mail: prime@primesec.com

CORPORATE IDENTITY NUMBER

L67120MH1982PLC026724

ISIN / LISTING OF EQUITY SHARES

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

BANKERS

IndusInd Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
Bank of India

STATUTORY AUDITORS

Walker Chandiok & Co. LLP
Chartered Accountants

INTERNAL AUDITORS

K.V.S. & Company
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited

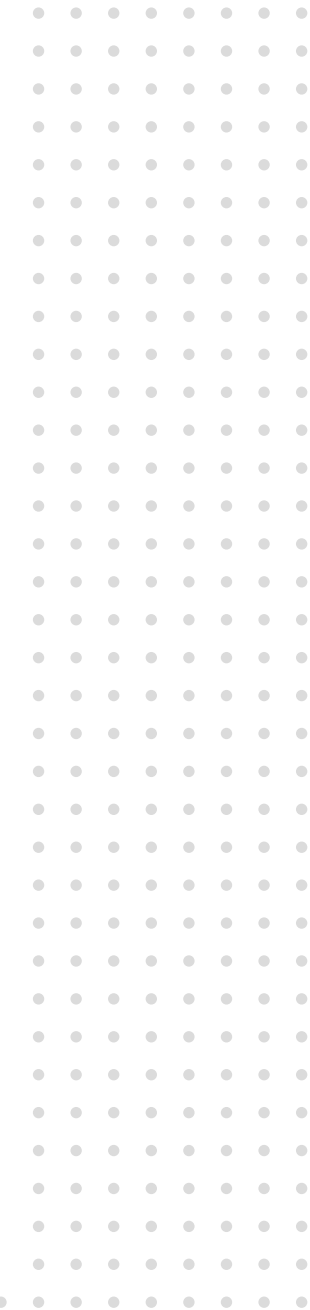
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai, 400083
Tel: +91-22-49186270,
Fax: +91-22-49186060
E-mail: rnt.helodesk@linkintime.co.in
Website: www.linkintime.co.in

37TH ANNUAL GENERAL MEETING

Tuesday, September 22, 2020
@ 11.00 a.m.
via two-way Video Conferencing facility
or other audio visual means

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STATUTORY SECTION



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 37th Annual General Meeting of the Members of Prime Securities Limited will be held on Tuesday, September 22, 2020 at 11.00 a.m. via two-way Video Conferencing ("VC") facility or other audio visual means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements:

To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Reports of the Board of Directors and Independent Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Reports of the Independent Auditors thereon.

2. Re-appointment of Director:

To Appoint a Director in place of Mr. Akshay Gupta (DIN: 01272080), a Non-Executive and Non-Independent Director, who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mr. Pradip Dubhashi (DIN: 01445030) as an Independent Director:

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and

Qualification of Directors) Rules, 2014 read with Schedule IV to the Act, Regulation 16(1)(b) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and the approval and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Mr. Pradip Dubhashi (DIN: 01445030), whose existing term as an Independent Director was upto February 28, 2020 and being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term with effect from February 29, 2020 until the conclusion of the 40th Annual General Meeting of the Company to be held in the year 2023 and he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of the Listing Regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Members be and is hereby accorded for continuation of directorship of Mr. Pradip Dubhashi as an Independent Director of the Company who will attain the age of 75 years, during his second term as an Independent Director, effective February 29, 2020."

4. Re-appointment of Ms. Alpana Parida Shah (DIN: 06796621) as an Independent Director:

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152

and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act, Regulation 16(1)(b) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and the approval and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Ms. Alpana Parida Shah (DIN: 06796621), whose existing term as an Independent Director was upto March 26, 2020 and being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (Five) years with effect from March 27, 2020 and she shall not be liable to retire by rotation."

5. Re-Appointment of Mr. N. Jayakumar as Managing Director & Group CEO and payment of remuneration:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provision(s), if any, read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and subject to such other approvals as may be necessary, the approval of the Members be and is hereby accorded to the re-appointment of Mr. N. Jayakumar (DIN: 00046048) as Managing Director & Group CEO of the Company for a period of Five Years, with effect from February 11, 2021 to February 10, 2026 not liable to retire by rotation, upon the terms and conditions set out in the Statement annexed to the Notice convening this Annual General Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his tenure within the overall limits of Section 197 of the Act, as recommended by the Nomination and Remuneration Committee, with liberty and power to the Board of Directors (hereinafter referred to as "Board", which term shall include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to alter and vary the terms and conditions of the said re-appointment and terms of remuneration as it may deem fit and in such manner as may be agreed to between the Board and Mr. N. Jayakumar.

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

Registered Office:

1109/1110, Maker Chamber V,
Nariman Point, Mumbai 400021
CIN: L67120MH1982PLC026724
Email: prime@primesec.com
Website: www.primesec.com
Mumbai, August 18, 2020

By Order of the Board of Directors
For **Prime Securities Limited**

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

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ("SEBI") has, vide its circular dated May 12, 2020 ("SEBI Circular"), granted relaxations from the compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI Listing Regulations and MCA Circulars, 37th AGM of the Company is being held through VC / OAVM on Tuesday, September 22, 2020 at 11.00 a.m.. The deemed venue for the 37th AGM will be 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021.

PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC / OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.

2. Explanatory statement setting out the material facts, pursuant to Section 102 of the Act, concerning the special business to be transacted at the AGM, as set out in this Notice under item nos. 3 to 5, is annexed hereto and forms part of this Notice.

The relevant details, as required under Regulation 26(4) and 36(3) of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI"), in respect of the persons seeking appointment / re-appointment as Directors at this AGM, are also annexed hereto and forms part of this Notice.

3. Members can join the AGM in the VC / OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting. Members will be able to view the proceedings on the National Securities Depository Limited's ("NSDL") e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. The detailed instructions for joining the Meeting through VC / OAVM forms part of this Notice.
4. Institutional Investors, who are Members of the Company, are encouraged to attend the AGM through VC / OAVM mode and vote electronically. Corporate Members (i.e. other than individuals / HUF, NRI, etc.) intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting are requested to send a certified copy (PDF / JPG Format) of its Board Resolution to the Scrutiniser by e-mail at saurabhshah361@gmail.com with a copy marked to evoting@nsdl.co.in.
5. Attendance of Members attending the

- AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Pursuant to MCA Circular dated May 5, 2020 and SEBI Circular, Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Notice convening the 37th AGM has been uploaded on the website of the Company at www.primesec.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited (www.bseindia.com) and the National Stock Exchange of India Limited (www.nseindia.com) respectively. Notice is also available on the website of NSDL at www.evoting.nsdl.com.
 7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 16, 2020 to Tuesday, September 22, 2020 (both days inclusive).
 8. At the 36th AGM held on September 27, 2019, the Members approved appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as Statutory Auditors of the Company to hold office for a period of Five Years from the conclusion of 36th AGM till the conclusion of the 41st AGM. Since, the requirement of ratification of appointment of auditors by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018, no resolution is being proposed for ratification of appointment of statutory auditors at the 37th AGM.
 9. Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), including any statutory modification(s) or re-enactment thereof for the time

being in force, the dividend which remains unpaid or unclaimed for a period of seven (7) years from the date of its transfer to the unpaid dividend account of the Company would be transferred to Investor Education and Protection Fund ("IEPF") of the Central Government. Accordingly, the Company has transferred to the IEPF all Unclaimed Dividend upto Final Dividend 2007-08 and no Dividend has been declared thereafter, which has remained unclaimed for a period of Seven Years. The details of the unclaimed dividends are available on the of IEPF authority's website at www.iepf.gov.in.

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

The Members / claimants whose shares, unclaimed dividend have been transferred to the IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. Please contact the Company for the procedure to claim refund under IEPF Rules and other IEPF related information. Post making the online application the shareholder shall send the duly signed Form IEPF-5 along with the requisite

documents to the Company at its registered office for verification of the claim and payment / transfer of shares by IEPF Authority. All corporate benefits on such shares viz. bonus shares, split of shares etc. including dividend shall be credited to the demat account of the IEPF Authority. The voting rights on such shares shall remain frozen until the rightful owner claims the shares.

10. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, barring certain instances for transmission or transposition of securities. In view of the above, Members holding shares in physical form are advised to convert their shares held in electronic form. Members are requested to contact the Company's Registrar and Transfer Agent, Link Intime India Private Limited ("RTA") at rnt.helpdesk@linkintime.co.in for assistance in this regard.
11. SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participant ("DP") with whom they maintain their demat account. Members holding shares in physical form should submit their PAN to the Registrar and Shares Transfer Agent of the Company. Further, Register of Members required to be maintained by the Company under the Act requires the Company / RTA to record additional details of Members, such as e-mail address, bank details for payment of dividend, etc. Form for updating these details in the records of the Company / RTA is available on the Company's website under Investor Section and is also attached to this Annual Report. Members holding shares in physical form are requested to submit duly filled and signed form to the Company at www.primesec.com or to the Registrar in electronic mode or in physical mode, after restoring normalcy, at rnt.helpdesk@linkintime.co.in, as per instructions mentioned in the Form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA. Members are also requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to Company / Registrar / DP.
12. As per the provisions of Section 72 of the Act and Rule 19(l) of the Companies (Share Capital and Debentures) Rules, 2014, the facility for making Nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their Nomination are requested to register the same by submitting Form No. SH-13 with RTA of the Company. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. Said forms can be downloaded from the Company's website at www.primesec.com. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to RTA in case the shares are held in physical form.
13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send the details of their folios to RTA at rnt.helpdesk@linkintime.co.in, along with the share certificates, so as to enable the Company to consolidate their holdings into one folio and issue a single share certificate.
14. Members who wish to inspect the relevant documents, referred to in this Notice and the statement setting out the material acts, can send an e-mail to www.primesec.com by mentioning their

DP ID & Client ID / Folio Number.

15. The Company has designated an exclusive e-mail id (prime@primesec.com) for redressal of investor complaints / grievances. In case you have any queries / complaints or grievances, then please write to us at this email id.
16. Process for registering e-mail addresses to receive this Notice electronically and cast votes electronically:

a) Registration of e-mail addresses with RTA:

The Company has made special arrangements with RTA for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company / RTA / DPs are required to provide the same to RTA on or before 5.00 p.m. on Monday, September 14, 2020.

Process to be followed for registration of e-mail address is as follows:

- i) Visit the link https://www.linkintime.co.in/EmailReg/Email_Register.html
- ii) Enter DP ID & Client ID / Folio Number, Member Name and PAN. In the event the PAN details are not available on record for Physical Folio, enter share certificate numbers.
- iii) Enter your e-mail address and mobile number.
- iv) The system will then confirm the e-mail address for receiving this AGM Notice.

The above system also provides a facility to Members holding shares in physical form to upload a self-attested copy of their PAN Card, if the PAN details are not updated in accordance with the requirements

prescribed by SEBI.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for FY 2019-20 along with the e-Voting user ID and password. In case of any queries, Members may write to rnt.helpdesk@linkintime.co.in or evoting@nsdl.co.in.

- b) Registration of e-mail address permanently with Company / DP:

Members are requested to register the same with their concerned DP, in respect of electronic holding and with RTA, in respect of physical holding, by writing to them at rnt.helpdesk@linkintime.co.in. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated / updated with their DP / RTA to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.

- c) Alternatively, Members may also send an e-mail request to evoting@nsdl.co.in along with the following documents for procuring user id and password and registration of e-mail addresses for e-Voting for the resolutions set out in this Notice:

- In case shares are held in physical form, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
- In case shares are held in demat form, please provide DP ID / Client ID (8 digit DP ID + 8 digit Client ID or 16-digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, self-

attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.

17. Remote e-Voting before / during AGM:

Pursuant to the provisions of Section 108 of Act read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulations, as amended from time to time, and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.

Members of the Company holding shares either in physical form or in electronic form as on the cut-off date (Tuesday, September 15, 2020) may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. Tuesday, September 15, 2020, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in.

The remote e-Voting period commences on Saturday, September 19, 2020 at 9.00 a.m. (IST) and ends Monday, September 21, 2020 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by

NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, September 15, 2020.

Members will be provided with the facility for voting through electronic voting system during the VC / OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairperson. Members who have casted their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC / OAVM, but shall not be entitled to cast their vote on such resolution(s) again.

The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

Mr. Pramod S. Shah of M/s. Pramod S. Shah & Associates (CP No. 334), Practising Company Secretaries (Membership No. FCS 3804), has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

The Scrutiniser will submit his report to the Chairperson or to any other person authorised by the Chairperson after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes cast through remote e-Voting), not later than 48 hours from the conclusion of the AGM. The results declared along with the Report of the Scrutiniser shall be placed on the website of the Company (www.primesec.com) and on the website of NSDL (evoting@nsdl.co.in) immediately after the result is declared by Chairman or a person authorised by him in writing

and the same shall be communicated to the Stock Exchanges where shares of the Company are listed.

18. Instructions for attending AGM through VC / OAVM and remote e-Voting (before and during the AGM) are given below:

a) Instructions for attending AGM through VS / OAVM:

Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system and they may access the same at <https://www.evoting.nsdl.com> under the Shareholders / Members login by using the remote e-Voting credentials, where the EVEN of the Company will be displayed. On clicking this link, Members will be able to attend and participate in the proceedings of the AGM. Please note that Members who do not have the User ID and Password for e-Voting or have forgotten the User ID / Password may retrieve the same by following the remote e-Voting instructions mentioned below to avoid last minute rush. Further, Members may also use the OTP-based login for logging into the e-Voting system of NSDL.

Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

Members are encouraged to submit

their questions in advance with regard to the financial statements or any other matter to be placed at the 37th AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID / Folio Number and mobile number, to reach the Company's e-mail address at www.primesec.com before 3.00 p.m. on Saturday, September 19, 2020. Such questions by the Members shall be suitably replied by the Company.

Members who would like to express their views / ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID / Folio Number, PAN and mobile number at prime@primesec.com between Wednesday, September 16, 2020 (9.00 a.m.) and Saturday, September 19, 2020 (5.00 p.m.). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Members who need technical assistance before or during the AGM to access and participate in the Meeting may contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at amitv@nsdl.co.in / +91-22-24994360 / +91-9920264780.

b) Instructions for remote e-Voting before AGM:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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

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

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

Visit the e-Voting website of NSDL. Open web browser by typing the following <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders / Members" section.

A new screen will open. You will have

to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below:

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

Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the "initial password" which was communicated to you. Once you retrieve your "initial password", you need to enter the "initial password" and the system will force you to change your password.
- How to retrieve your "initial password"?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the

email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your "User ID" and your "initial password".

- If your email ID is not registered, your "initial password" is communicated to you on your postal address.

If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option

available on www.evoting.nsdl.com.

- b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.

After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

Now, you will have to click on "Login" button.

After you click on the "Login" button, Home page of e-Voting will open.

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

After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

Select "EVEN" of company for which you wish to cast your vote.

Now you are ready for e-Voting as the Voting page opens.

Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

Upon confirmation, the message "Vote Cast Successfully" will be displayed.

You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

- a) The instructions for e-Voting during AGM:

The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC / OAVM.

Only those Shareholders / Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- b) General guidelines for Members:

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.

In case of any queries / grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available in the download section of www.evoting.nsdl.com or call on the toll-free number: 1800-222 990 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal or Ms. Pallavi Mhatre or Mr. Pratik Bhatt from NSDL at the designated e-mail IDs: evoting@nsdl.co.in or amitv@nsdl.co.in or pallavid@nsdl.co.in or pratikb@nsdl.co.in or at telephone nos.: +91-22-24994360/4545/4738.

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all the material facts relating to the business proposed to be transacted under item nos. 3 to 5 of the accompanying notice.

Item No. 3 and 4

The Members of the Company at their 32nd Annual General Meeting ("AGM") held on September 21, 2015 had appointed Mr. Pradip Dubhashi (DIN: 01445030) and Ms. Alpana Parida Shah (DIN: 06796621) as Independent Directors of the Company for a period of five consecutive years with effect from March 1, 2015 and March 27, 2015 respectively. Accordingly, their first term as Independent Directors ended on February 28, 2020 and March 27, 2020 respectively.

Mr. Pradip Dubhashi and Ms. Alpana Parida Shah have consented to their re-appointment and confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 ("Act") and rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that they do not suffer from any disqualifications from being re-appointed as Independent Directors. In the opinion of the Board of Directors, Mr. Pradip Dubhashi and Ms. Alpana Parida Shah fulfill the conditions for re-appointment as Independent Directors and they are independent of the Management.

The Board of Directors, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee and in terms of provisions of Sections 149, 150, 152, Schedule IV, any other applicable provisions of the Act, rules framed thereunder, the Listing Regulations and considering their expertise in specific functional areas, background and contributions made by them, are of the opinion that the continued association of Mr. Pradip Dubhashi and Ms. Alpana

Parida Shah as Independent Directors would be beneficial to the Company and therefore, it is desirable to continue their directorship. Hence, the Board of Directors, at their Meeting held on February 27, 2020, have proposed to (i) re-appoint Mr. Pradip Dubhashi for a second term with effect from February 29, 2020 until the conclusion of the 40th Annual General Meeting of the Company to be held in the year 2023 and (ii) re-appoint Ms. Alpana Parida Shah as Independent Directors for a second term of 5 (five) years with effect from March 27, 2020. Both Mr. Pradip Dubhashi and Ms. Alpana Parida Shah shall not liable to retire by rotation. The Company has received in writing notices from a Member in terms of Section 160 of the Act proposing their re-appointment as Independent Directors.

Further, since Mr. Pradip Dubhashi will attain seventy five years of age during their second term, approval of Members by way of a Special Resolution is also sought for continuing their directorship as per the requirements of Regulation 17(1A) of Listing Regulations.

The profiles and specific areas of expertise of Mr. Pradip Dubhashi and Ms. Alpana Parida Shah are provided as Annexure to this Notice.

The terms and conditions of their appointment shall be open for inspection by the Members during the normal business hours on any working day (except Saturday, Sunday and Public Holidays), for the purpose the Members can send an e-mail from their registered email ID to prime@primesec.com by mentioning their DP ID & Client ID / Folio Number and will also be kept open at the venue of the Meeting.

In the opinion of the Board of Directors, Mr. Pradip Dubhashi and Ms. Alpana Parida Shah are persons of high repute, integrity and have rich and varied experience and hence recommend their re-appointment

for second term as Independent Directors as specified above, by passing Resolutions as set out at Item Nos. 3 and 4, respectively, of this Notice.

Mr. Pradip Dubhashi and Ms. Alpana Parida Shah are not related to any Director of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than the concerned Independent Directors and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions as set out at Item Nos. 3 and 4 of this Notice.

Item No. 5

Mr. N. Jayakumar was re-appointed as the Managing Director of the Company for a period of 5 (Five) years with effect from February 11, 2016 till February 10, 2021 and the said appointment was approved by the Shareholders at the 33rd Annual General Meeting held on September 19, 2016.

The Board of Directors ("the Board") of the Company, at their Meeting held on May 29, 2018, had re-designated Mr. N. Jayakumar as Managing Director & Group CEO.

Based on the recommendation of the Nomination and Remuneration Committee, the Board on August 18, 2020, has re-appointed Mr. N. Jayakumar as Managing Director & Group CEO of the Company, not liable to retire by rotation, for a further period of 5 (Five) years with effect from February 11, 2021 till February 10, 2026, subject to approval of the Shareholders.

The Board, while re-appointing Mr. M. Jayakumar Managing Director & Group CEO of the Company, considered his background, experience and contributions to the Company.

Mr. N. Jayakumar is associated with the Company since 1992 and he was designated as a President of the Company since 2002. He is a qualified professional with expertise in Corporate Finance and Investment Management and has vast experience in

advising in areas of financial restructuring, evaluation of business plans / joint venture proposals / acquisitions, fund raising and strategic alliances. He is with the Company for more than 27 years handling corporate relationships. Before joining the Company, he had 7 years of experience in Citibank, N.A. as Vice President, Head – Merchant Banking Group & Corporate Finance, India.

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

Term

Period of Appointment – 5 (Five) years effective February 11, 2021

Nature of Duties

Mr. N. Jayakumar as Managing Director & Group CEO shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and / or subsidiaries including performing duties as assigned to Managing Director & Group CEO from time to time by serving on the boards of such associated companies and / or subsidiaries or any committee of such a Company.

Basic Salary

Current basic salary of ₹13 lakh per month upto a maximum of ₹24 lakh per month.

The increment will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee depending on Company performance as well as individual performance.

Benefits, Perquisites and Allowances

Details of benefits, perquisites and allowances are as follows:

- a) House Rent Allowances aggregating upto 80% of the basic salary.
- b) Cars with driver, maintained by the Company and reimbursement of Company car running and maintenance expenses, reasonably incurred exclusively for the business of the Company.
- c) Telecommunication facilities including mobile, broadband, internet and fax.
- d) Reimbursement of travelling and entertainment expenses reasonably incurred by him exclusively for the business of the Company.
- e) Reimbursement of medical expenses actually incurred by him and his family.
- f) Company's contribution to provident fund as per the rules.
- g) Benefit of a Company group mediclaim policy.
- h) Benefit of a Company group term insurance policy.
- i) Gratuity as per the gratuity scheme of the Company.
- j) Leave on full remuneration as per the rules of the Company. Leave earned but not availed by him would be encashable in accordance with the rules of the Company.

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

Bonus / Performance Linked Incentive / Commission

Mr. N. Jayakumar would also be entitled to Bonus / Performance Linked Incentive / Commission of upto ₹400 lakh per year as may be recommended by Nomination and Remuneration Committee and decided by the Board of Directors based on the prescribed performance evaluation criteria,

subject to the overall ceiling limit laid down under Section 196, 197, 203 of the Companies Act, 2013 and related rules. The perquisites namely contribution to provident fund, gratuity and encashment of leave shall not be included in the computation of the ceiling on remuneration.

Minimum Remuneration

Notwithstanding anything to the contrary hereinabove, where in any financial year during the currency of his tenure as Managing Director & Group CEO, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary, benefits, perquisites and allowances, bonus / performance linked incentives / commission as may be recommended by Nomination and Remuneration Committee and approved by the Board of Directors, subject to the ceiling specified under Schedule V to the Companies Act, 2013.

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

- 1) General Information:
 - a) Nature of Industry:

The Company is in the business of Corporate Advisory and Investment Banking and is a SEBI registered Category-I Merchant Banker.
 - b) Date or expected date of commencement of commercial production:

Not applicable as the Company is an existing Company and is in operations since 1982.
 - c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.
 - d) Financial performance based on given indicators:

Audited Standalone Financial Statements for the Year ended March 31, 2020:

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from Operations and other Income	2,283.63	1,110.60
Operating Profit (before interest, depreciation & tax)	(175.80)	(55.63)
Profit / (Loss) before Tax	(217.78)	(76.41)
Profit / (Loss) after Tax (Total Comprehensive Income)	(243.75)	(75.26)

Audited Consolidated Financial Statements for the Year ended March 31, 2020:

(₹ in lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from Operations and other Income	7,445.78	4,694.63
Operating Profit (before interest, depreciation & tax)	1,194.33	1,692.74
Profit / (Loss) before Tax	1,073.54	1,646.82
Profit / (Loss) after Tax (Total Comprehensive Income)	782.60	1,255.03

e) Foreign investments or collaborations, if any:

Not applicable.

2) Information about the Appointee:

a) Background details:

Mr. N. Jayakumar, aged 57 years, is Bachelor of Technology, Mechanical Engineering (I.I.T. Delhi) (1978-1983) & P.G.D.M. (MBA), IIM Ahmedabad (1983-1985). He is associated with the Company since 1992 and he was designated as a President of the Company since 2002. He is a qualified professional with expertise in Corporate Finance and Investment Management and has vast experience in advising in areas of financial restructuring, evaluation of business plans / joint venture proposals / acquisitions, fund raising and strategic alliances. He is with the Company for more than 27 years handling corporate relationships. Before joining the Company, he had 7 years of experience in Citibank, N.A. as Vice President, Head – Merchant Banking Group & Corporate Finance, India. As a Managing Director, he shall carry out such functions,

exercise such powers and perform such duties as the Board shall from time to time in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, he shall have the general control of the business of the Company and be vested with the management and day-to-day affairs of the Company.

b) Past Remuneration

Mr. N. Jayakumar has been appointed as Managing Director of the Company with effect from February 12, 2011. In view of adverse financial situation of the Company in the earlier years, Mr. N. Jayakumar had refrained from drawing any remuneration from the Company since December 2012 till December 31, 2016. For the Financial Year ended on March 31, 2020, March 31, 2019 and March 31, 2018, the Company has paid ₹601.86 lakh, ₹251.05 lakh and ₹133.18 lakh respectively as remuneration to Mr. N. Jayakumar.

c) Recognition or Awards:

Nil

d) Job profile and his suitability:

Same as above in item no a) hereinabove.

e) Remuneration proposed:

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

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

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

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

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

3) Other Information:

a) Reasons for loss or inadequate profits:

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

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

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

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

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

4) Disclosures:

a) Remuneration package of the managerial person:

Fully described in the explanatory statement as stated above.

b) Disclosures in the Board of Directors' Report under the heading "Corporate Governance" included in Annual Report 2019-20:

The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of Financial Year 2019-20 of the Company.

The Memorandum of Understanding entered into between the Company and Mr. N. Jayakumar is available for inspection to the Members between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, Sundays and Public Holidays, for the purpose the Members can send an e-mail from their registered email ID to prime@primesec.com by mentioning their DP ID & Client ID / Folio Number.

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

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

Registered Office:

1109/1110, Maker Chamber V,
Nariman Point, Mumbai 400021
CIN: L67120MH1982PLC026724
Email: prime@primesec.com
Website: www.primesec.com
Mumbai, August 18, 2020

By Order of the Board of Directors
For **Prime Securities Limited**

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

Additional Information of Directors seeking Appointment / Re-appointment at 37th Annual General Meeting

[Pursuant to the Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.25 of Secretarial Standards - 2 on General Meetings]

Name and Designation of Director	Mr. Pradip Dubhashi (Non-Executive, Independent Director and Chairman)	Ms. Alpana Parida Shah (Non-Executive and Independent Director)
Director Identification	01445030	06796621
Date of Birth	August 25, 1948	January 22, 1963
Date of Appointment	February 29, 2020 (1st term March 1, 2015 to February 28, 2020)	March 27, 2020 (1st term March 27, 2015 to March 26, 2020)
Qualifications	B. E., P.G.D.B.M. (XLR)	Degree in Economics from St. Stephens, Delhi University, PGDM (MBA), IIM Ahmedabad (1983-1985)
Expertise in Specific Functional Area	Strategy, Business Planning, Competitive Intelligence, Investment Analysis and Finance	Branding and Marketing Communications
Brief Profile	<p>Mr. Pradip Dubhashi has rich experience of 48 years in Management Consulting and in Company Management. For last three decades, he has been running his own consulting firm in Strategy and as a corollary rendering services in operations and finance to companies in multifarious sectors in India and those foreign owned. He has worked in conventional industries such as engineering, steel, cement and pharma and also with start-ups in modern areas of electronics, software, defense systems, data analytics and IoT among others.</p> <p>Prior to consulting he spent 17 years in the Mahindra Group where he held positions in manufacturing in its auto-component business including heading a plant. As Corporate Planning Manager in Mahindra & Mahindra, he was responsible for conceptualising and planning the IT services Company Mahindra BT now known as Tech Mahindra Limited. He also set up Mahindra's foray into engineering plastics under the aegis of Siroplast Limited (later known as Mahindra Composites Limited) before moving to consulting. Mr. Dubhashi has handled situations from the shop floor to policy making in toughest of times.</p>	<p>Ms. Alpana Parida Shah has more than two decades of extensive experience in retail and marketing communications in the US and in India. After over 10 years as CEO of India's leading Design Thinking firm - DY Works, she is currently an entrepreneur, setting up a venture that designs, manufactures and markets Two Wheeler helmets in India. Prior to that she was Head of Marketing with Tanishq, a prominent jewellery brand of India.</p>

Name and Designation of Director	Mr. Pradip Dubhashi (Non-Executive, Independent Director and Chairman)	Ms. Alpana Parida Shah (Non-Executive and Independent Director)
	He has been holding board director engagements for last 25 years and has been heading important committees of the boards. He has been a board chairman of listed entities for most part of the last decade.	
Directorship held in other Public Companies	<ol style="list-style-type: none"> 1) Primesec Investments Limited 2) The Mandhana Retail Ventures Limited 3) Roop Automotives Limited 4) Microline (India) Private Limited 5) Divgi Torqtransfer Systems Private Limited 6) Unmanned & Autonomous Vehicles Association 	<ol style="list-style-type: none"> 1) Primesec Investments Limited 2) Cosmo Films Limited 3) SH Kelkar and Company Limited 4) FSN E-Commerce Ventures Private Limited 5) GRP Ltd 6) Brilloca Ltd 7) Tiivra Ventures Private Limited
Memberships/ Chairmanships of Committees of other Companies	<p>Audit Committee The Mandhana Retail Ventures Limited - Member</p> <p>Nomination and Remuneration Committee: The Mandhana Retail Ventures Limited - Member</p> <p>Corporate Social Responsibilities Committee: Primesec Investments Limited – Chairman</p>	<p>Audit Committee GRP Limited - Member Cosmo Films Limited - Member</p> <p>Nomination and Remuneration Committee: Primesec Investments Limited – Member GRP Limited – Member SH Kelkar and Company Limited - Member</p> <p>Corporate Social Responsibilities Committee: Cosmo Films Limited – Member SH Kelkar and Company Limited - Member</p> <p>Stakeholder Relationship Committee: Cosmo Films Limited - Chairman SH Kelkar and Company Limited – Member</p>

Name and Designation of Director	Mr. N. Jayakumar (Managing Director & Group CEO)	Mr. Akshay Gupta (Non-Executive and Non-Independent Director)
Director Identification Number (DIN)	00046048	01272080
Date of Birth	December 31, 1960	October 17, 1974
Date of Appointment	February 12, 2011	August 14, 2019
Qualifications	B. Tech. (Mechanical Engineering), I.I.T. Delhi (1978-1983), PGDM (MBA), IIM Ahmedabad (1983-1985)	B.E Electronics and Communication from University of Delhi and MBA Finance from FMS Delhi
Expertise in Specific Functional Area	Investment Banking, Corporate Finance, Financial Restructuring and Strategic Alliances	Banking, Asset Management and Capital Markets
Brief Profile	<p>Mr. N. Jayakumar is associated with the Company since 1992 and he was designated as a President of the Company since 2002. He is a qualified professional with expertise in Corporate Finance and Investment Management and has vast experience in advising in areas of financial restructuring, evaluation of business plans / joint venture proposals / acquisitions, fund raising and strategic alliances. He is with the Company for more than 28 years handling corporate relationships. Before joining the Company, he had 7 years experience in Citibank, N. A. as Vice President, Head - Merchant Banking Group & Corporate Finance, India</p>	<p>Mr. Akshay Gupta has more than 21 years of experience in Banking, Asset Management and Capital Markets with last 14 years of experience in the Asset Management Industry in India. Prior to Prime, he was working with Indiabulls as the Group Executive Head & CEO-Asset Management and other fee income businesses. He was associated with Peerless Asset Management as MD & CEO for more than 6 years, wherein he led the initiative to setup a new AMC and made it one of the fastest growing new AMCs in India. He worked with ICICI Prudential Asset Management Company from 2002- 2007 as a Business Head and was part of the Senior Management team that made it the largest and most successful AMC at that time. Prior to joining the AMC industry, Mr. Akshay Gupta was a Banker having worked in ABN AMRO Bank and HSBC working in capital markets and assets. He has also written and published thought leadership papers and articles on capital markets and asset management.</p>

Name and Designation of Director	Mr. N. Jayakumar (Managing Director & Group CEO)	Mr. Akshay Gupta (Non-Executive and Non-Independent Director)
Directorship held in other Public Companies	1) Primesec Investments Limited 2) Prime Research & Advisory Limited 3) Prime Commodities Broking (India) Limited 4) Judith Investments Private Limited 5) Gateway Entertainment Limited 6) Primary Cuisine Private Limited	1) Prime Research & Advisory Limited 2) Prime Funds Management Limited
Memberships / Chairmanships of Committees of other Companies (includes only Audit Committee and Stakeholder Relationship Committee)	Corporate Social Responsibilities Committee: Primesec Investments Limited – Member	None

Note:

For other details, such as Number of Board / Committee Meetings attended during Financial Year 2019-20, Number of Equity Shares held in the Company and Remuneration drawn by the above Directors, please refer to the Report on Corporate Governance, which forms an integral part of this Annual Report. None of the Directors and Key Managerial Personnels are related to each other.

DIRECTORS' REPORT

Dear Members,

The Board of Directors are pleased to present the Company's 37th Annual Report on the business and operations along with the Audited Financial Statements for the Financial Year ended March 31, 2020.

FINANCIAL PERFORMANCE

(₹ in lakh)

Particulars	Consolidated		Standalone	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenues from Operations	7,446	4,694	2,284	1,111
Other Income	-	1	260	-
Total Income	7,446	4,695	2,544	1,111
Total Expenses	6,372	3,048	2,762	1,187
Profit / (Loss) before Tax	1,074	1,647	(218)	(76)
Tax Expenses	285	384	21	(8)
Profit / (Loss) after Tax	789	1,263	(239)	(68)
Other Comprehensive Income / (Loss) (Net of Tax)	(6)	(8)	(5)	(7)
Total Comprehensive Income	783	1,255	(244)	(75)

OVERVIEW OF COMPANY'S FINANCIAL & OPERATIONAL PERFORMANCE

We have had a banner year recording our highest quarterly and annual revenues in our history. Underlying this was repeat and referral business signifying a high level of customer satisfaction. We have added to our team to be better able to service customers. Our "Intellectual Property"- the ability to ideate and craft unique solutions, coupled with our "Network" has underpinned our execution capabilities and drives our robust deal flow.

Consolidated Income of the Company was ₹7,446 lakh for the year ended March 31, 2020 as compared to ₹4,695 lakh in the previous financial year. Consolidated Profit / (Loss) after Tax for the year ended March 31, 2020 was ₹789 lakh as compared to ₹1,263 lakh during the previous financial year.

Standalone Income of the Company was ₹2,544 lakh for the year ended March 31, 2020 as compared to ₹1,111 lakh in the

previous financial year. Standalone Profit / (Loss) after Tax for the year ended March 31, 2020 was ₹(239) lakh as compared to ₹(68) lakh during the previous financial year.

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

The year under review presented us with several challenges and opportunities. Corporate balance sheets remained under stress and our clients increasingly turned to us for solutions. Referrals and repeat business drove deal flow during the year. The challenges the global economy faced in the previous year, continued. The China-US trade wars were centre stage for most of the year with both sides imposing tariffs on billions of dollars of trade. Though the countries reached a preliminary agreement, differences remain, now exacerbated by

COVID-19. The reversal of globalisation continues with nations focusing on themselves and the US retreating from most global compacts. Despite these challenges, the major economies continued to exhibit robust growth and resilience.

The Indian economy slowed during the year. The GDP growth rate is estimated to be 5% in 2019-20 as compared to 6.8% in 2018-19 according to the Economic Survey. The GDP growth decelerated for the sixth consecutive quarter. The proximate factors responsible for this slowdown include declining growth of private consumption, tepid increase in fixed investment and muted performance of exports. Challenges remain. The health of our agrarian economy is a cause for concern despite a terrific monsoon. We are still to formulate effective agricultural reforms that are effective in boosting rural income. The monsoon forecast for 2020 is for a near normal monsoon. This should help regenerate our rural economies.

Crude prices remaining benign, has been the bright spot creating fiscal space for the in the year under review. The Government took advantage of this by increasing excise duties and as a result, pump prices of diesel and gasoline have remained elevated despite the fall in crude oil prices. We have been able to fill the gap from the sanction driven stoppage of Iranian supply with increased volumes from Saudi Arabia and Iraq. The Rupee remained volatile during the year. From an average of around ₹70/- to the dollar during the previous year, we see it around ₹74/- to the dollar.

We continue to reap the benefits of the synergies that Prime Research & Advisory Wealth Management Advisory business team bring. Together, the teams continue to drive deal origination and execution. The team at Prime Research, has brought in many complementary skills.

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

COVID-19

The COVID-19 pandemic has spread throughout the world, including India, which led to a nation-wide lockdown from March 25, 2020. We immediately moved to a 100% "work from home" (WFH) mode of operation and this has worked successfully for us. We have been able to conduct business without any interruption during this period using digital tools.

We have been operating continuously during lockdown complying with the advisories issued by the Government of India from time to time for the safety of everyone. We will gradually open our physical offices once permitted and based on the guidelines and rules issued by the Government of Maharashtra. Our paramount concern is the well-being of our staff and that of our customers and stakeholders.

All steps necessary for the smooth operation of our business on a WFH basis including provision of personal computers/ internet connections have been made for all staff. Our operations have continued uninterrupted and we expect that to continue. We continue to receive client mandates for our services and are fully engaged to execute them. The company has adequate liquidity to cover expenses for the next 12-18 months.

We have strengthened our internal reporting and control processes using the full capability offered by digital tools. All key approvals of purchases and expenses have dual controls based on the authority matrix approved by the Board of Directors. All banking operations have dual controls.

It is difficult to forecast the future course that the COVID-19 virus will take. It is our assessment that the economy will recover post cessation of the lockdown and we anticipate no slow-down in demand for our services

SCHEME OF ARRANGEMENT

The Board of Directors of the Company, at their meeting held on January 9, 2020, approved the Composite Scheme of Arrangement ("Scheme") under Sections

230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme, inter alia, provides for:

- (i) Merger of Primesec Investments Limited ("PIL") and Prime Commodities Broking (India) Limited (both wholly owned subsidiaries of the Company) with and into the Company; and
- (ii) Upon effecting the Merger, Reduction of Capital and Re-organisation of Reserves of the Company, as part of the Scheme, in the following manner:
 - (a) Set-off of debit balance in Profit and Loss Account against balance in Capital Reserve Capital Redemption Reserve, Share Forfeiture Account and balance (if any) against Securities Premium; and
 - (b) Re-classification of General Reserve to Profit and Loss Account.

Since, both PIL and PCBIL are wholly owned subsidiaries of the Company, no Equity Shares will be issued by the Company as consideration for the Merger.

The Scheme as aforesaid has received the approval of the Stock Exchanges and awaits necessary approvals by Securities and Exchange Board of India. Thereafter, the petition will be filed before the Mumbai bench of the NCLT. Approvals of Shareholders and Creditors of the Company(ies), as may be applicable, that of the Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required, shall be pursued

The Scheme as approved by the Board is available on the website of the Company at www.primesec.com.

DIVIDEND AND RESERVES

Section 123 of the Companies Act, 2013, inter alia, states that no dividend shall be declared or paid by a Company for any financial year except out of the profits of the Company for that year or out of the profits of the Company for any previous financial year or years arrived at after providing for

depreciation and remaining undistributed, or out of both. Further, no dividend shall be declared or paid by a Company from its reserves other than free reserves and no Company shall declare dividend unless carried over previous losses are set off against profit of the Company for the current year. The carried forwards losses exceed the free reserves of the Company as on March 31, 2020, which restricts the Company from declaring dividend based on the above provisions. With a view to overcome the above restriction, the Board of Directors has proposed a Scheme of Arrangement as explained in detail hereinabove, which inter-alia, intends to re-classify General Reserve to Profit & Loss Account and write off the debit balance in Profit and Loss Account against the balance in Capital Reserve, Capital Redemption Reserve, Share Forfeiture Account and Securities Premium Account. Post approval of the Scheme of Arrangement by the Regulators / Courts, the entire carried forward losses would stand eliminated, enabling the Company to declare the dividend.

In view of the above, the Board of Directors has not recommended any Dividend on Equity Shares for the year under review.

During the Year, no amount from Profit was transferred to Reserves.

EQUITY SHARE CAPITAL AND EQUITY SHARE WARRANTS

Paid-up Equity Share Capital of the Company as at March 31, 2020 continues to stand at ₹1,329.94 lakh. The outstanding Equity Shares remain the same at 2,65,15,325 Equity Shares of face value of ₹5/- each. During the year under review, the Company has not issued Equity Shares.

The Board of Directors had allotted 70,00,000 Equity Share Warrants ("Warrants") on April 3, 2018, on a preferential basis, carrying an entitlement to apply for equivalent number of Equity Shares at a price of ₹49.50 per Equity Share ("Exercise Price"), within a period of 18 Months from the date of allotment of Warrants. As the option under the Warrant was not exercised, Warrants

have lapsed and stand cancelled. The amount of ₹866.25 lakh, being 25% of the Exercise Price of the Equity Shares under the Warrants, paid at the time of application of Warrants, stands forfeited and added to the Reserves of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, has appointed Mr. Akshay Gupta (DIN: 01272080) as a Non-Executive Director for a term of Five Years from August 14, 2019 to August 13, 2024, liable to retire by rotation.

During the year ended March 31, 2020, the first term of Mr. Pradip Dubhashi and Ms. Alpana Parida Shah as Independent Directors ended on February 28, 2020 and March 27, 2020 respectively. The Board of Directors has, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee and considering their expertise in specific functional areas, background and contributions made by them, at their Meeting held on February 27, 2020, re-appointed (i) Mr. Pradip Dubhashi as Independent Director for a second term with effect from February 29, 2020 until the conclusion of the 40th Annual General Meeting of the Company to be held in the year 2023 and (ii) Ms. Alpana Parida Shah as Independent Director for a second term of 5 (five) years with effect from March 27, 2020. Both Mr. Pradip Dubhashi and Ms. Alpana Parida Shah shall not liable to retire by rotation.

The Board of Directors had appointed Mr. N. Jayakumar as Managing Director & Group CEO of the Company for a period of 5 (five) years w.e.f. February 11, 2016, which term is expiring on February 10, 2021. The Board of Directors has, based on the recommendation of the Nomination and Remuneration Committee, at their Meeting held on August 18, 2020, approved the re-appointment of Mr. N. Jayakumar (DIN: 00046048) as Managing Director & Group CEO for a further term of 5 (five) years from February 11, 2021, not liable to retire by rotation.

During the year under review, the term of Mr. S. R. Sharma as Director ended on February 29, 2020. The Directors place on record their appreciation for the services rendered by him during his tenure as Director. Mr. S. R. Sharma continues as a Chief Financial Officer of the Company.

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

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

Appropriate Resolution, for re-appointment of Mr. Pradip Dubhashi & Ms. Alpana Shah Parida as an Independent Director, re-appointment of Mr. N. Jayakumar as Managing Director & Group CEO and re-appointment of Mr. Akshay Gupta, who retires by rotation, are being placed before you for your approval at the ensuing Annual General Meeting. The information on the particulars of Director seeking appointment / re-appointment, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in

the Notice of the Annual General Meeting, forming part of this Annual Report. The Board recommends their appointment / re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Mr. N. Jayakumar, Managing Director & Group CEO, Mr. S. R. Sharma, Chief Financial Officer and Mr. Ajay Shah, Company Secretary are the Key Managerial Personnel of the Company as on date of this Report.

NUMBER OF MEETINGS OF THE BOARD & ITS COMMITTEES

During the year under review, 8 (eight) Board Meetings were convened and held, the details of which are given in the Report on Corporate Governance, which forms part of the Annual Report.

The Board of Directors has constituted Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee, established in compliance with the requirements of the relevant provisions of applicable laws and regulations. The details with respect to the composition, terms of reference, number of meetings held, etc. of these Committees are included in the Report on Corporate Governance, which forms part of the Annual Report.

The intervening gap between the Board and Committee Meetings were within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has complied with the applicable Secretarial Standards 1 on Board Meetings, issued by the Institute of Company Secretaries of India.

BOARD EVALUATION

Annual performance evaluation of the Board of Directors, its Committees and all the Directors individually have been done in accordance with the performance evaluation framework adopted by the Company and a structured

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

POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION, ETC

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

CORPORATE GOVERNANCE AND CODE OF CONDUCT

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a separate report on Corporate Governance practices followed by the Company together with the certificate from the Statutory Auditors,

confirming compliance by the Company of the conditions of Corporate Governance is annexed as Annexure "2" to this Report. Certificate of Non-Disqualification of Directors, pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI Listing Regulations, 2015, by practising company secretaries' forms part of the Report on Corporate Governance.

Pursuant to the provisions of Regulation 17(5)(a) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, your Company has also laid down a Code of Conduct for its Board Members and Senior Management Personnel. All the Directors and the Senior Management Personnel have affirmed compliance with the said Code of Conduct. A declaration by the Managing Director regarding compliance by Board Members and Senior Management Personnel with the Code of Conduct for the year ended March 31, 2020 forms part of the Report on Corporate Governance.

CONSOLIDATED FINANCIAL STATEMENT

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

Consolidated Revenues for the year were ₹7,446 lakh as compared to ₹4,695 lakh in the previous year, which comprises Merchant Banking and Advisory Fees of ₹4,652 lakh, Restructuring Advisory Fees of ₹2,710 lakh, Distribution Income of ₹4 lakh,

Gain on sale of Investment of ₹1 lakh, Income from Dividend, Interest & Other Income of ₹79 lakh. Consolidated Net Profit after Tax for the year under review was ₹789 lakh as compared to ₹1,263 lakh in the previous year.

SUBSIDIARY COMPANIES / JOINT VENTURES

Pursuant to Section 129(3) of the Companies Act, 2013 read with the Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the Audited Financial Statements of the Subsidiaries / Associate Companies for the year ended March 31, 2020 is given in Form AOC-1 as an annexure to the Consolidated Financial Statements of the Company forming part of this Annual Report.

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

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

Primesec Investments Limited

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

During the year under review, PIL earned revenues of ₹2,710 lakh as compared to ₹2,100 lakh in the previous year. This includes Advisory Fees of ₹2,710 lakh, Appreciation in value of Investments of ₹Nil lakh. During the year, PIL earned Net Profit after Tax of ₹545 lakh as compared to ₹1,223 lakh in the previous year.

The Board of Directors of PIL, at their meeting held on January 9, 2020, has

approved the Merger of PIL with Prime Securities Limited as a part of Composite Scheme of Arrangement ("Scheme") under Sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

Prime Research & Advisory Limited

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

During the year under review, PRAL earned revenues of ₹2,449 lakh as compared to ₹1,504 lakh in the previous year. This includes Advisory Fees of ₹2,427 lakh, Distribution Income of ₹4 lakh, Gain on Sale of Investment of ₹1 lakh, Income from Dividend, Interest & other income of ₹17 lakh. During the year, PRAL earned Net Profit after Tax of ₹481 lakh as compared to ₹145 lakh in the previous year.

Prime Commodities Broking (India) Limited

Prime Commodities Broking (India) Limited ("PCBIL") was incorporated in 2006 to carry on Broking and other related activities in the Commodities Markets. However, PCBIL has not yet commenced the proposed activity. During the year under review, PCBIL earned revenues of ₹48 lakh as compared to ₹40 lakh in the previous year. During the Year under review, PCBIL earned a Net Profit after Tax of ₹3 lakh as compared to ₹2 lakh in the previous year.

The Board of Directors of PCBIL, at their meeting held on January 9, 2020, has approved the Merger of PCBIL with Prime Securities Limited as a part of Composite

Scheme of Arrangement ("Scheme") under Sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

Prime Funds Management Limited

Prime Funds Management Limited ("PFML") was incorporated in 2018 as 100% subsidiary of the Company to carry on the activities of Portfolio Management and setting up of Alternative Investments Funds. PFML is yet to commence the business.

The Company has not entered into any Joint Ventures.

EXTRACT OF THE ANNUAL RETURN

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

RELATED PARTY CONTRACTS & ARRANGEMENTS

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

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

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

DEPOSITS

Your Company has not accepted any Fixed Deposits under Chapter V of Companies Act, 2013, during this financial year and as such, no amount on account of principal or interest on Deposits from public was outstanding as on March 31, 2020. The Company has no Deposit which is not in compliance with the provisions of Chapter V of the Companies Act, 2013 and as the Companies (Acceptance of Deposit) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable Accounting Standards read with the requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profits of the Company for the year ended on that date;
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

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

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

Particulars of Loans, Guarantees and Investments made by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Audited Financial Statements forming part of this Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

AUDITORS AND AUDITORS' REPORT

M/s. Walker Chandio & Co. LLP, (Firm Registration No. 001076N/N500013) Chartered Accountants, were appointed as Independent Auditors, for a term of Five years, commencing from the Financial Year 2019-20, in place of M/s. Gandhi & Associates LLP, Chartered Accountants (Firm Registration No: 102965W/ W100192), whose term expired at the 36th Annual General Meeting held on September 27, 2019. A certificate from them has been received, to the effect that their appointment as Independent Auditors of the Company is in accordance with the applicable provisions of Section 139 and 141 of the Companies Act, 2013 and rules framed thereunder, as amended from time to time.

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

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors has appointed M/s. Pramod Shah & Associates, Company Secretaries (C.P. No. 3804), to undertake the Secretarial Audit for the year ended March 31, 2020. The Secretarial Report given by the Secretarial Auditor is annexed as Annexure "5" to this Report.

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

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

EMPLOYEES

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

The information on Employees particulars as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) is annexed as Annexure "7" to this Report. In terms of Section 136 of the Companies Act, 2013, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the aforesaid Annexure. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

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

EMPLOYEE STOCK OPTION SCHEMES

The Company presently has implemented Employee Stock Option Scheme viz. Employee Stock Option Scheme 2018 ("ESOS 2018"). The Nomination and Remuneration Committee of the Board of Directors has granted, to eligible Employees

/ Directors of the Company and Subsidiary Companies 25,90,000 Options pursuant to ESOS 2018 as on March 31, 2020.

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

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

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

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

LISTING & LISTING FEES

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and the Listing Fees for the year 2020-21 have been duly paid.

GENERAL DISCLOSURES

Your directors state that during the year under review:

- a) The Business Responsibility Reporting as required pursuant to the provisions of Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to your Company.
- b) No Equity Shares with Differential Rights, as to Dividend, Voting or otherwise, were issued.
- c) No Equity Shares (including Sweat Equity Shares) were issued to Employees of the Company under any Scheme.
- d) The Company has not resorted to any Buyback of its Equity Shares during the Year under review.
- e) Managing Director of the Company has not received any Remuneration or Commission from any of its Subsidiaries.
- f) No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the Going Concern status and Company's operations in future.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Mumbai
August 18, 2020

Pradip Dubhashi
Chairman

N. Jayakumar
Managing Director & Group CEO

MANAGEMENT DISCUSSION & ANALYSIS

CAPITAL MARKETS

Capital markets were buoyant during much of the year. Foreign institutional investors (FIIs) put money into Indian equities in substantial volume in 2019, and the forecast before COVID-19 was for the trend to continue in 2020 as well. With a brief lull, when there were significant outflows of almost US\$ 16 billion in March, post the declaration of the pandemic, across both equity and debt, equity flows have turned positive in May and June with flows of almost US\$4.5 billion to date.

Retail interest in the capital markets remained strong with total equities AUM at ₹9 lakh crore (US\$ 120 billion) at the end of 2019 that rose for the sixth year in a row. The share of domestic institutional investors in the BSE 500 companies reached a record high of 14.4% in the September 2019 quarter.

In the midst of the pandemic, retail interest in direct market investments has gone up sharply with new Retail brokerage accounts growing 20%. The depository, CDSL, alone reported around 1.2 million new accounts in March and April, up from a combined 900,000 in the first two months of the year.

Robust flows from Foreign Institutional Investors, and our retail segment, are driving capital flows and will underpin capital markets activity in the coming year.

OVERVIEW OF OPERATIONS

We had a record year with our highest quarterly and annual revenues in our history. It was driven by repeat and referral business signifying a high level of customer satisfaction. During the year we made key additions to our team, doubling our team of Corporate Finance professionals to be better able to service customers. As a pure fee based, knowledge driven firm, we are ideally placed to be a one- stop source of solutions for our customers. Our "Intellectual Property"- the ability to ideate

and craft unique solutions, coupled with our "Network" has underpinned our execution capabilities and drives our robust deal flow.

COVID-19

The COVID-19 pandemic is a global humanitarian and health crisis. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, resulted in significant disruption to people and businesses. Consequently, market demand and supply chains have been affected, significantly increasing the risk of a global economic recession. However, early signs from the lifting of the lockdown restrictions is of a sharp return to pre- COVID levels of activity in most markets.

In India, on 24 March 2020, the Government ordered a nationwide lockdown for 21 days, limiting movement of the entire 1.3 billion population of India as a preventive measure against the COVID-19 pandemic. Thereafter, the lockdown has been extended and is currently expected to end on June 30, 2020. We have a large migrant population that local economies and sectors like construction and manufacturing depend on. A good number of these migrants chose to return home during the lockdown and as the lockdown s being eased, labor shortages are occurring.

Progress is being made both on therapies and a vaccine. The Serum Research Institute based in Pune has signed up with Astra Zeneca to manufacture the vaccine they are working on for the Indian market. Till we have a credible therapy and a vaccine, COVID-19 is with us and we will need to take adequate precautions to arrest its spread.

INDIAN ECONOMY

India's headline GDP projections for 2019-20 were expected to rise by 5% (compared to 6.1% in the previous year), the lowest since 2008 's Great Financial Crisis (GFC).

Underlying this decrease in GDP growth over 2019-20 is a downturn in private consumption, a slowdown in total capital expenditure, and a reduction in volumes of trade as a result the decline of global growth and demand. Just as government tried a host of long-term reform initiatives including corporate tax cuts and income support for farmers. Short-term growth didn't have a lot of levers to pick up on as both company and customer sentiment nosedived during the year.

In the first quarter of FY20-21, the nationwide lockdown and the consequent suspension of economic activity due to the pandemic is expected to seriously jeopardise economic growth.

Apart from the continued resilience of agriculture and related activities (which could see labor problems in harvesting), during the lockdown period, about 70% of economic sectors will be impacted. Depending on the severity, distribution and length of COVID-19, these economic sectors will be adversely affected. The global slowdown could worsen in a prolonged spread that leaves supply chains disrupted, creating uncertainties for India. The country's GDP will record a decline in all possible scenarios in Q1FY21, and this shock alone will ensure a decline of 2.0-4.5% annual GDP for FY20-21 depending on the length and severity of the pandemic.

India became an economy of US\$2.7 trillion in 2019, having raised US\$ 1 trillion over the past five years. The Government's economic survey outlined the blueprint for achieving the vision of making India a US\$ 5 trillion economy by 2024-25. India's rank in the Ease of Doing Business 2020 survey by the World Bank has improved steadily over the last three years and is at 63 (of 190 countries), and placed it among the top ten improved countries for the third year in a row. In addition, the Government set a target of investing in the National Infrastructure Pipeline (NIP) worth 111 trillion dollars over 2020-2026. The NIP is expected to help provide a national standard of sufficient

services and boost economic development. Since the beginning of 2019-20, RBI has taken a range of steps to ensure sufficient liquidity in the system. We note that its policy rate has been slashed (Repo rate) from 6.25% in the beginning of year to 4.4%, to now at 4%. Transmission of rate cuts too improved, benefiting the real economy.

According to the second advance estimates of the Central Statistics Organisation (CSO), GDP growth has been sustained at 5% in 2019-20 and however final figures are likely to be worse than expected due to a rapid contraction in economic activity due to COVID-19 in March. According to Moody's (a global rating firm), India's GDP growth rate is projected to sharply decrease in 2020-21 driven by a general business downturn and rapid contraction in consumption due to COVID-19-led disruptions. However, on a positive note, India's GDP growth rate has been forecast to bounce back to 6.6% in 2021-22. Notably, an increase in food and vegetable prices in the first half of 2019-20 resulted in a rise in retail inflation with an average CPI of 4.8% as against 3.4% in 2018-19. Lower food prices, lower core inflation and stable fuel prices are expected to result in lower CPI numbers in the months ahead. RBI has set a goal of achieving a 4% medium-term CPI target within a plus or minus 2% band while promoting growth, while at the same time setting an inflation target of 5.4-5.0% for the first half of FY 21 and 3.2% for Q3 of FY 21. Central government has raised its borrowing goal to INR 12 trillion (US\$ 160 billion) in current fiscal terms by more than 50% from the previously budgeted ₹7.8 lakh crore to cushion the blow from the latest coronavirus pandemic. Given the borrowing target of ₹12 trillion, the government is estimated to target a fiscal deficit of 5.5-6% for the current fiscal year. The government rationalised the corporate tax rate from 30% to 22%, subject to the condition that no exemption / incentive will be used by companies. In addition, to boost fresh investment, new businesses incorporated on or after October 1, 2019 and making fresh investment in manufacturing, the tax rate for them has been reduced from 25% to 15%.

In 2019-20, the government collected ₹15 lakh crore as net tax revenue compared to ₹13.2 lakh crore collected in 2018-19, whereas direct tax collection stood at ₹11.7 Lakh crore compared to the estimated ₹13.4 lakh crore in 2018-19.

For 2020-21, gross direct tax collections are expected to rise by 12.7% as per the union budget compared to 2.9% growth achieved in 2018-19. In addition, capital investment for 2020-21 is estimated at ₹4.12 Lakh crore compared to ₹3.49 Lakh crore incurred in 2019-20 and the fiscal deficit was projected at 3.5% in 2020-21, which will be difficult to achieve given the economic disruption.

GDP GROWTH

CRISIL has cut its forecasts for India's economic growth rate to 1.8%, down from 3.5% for 2020-21 that it had previously expected. India and China are the only positive exceptions from declining economic activities in 2020-21 among the major economies.

INDUSTRIAL PRODUCTION

Industrial production (IIP) contracted by 0.7% for fiscal 2019-20 compared to a growth rate of 3.8% in 2018-19. Although growth across sectors was lower than a year ago, during the year the manufacturing sector reported contraction in production. All segments reported lower growth with capital goods, services and industrial goods slipping into contraction. This is with the exception of intermediate goods that had highest growth rate in the last eight years. During the year, the underlying investment climate and poor market demand weighed on industrial production

INFLATION & INTEREST RATES

Despite a sharp contraction in domestic economic activity and global bankers' soft stance toward interest rates in supporting consumer spending, India's interest rate scenario is likely to remain benign. A sharp decline in oil prices and other commodities is likely to lead to a reduction in the inflation rate in subsequent months, and with a normal monsoon forecast, food inflation

too is expected to follow the same trend. The RBI has moved from a neutral to an accommodative monetary policy stance and is expected to remain so given the macroeconomic environment.

TRADE DEFICIT AND THE EXCHANGE RATE

In the year led by the disruption caused by COVID-19 especially in Q4 2019-20, India's foreign trade was significantly hit. Import estimates for the 2019-20 financial year declined by 4.78% to US\$314.31 billion while imports declined by 9.12% to US\$467.19 billion during the fiscal year. Accordingly, the total trade deficit in 2019-20 was US\$152.88 billion smaller than the trade gap of US\$184 billion in 2018-19. India's exports of goods were sluggish well before the COVID-19 crisis erupted due to the global economy and world trade slowdown overall. During 2019-20, foreign-exchange reserves in the country increased to US\$ 476.19 billion by nearly US\$ 62 billion. The Rupee compared to the US dollar depreciated by about 7% to INR 75 mainly driven by higher dollar demand in the wake of global uncertainties mainly caused by coronavirus outbreak. INR is expected to remain range bound.

THE GLOBAL ECONOMY

The global economy slowed to an unprecedented 2.4% in 2019, the slowest rate since the global financial crisis, according to the World Bank. The Indian economy was not immune to this slowdown. Three of the four growth engines private consumption, private investment, and exports—have slowed down significantly. Consumption remained subdued, the biggest contributor of growth, pointing to a fragile consumer sentiment. Similarly, due to soft demand, global uncertainties surrounding trade and investment and geopolitical tensions, private investment and foreign trade have remained muted.

ENERGY

The coronavirus pandemic will hammer global growth and demand for oil this year,

but producers' production cuts and next year's record demand rebound will help rebalance the oil market, the International Energy Agency (IEA) reported.

Per the IEA, the world's demand for crude oil will drop by 8.1 million barrels a day this year. Demand in 2021 will bounce back by a record-breaking 5.7 million barrels a day. An uptick in consumption as China ramps up its purchases can already be observed. Chinese oil demand in April was almost back at levels seen a year previously and Indian demand climbed in May.

If this resurgence persists, and oil-producing nations stick to their plans to constrict global oil supply, the market will be on a more stable footing by the end of the second half [of 2020], per the IEA. Both Brent and WTI are up more than 20% over the past month but remain sharply lower for the year-to-date.

With the worst effects of lockdown now behind many major economies, the IEA cited French Observatory of Economic Conjunctures data showing a 27% drop in global value-added transport during lockdown, which normally accounts for half of global oil demand. Manufacturing--comprising almost a quarter of the world's energy demand--took a 30% hit, the OECD said.

While better-than-expected demand during lockdown prompted the IEA to reduce its forecast in annual demand by 500,000 barrels a day from last month's estimate, the nascent recovery underway for oil and oil products has been uneven and will likely remain that way, the agency said.

A drop-off in air travel demand means that after falling 3 million barrels during 2020, the IEA expects demand for jet fuel and kerosene to only recover by 1 million barrels a day in 2021, leaving it well below pre-crisis levels.

Refiners aren't the only sector of the energy market that have a huge overabundance in supply to burn through. The IEA said OECD oil stocks rose 4.9 million in April to 3.1 billion

barrels, an amount that will have added to the 'incredible' 90 days of forward demand coverage the agency cited in its report last month.

LOOKING FORWARD: THE FINANCIAL INDUSTRY

The Government and RBI have taken extraordinary steps to support the economy in the wake of disruptions caused by the COVID-19 pandemic. The support was twofold, one they have permitted lenders to offer borrowers a moratorium on payments of interest and principal and two, designed a number of special funding lines that include a massive lending program for the MSME sector, to help tide over the shutdown many are experiencing due to COVID-19.

The capital markets too have been active. Reliance Jio raised an unprecedented ₹1 Trillion from marquee investors including a strategic investment from Facebook. This reflects a great confidence in the future of the Indian economy and markets. Likewise, Kotak Bank has raised around ₹7,500 crore through a QIP.

OPPORTUNITIES

Our ideation skills and the strength of our network helps drive deal flow. The turmoil caused by COVID-19 and the shutdown offers us a great opportunity to bring to bear our ideation skills. We are increasingly being sought out for ideas and strategies for debt restructuring and enhancing equity and in creating solutions that meet lender and borrower needs.

We foresee a steady flow of equity and debt issuance mandates,

RISKS

We are a debt free company and our business model does not require any capital to be put at risk. Our focus is solely on generating advisory income and as we have noted these past few years, any use of capital will only be to setup infrastructure. We have also built up substantial cash reserves to help tide over any disruptions

that may result from COVID-19. From the beginning of the mandated lockdown our teams have been working from home.

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

An external agency conducted a comprehensive review of our risk and presented a risk management matrix with recommendations for controls to the Board. We have implemented all the recommended controls. These have been further strengthened in the context of our operations being conducted on a work from home (WFH) basis. We are leveraging all available digital tools to run our operations smoothly.

THREATS

The global economy remains fragile. The expectation of most analysts is for a quick V shaped recovery. Should the recovery be delayed or the world experience a second wave of infections we could encounter serious economic disruptions including an impact on capital flows. This will have a knock on effect on deal flow and our ability to complete transactions.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

DISCUSSION ON FINANCIAL PERFORMANCE

The Consolidated Revenues of the Company were ₹7,446 lakh for the financial year under review as against previous year ₹4,695 lakh. Consolidated Profit after Tax and Exceptional Items was at ₹789 lakh as compared to ₹1,263 lakh.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

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

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Mumbai
August 18, 2020

Pradip Dubhashi
Chairman

N. Jayakumar
Managing Director and Group CEO

Annexure 2 to Director's Report

CORPORATE GOVERNANCE REPORT

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

MANDATORY REQUIREMENTS

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

Composition and Category

The Board of Directors ("the Board") of the Company currently comprises of an optimum combination of Executive and Non-Executive Directors.

As of the year ended March 31, 2020, the Board had Six Directors, comprising of Four Non-Executive & Independent Directors, One Non-Executive & Non-Independent Director and One Executive Director. As the Chairperson of the Board is a Non-Executive & Independent Director, more than one-third of the Board of the Company

comprises of Non-Executive & Independent Directors.

There are no relationships between the Directors inter-se.

The Chairperson of the Board is a Non-Executive & Independent Director and is not related to Managing Director or Chief Executive Officer. None of the Director of the Company hold Directorships in more than 7 (seven) listed companies. None of the Director of the Company is serving as an Independent Director in more than 7 (Seven) listed companies. Managing Director / Executive Director of the Company is not serving as an Independent Director in more than 3 (Three) listed entities. None of the Director of the Company is a Member in more than 10 (Ten) Committees and acting as Chairperson of more than 5 (Five) Committees across all the listed companies in which he / she is a Director. All Directors of the Company have furnished the necessary disclosure regarding their Directorship and Committee Membership / Chairmanship in other Companies.

The details regarding Composition of the Board, Directorship / Committee Chairmanship & Membership position of each Directors in other Companies as on March 31, 2020, Number of Meetings Held and Attended during the Financial Year 2019-20 are as follows:

Name	Category (\$)	Board Meetings during 2019-20		Attendance at last Annual General Meeting held on September 27, 2019	Other Directorships in India (@)	Committee positions in Other Companies in India (**)	
		Held	Attended			Member	Chairman
Mr. Pradip Dubhashi (%)	NED-I	7	7	Yes	3	1	Nil
Mr. N. Jayakumar (A)	MD	7	7	Yes	4	Nil	Nil

Name	Category (\$)	Board Meetings during 2019-20		Attendance at last Annual General Meeting held on September 27, 2019	Other Directorships in India (@)	Committee positions in Other Companies in India (**)	
		Held	Attended			Member	Chairman
Ms. Aplana Parida (^^)	NED-I	7	7	Yes	5	3	1
Ms. Namrata Kaul	NED-I	7	6	N.A.	3	1	Nil
Ms. Smita Affinwalla	NED-I	7	7	N.A.	1	1	Nil
Mr. Akshay Gupta (*)	NED	5	5	Yes	2	Nil	Nil
Mr. S. R. Sharma (#)	ED	7	7	Yes	N.A.	N.A.	N.A.

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

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

** Includes Memberships of only Audit and Stakeholders Relationship Committee of Public Limited Companies.

% Re-appointed as Non-Executive & Independent Director for a Second term w.e.f. February 29, 2020 until the conclusion of the 40th Annual General Meeting to be held in the year 2023, subject to approval of the Shareholders at the forthcoming 37th Annual General Meeting by way of a Special Resolution, as he may attain the age of 75 years during his term.

^ Re-appointed as Managing Director & Group CEO for a Term of Five years w.e.f. February 11, 2021, subject to approval of the Shareholders at the forthcoming 37th Annual General Meeting.

^^ Re-appointed as Non-Executive & Independent Director for a Second term of Five years w.e.f. February 29, 2020, subject to approval of the Shareholders at the forthcoming 37th Annual General Meeting.

* Appointed as Non-Executive & Non-Independent Director w.e.f. August 14, 2019.

Ceased to be an Executive Director w.e.f. February 29, 2020.

Board Meetings

During the Financial Year 2019-20, 7 (Seven) Board Meetings were held on May 18, 2019, August 14, 2019, October 22, 2019, November 9, 2019, January 9, 2020, February 11, 2020 and February 27, 2020. The gap between two Board Meetings did not exceed 120 days and all the Board Meeting had necessary quorum, being higher of one-third of its total strength or 3 (Three) Directors, including at least one Independent Director. Further the Company has adhered to the Secretarial Standards on Board Meetings (SS-1) prescribed by the Institute of Company

Secretaries of India ("ICSI") as approved by the Central Government.

Agenda papers containing the necessary information / documents are made available to the Board / Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as a part of Agenda Papers, the same are tabled at the meeting or / and the presentations are made by the concerned managers to the Board / Committee Members, subject

to compliance with legal requirements. Considerable time is spent by the Directors on discussions and deliberations at the Board / Committee Meetings.

The information as specified in Part A of Schedule II of LODR is regularly made available to the Board, whenever applicable, for discussion and consideration. The Board periodically reviews compliance reports pertaining to all laws applicable to the Company as well as steps taken to rectify instances of any non-compliances.

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

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

Familiarisation Programme for Directors

At the time of appointing a Director, a formal letter of appointment is given, which inter alia explains the role, function, duties and responsibilities expected of him / her as a Director. The Director is also explained in detail the compliance required from him / her under the applicable acts, rules and regulations and affirmation is obtained. Managing Director also interacts with the Independent Directors regularly to familiarise them with the Company's operations. Also, on an ongoing basis as a part of Agenda of Board and Committee

Meetings, the Company makes detailed presentation to the Directors about the operations of the Company and its subsidiaries. The details of the familiarisation programme for Directors is available on the website of the Company (www.primesec.com)

1. Committees of Directors

a) Audit Committee

Composition & Meetings

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

As of the year ended March 31, 2020, Audit Committee comprises of Four Members, all of which are Non-Executive & Independent Directors.

During the Financial Year 2019-20, the Members of Audit Committee met 6 (Six) times on May 18, 2019, August 6, 2019, August 14, 2019, November 9, 2019, January 9, 2020 and February 11, 2020. The gap between two Audit Committee Meetings did not exceed 120 days and all the Audit Committee Meeting had necessary quorum, being higher of 2 (Two) Members or one-third of total strength. The details of composition and attendance of each Member at the Audit Committee Meeting is given below:

Name	Category (#)	Designation	No. of Meetings Attended	
			Held	Attended
Mr. Pradip Dubhashi	NED-I	Chairperson	6	6
Ms. Alpana Parida	NED-I	Member	6	5
Ms. Namrata Kaul	NED-I	Member	6	6
Ms. Smrita Affinwalla	NED-I	Member	6	6
Mr. S. R. Sharma (@)	ED	Member	6	5

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

@ Ceased to be a Member w.e.f. February 29, 2020.

The Committee invites the Chief Financial Officer, Head of the Finance Department, Managing Director of the Company, Internal & Statutory Auditors to participate in the Meeting. Audit Committee investigates any activity within its terms of reference and seeks information from any employee, obtains outside legal or other professional advice and secure attendance of outsiders with relevant expertise as may be necessary.

The Company Secretary acts as the Secretary to the Audit Committee Meetings. The Chairperson of the Committee was present at the last Annual General Meeting held on September 27, 2019.

Terms of Reference

The Audit Committee has been given the powers to deal with matters specified under the Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as well as Section 177 of the Companies Act, 2013.

Internal Auditors

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

b) Nomination and Remuneration Committee

Composition & Meetings

The Board has constituted a Remuneration Committee with effect from March 21, 2002 to determine the Company's policy on remuneration packages of Executive & Non-Executive Directors and for considering any revision in their remuneration packages. Subsequently, the same was reconstituted as Nomination and Remuneration Committee.

As of the year ended March 31, 2020, Nomination and Remuneration Committee comprises of 3 (Three) Members, all of whom are Non- Executive & Independent Directors. As of the year ended March 31, 2020, the Chairperson of the Company is not a Member of Nomination and Remuneration Committee.

During the Financial Year 2019-20, the Members of Nomination and Remuneration Committee met 3 (Three) times on May 18, 2019, August 14, 2019 and February 27, 2020. All the Nomination and Remuneration Committee Meeting had necessary quorum, being higher of 2 (Two) Members or one-third of total strength, including at least one Independent Director. The details of composition and attendance of each Member at the Nomination and Remuneration Committee Meetings is given below:

Name	Category (#)	Designation	No. of Meetings Attended	
			Held	Attended
Ms. Alpana Parida	NED-I	Chairman	3	3
Ms. Namrata Kaul (%)	NED-I	Member	2	1
Ms. Smita Affinwalla	NED-I	Member	3	3
Mr. Pradip Dubhashi (\$)	NED-I	Member	1	1

NED-I means Non-Executive & Independent Director.

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

\$ Ceased to be a Members w.e.f. August 14, 2019.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Meeting. The Chairperson of the Nomination

and Remuneration Committee was present at the last Annual General Meeting held on September 27, 2019.

Terms of Reference

Nomination and Remuneration Committee has been given the powers to deal with matters specified under the Part D of Schedule II of SEBI Listing Regulations as well as Section 178 of the Companies Act, 2013, which are as follows:

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

Remuneration Policy

The Remuneration Policy of the Company is performance driven and is structured to motivate employees by rewarding their performance, recognising their merits & achievement and promoting excellence in their performance as well as attracting and retaining high calibre talent. The Remuneration Policy of Company is displayed on the website of the Company (www.primesec.com).

Executive Directors including Managing

Director and Whole-time Director are paid remuneration, as recommendation by the Nomination and Remuneration Committee and approved by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Managing Director and Whole-time Director comprises of salary, perquisites and allowances, performance bonus and contributions to provident and other retirement benefit funds, within the limits approved by the Shareholders at their Meetings. Annual increments and performance bonus are linked to the performance and are approved by the Board based on the recommendation of the Nomination and Remuneration Committee.

Non-Executive & Independent Directors are paid Sitting Fees for attending Board and Committee Meetings. Non-Executive & Independent Directors are also entitled to receive Commission within the ceiling of 1% per annum of the Net Profits of the Company (computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and the Rules framed thereunder from time to time), as approved by the Shareholders of the Company at their 33rd Annual General Meeting held on September 19, 2016.

Employees / Executive Directors are also rewarded through Employee Stock Option Scheme in terms of the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014. Independent Directors are not entitled to receive Stock Options under Employee Stock Option Scheme.

Remuneration paid to Directors

(₹ lakh)

Name	Fixed Salary	Commission	Sitting Fees	Total
Mr. Pradip Dubhashi	Nil	Nil	12.60	12.60
Mr. N. Jayakumar (\$)	341.86	260.00	Nil	601.86
Ms. Alpana Parida	Nil	Nil	9.60	9.60
Ms. Namrata Kaul	Nil	Nil	10.20	10.20
Ms. Smitta Affinwalla	Nil	Nil	10.40	10.40

Name	Fixed Salary	Commission	Sitting Fees	Total
Mr. Akshay Gupta (*)	Nil	Nil	Nil	Nil
Mr. S. R. Sharma (%)	Nil	Nil	Nil	Nil

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

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

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

As of the year ended March 31, 2020, Mr. N. Jayakumar, Managing Director & Group CEO, along with persons acting in concert with him, is holding 56,34,184 Equity Shares of the Company representing 21.25% of the total Shareholding of the Company, Mr. Akshay Gupta, Non-Executive & Non-Independent Director is holding 4,70,580 Equity Shares of the Company representing 1.77% of the total Shareholding of the Company, Mr. S. R. Sharma, Chief Financial Officer, is holding 4,000 Equity Shares of the Company representing 0.01% of the total shareholding of the Company. None of the other Directors of the Company holds any Equity Shares in the Company.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, the Board has carried out the annual evaluation of its own performance, its committees and Independent Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of composition of the

Board and its committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Managing Director was carried out by the Independent Directors.

c) Stakeholders Relationship Committee Composition & Meetings

The Board of Directors had constituted a Share Transfer Committee to approve transfer of shares and related matters. In line with the recommendations of the Code of Corporate Governance, the Board has re-designated the Committee as Stakeholders Relationship Committee.

As of the year ended March 31, 2020, Stakeholders Relationship Committee comprises of 3 (Three) Members, all of which are Non- Executive & Independent Directors.

During the Financial Year 2019-20, the Members of Stakeholders Relationship Committee met 1 (One) time on February 11, 2020. The details of composition and attendance of each Member at the Stakeholders Relationship Committee Meeting is given below:

Name	Category (#)	Designation	No. of Meetings Attended	
			Held	Attended
Ms. Smita Affinwalla	NED-I	Chairman	1	1
Ms. Alpana Parida	NED-I	Member	1	1
Ms. Namrata Kaul	NED-I	Member	1	1

NED-I means Non-Executive & Independent Director.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee Meeting. The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting held on September 27, 2019 to answer queries of the security holders.

Terms of Reference

Stakeholders Relationship Committee has been given the powers to deal with matters specified under the Part D of Schedule II of SEBI Listing Regulations as well as Section 178 of the Companies Act, 2013 and specifically looks into various aspects of interest of shareholders such as approving share transfers, transmissions, etc. and other related matters and reviews the redressal of shareholder complaints like non-transfer of shares, non-receipt of annual reports etc.

The powers to approve transfer of shares and redressal of shareholder's complaints have been designated to the Managing

Director or the Company Secretary. Any shareholder's complaints, which cannot be settled by the Managing Director or the Company Secretary, are placed before the Stakeholders Relationship Committee for their decision. The approval of share transfers is normally done on a weekly basis so that the Company is able to return share certificates, duly transferred, within fifteen days.

Details of share transfer / transmission and summary of shareholder queries / complaints are placed at the Meeting of Members of Stakeholders Relationship Committee.

Compliance Officer

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

Summary of Shareholder's queries / complaints received and replied during the year are as follows:

Summary of Shareholders queries received and replied during the year:

Particulars	Queries / Complaints received	Queries / Complaints Replied to
Transfer Related	100	98
KYC Updation	19	19
Dividend Related	21	21
Change of Address	34	34
Correction of Data	8	8
Demat / Remat	8	8
Request for Annual Report	2	2
Registration of Nominee	1	1
Change of Signature	14	14
Others	2	2
Total	209	207

d) Corporate Social Responsibility Committee

Composition & Meetings

The Board has constituted a Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, to recommend and

supervise the implementation of corporate social responsibility commitments.

As of the year ended March 31, 2020, Corporate Social Responsibility Committee comprises of 3 Members, out of which 2 (Two) Members including the Chairman are Non-Executive & Independent Directors and 1 (One) Member is Executive Director.

During the Financial Year 2019-20, the Members of Corporate Social Responsibility Committee met 1 (One) time on October 22, 2019. The details of composition and

attendance of each Member at the Corporate Social Responsibility Meeting is given below:

Name	Category (#)	Designation	No. of Meetings Attended	
			Held	Attended
Ms. Namrata Kaul	NED-I	Chairperson	1	1
Mr. Pradip Dubhashi	NED-I	Member	1	1
Mr. N. Jayakumar	ED	Member	1	1

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

The Company Secretary acts as the Secretary to the Corporate Social Responsibility Meeting.

Terms of Reference

Corporate Social Responsibility Committee has been given the powers, pursuant to Section 135 of the Companies Act, 2013 and the Rules made thereunder, to:

- formulate and recommend to the Board, Corporate Social Responsibility Policy ("CSR Policy") and the activities to be undertaken
- recommend the amount of expenditure to be incurred on the activities under CSR Policy.
- monitor implementation of the activities undertaken as per the CSR Policy.

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

e) Risk Management Committee

The Board has constituted a Risk Management Committee pursuant to the

provisions of SEBI Listing Regulations. Risk Management Committee is responsible for framing, implementing and monitoring the risk management framework for the Company.

The Company Secretary acts as the Secretary to the Committee.

4. Meeting of Independent Directors

The Independent Directors on the Board of Directors of Company met 1 (One) time on February 11, 2020 inter-alia for the following:

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

5. General Body Meetings

- Location and Time, where the last Three Annual General Meetings were held:

Financial Year	Date	Location of the meeting	Time
2018-2019	September 27, 2019	Victoria Memorial School for the Blind, Mumbai	10.00 a.m.
2017-2018	September 24, 2018	Victoria Memorial School for the Blind, Mumbai	2.00 p.m.
2016-2017	September 25, 2017	Victoria Memorial School for the Blind, Mumbai	10.00 a.m.

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

One Special Resolution was passed by the Shareholders at the 36th Annual General Meeting of the Company held on September 27, 2019 for Revision in Remuneration to Mr. N. Jayakumar, Managing Director and Group CEO.

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

One Special Resolution was passed by the Shareholders at the 34th Annual General Meeting of the Company held on September 25, 2017 for Remuneration to Mr. N. Jayakumar as Managing Director.

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

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

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

(d) Whether any Special Resolution is proposed to be conducted through

Postal Ballot and procedure for Postal Ballot

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

6. Disclosures

(a) Materially significant Related Party Transactions:

There are no materially significant Related Party Transactions entered into during the Financial Year 2019-20 by the Company with its Directors or Management, Subsidiaries or Relatives that may have a potential conflict with the interests of the Company at large. All Related Party Transactions are at arm's length and in the ordinary course of business. Transactions with the Related Parties are disclosed in notes to the Audited Financial Statements forming part of this Annual Report. The Company has formulated a Policy of dealing with Related Party Transactions, which is available on the website of the Company (www.primesec.com).

(b) Material Subsidiary:

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

(c) Penalties, strictures for non-compliance:

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

(d) Whistle Blower Policy:

The Company has established a Vigil Mechanism (Whistle Blower Policy) for Directors and Employees to report

genuine concerns, which provides for adequate safeguards against victimisation of persons who avails such mechanism. Whistle Blower Policy is available on the website of the Company (www.primesec.com). No personnel of the Company have been denied access to the Audit Committee.

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

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

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

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

7. Code of Conduct

The Board of Directors has adopted the Code of Conduct for all Board Members and Senior Management of the Company.

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

8. Means of Communication

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

9. General Shareholder Information

● AGM: Date, Time and Venue	:	Tuesday, September 22, 2020 at 1100 a.m. via two-way Video Conferencing ("VC") facility or other audio visual means ("OAVM")
● Financial Calendar	:	Financial Year → April 1, 2020 to March 31, 2021
	i)	First Quarter ending June 30, 2020 – on or before August 14, 2020
	ii)	Second Quarter & Half-year ending September 30, 2020 – on or before November 14, 2020
	iii)	Third Quarter & Nine Months ended December 31, 2020 – on or before February 14, 2021

		iv)	Fourth Quarter and Year ended March 31, 2021 → during April 2021 to May 2021
●	Date of Book Closure	:	Wednesday, September 16, 2020 to Tuesday, September 22, 2020 (both days inclusive)
●	Dividend payment date	:	N.A.
●	Listing on Stock Exchanges	:	The Bombay Stock Exchange Limited ("BSE") and The National Stock Exchange of India (NSE). The Company has paid the Listing Fees for the Financial Year 2020-2021
●	Stock Code – Physical	:	BSE: 500337 / NSE: PRIMESECU
	Demat ISIN number for NSDL and CDSL	:	INE032B01021
●	CIN	:	L67120MH1982PLC026724
●	Market price data: high, low during each month in last FY	:	As per Annexure "I"
●	Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index, etc	:	As per Annexure "II"
●	Registrar and Transfer Agent		Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Tel: +91-22- 49186270, Fax: +91-22- 49186060, Email: rnt.helpdesk@linkintime.co.in
●	Share Transfer System	:	The Company Secretary or the Managing Director of the Company are authorised to approve the transfer of share and the same are generally registered / confirmed within 15 days of receipt, provided the documents are clear in all aspects. The said transfers are then noted at the subsequent stakeholder's relationship committee meeting.
●	Distribution of Shareholding	:	As per Annexure "III"
●	Shareholding Pattern	:	As per Annexure "IV"
●	Top 10 Shareholders	:	As per Annexure "V"
●	Dematerialisation of Shares and liquidity	:	95.17% of the total shareholding has been dematerialised as on March 31, 2020
●	Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact of equity	:	None

NON-MANDATORY REQUIREMENTS

1. The Board

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

2. Shareholders' Rights

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

3. Audit Qualification

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

4. Separate post of Chairman and CEO

The posts of Chairman and Managing Director are separate.

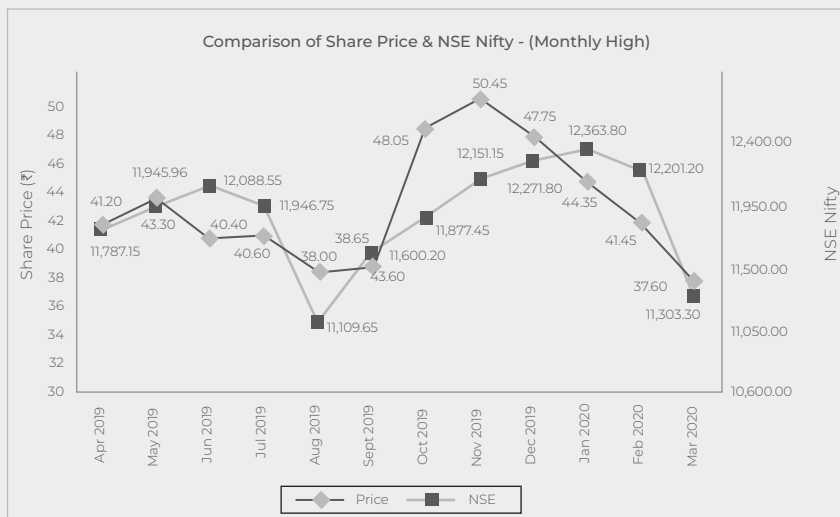
5. Reporting of Internal Auditor

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

Annexure I to Report on Corporate Governance Market Price Data: High / Low from April 2019 to March 2020

Month	BSE			NSE		
	High (Rs)	Low (Rs)	Volume (Nos.)	High (Rs)	Low (Rs)	Volume (Nos.)
April 2019	41.20	38.50	11,03,083	41.20	38.70	8,84,391
May 2019	42.75	38.45	15,40,367	43.30	38.35	12,57,671
June 2019	40.45	35.30	13,42,694	40.40	35.40	11,18,493
July 2019	40.95	36.50	13,67,512	40.60	36.60	9,98,387
August 2019	38.95	32.55	6,19,813	38.00	30.95	5,64,773
September 2019	38.15	33.55	5,31,436	38.65	33.65	4,75,980
October 2019	47.90	31.90	8,98,902	48.05	31.80	15,91,797
November 2019	50.65	43.05	3,67,282	50.45	43.00	8,50,105
December 2019	47.35	39.75	92,594	47.75	39.35	4,18,484
January 2020	44.50	38.20	2,40,636	44.35	38.25	5,85,757
February 2020	41.75	35.40	1,87,599	41.45	35.40	4,23,027
March 2020	38.25	25.50	1,53,402	37.60	25.35	12,09,103

Annexure II to Report on Corporate Governance



Annexure III to Report on Corporate Governance Distribution of Shareholding (As on March 31, 2020)

Number of Equity Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares Held	Percentage of Shareholdings
Upto 500	19,001	90.42	2552106	9.63
501 – 1,000	899	4.28	748112	2.82
1,001 – 2,000	458	2.18	718969	2.71
2,001 – 3,000	175	0.83	444674	1.68
3,001 – 4,000	78	0.37	281579	1.06
4,001 – 5,000	84	0.40	396195	1.49
5,001 – 10,000	145	0.69	1090958	4.11
Above 10,000	175	0.83	20282732	76.50
Total	21,015	100.00	2,65,15,325	100.00

Annexure IV to Report on Corporate Governance Shareholding Pattern of the Company (As on March 31, 2020)

Category	Number of Shares	% of Share Capital
A Shareholding of Promoter and Promoter Group		
1) Indian	Nil	Nil
2) Foreign	Nil	Nil
Sub-Total	Nil	Nil
B Public Shareholding		
1) Institutions		
a) Mutual Funds & UTI	10,400	0.04

Category		Number of Shares	% of Share Capital
b)	Financial Institutions / Banks	60,300	0.23
c)	Foreign Institutional Investors / Foreign Portfolio Investors	3,403	0.01
d)	Any Other (Foreign Banks)	900	0.00
	Sub-Total	75,003	0.28
2)	Non-Institutions		
a) i)	Individual Shareholders holding nominal share capital upto ₹2 lac	70,92,612	26.75
ii)	Individual Shareholders holding nominal share capital in excess of ₹2 lac	1,29,02,509	48.66
b)	NBFCs	300	0.00
c)	Bodies Corporate	51,28,559	19.35
d)	Clearing Members	30,167	0.11
e)	Hindu Undivided Family	3,40,713	1.28
f)	Non Resident Indians	9,16,262	3.46
g)	Overseas Bodies Corporate	28,600	0.11
h)	Trusts	600	0.00
	Sub-Total	2,64,40,322	99.72
	Grand Total	2,65,15,325	100.00

**Annexure V to Report on Corporate Governance
Top 10 Shareholders of the Company (As on March 31, 2020)**

Sr. No.	Name of Shareholder	Category	Number of Shares held	% of Total Equity Share Capital
1.	N. Jayakumar	Public	35,14,687	13.26
2.	Judith Investments Private Limited	Public	17,83,497	6.73
3.	Navin Khandelwal	Public	14,10,000	5.32
4.	GKK Capital Markets Private Limited	Public	13,20,000	4.98
5.	Koppara Sajeev Thomas	Public	750,000	2.83
6.	Marwadi Shares and Finance Limited	Public	6,82,519	2.57
7.	Mohit Oswal	Public	5,43,890	2.05
8.	LKP Finance Limited	Public	5,31,898	2.01
9.	Kishore Hemandas Mulani	Public	5,28,593	1.99
10.	Akshay Gupta	Public	4,68,430	1.77
	Total		1,15,33,514	43.50

For and on behalf of the Board of Directors

Mumbai
August 18, 2020

Pradip Dubhashi
Chairman

N. Jayakumar
Managing Director and Group CEO

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

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

The Board of Directors
Prime Securities Limited
Mumbai

Dear Sir / Madam,

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

I confirm that, pursuant to the provisions of the Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2020.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Board of Directors as on March 31, 2020.

N. Jayakumar
Managing Director & Group CEO

Date: August 18, 2020
Place: Mumbai

CEO / CFO Certification

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

The Board of Directors
Prime Securities Limited
Mumbai

This is to certify that:

- (a) We have reviewed the Audited Financial Statements and the Cash Flow Statement for the Year 4A ended March 31, 2020 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Year ended March 31, 2020, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, the deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that:
 - (i) There are no significant changes in internal controls during the Year ended March 31, 2020
 - (ii) There are no significant changes in Accounting Policies during the Year ended March 31, 2020; and
 - (iii) We have not become aware of any instances of significant fraud, having the involvement of the Management or an Employee, having a significant role in the Company's internal control system over financial reporting.

N. Jayakumar
Managing Director & Group CEO

S. R. Sharma
Chief Financial Officer

Date: August 18, 2020
Place: Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate on compliance with the conditions of Corporate Governance as per the provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Prime Securities Limited

We have examined the compliance of conditions of corporate governance by Prime Securities Limited for the year ended on March 31, 2020 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

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

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

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

For Pramod S. Shah and Associates
Practising Company Secretaries

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

Date: August 18, 2020
Place: Mumbai

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

To
The Members,
Prime Securities Limited
1109/1110, Maker Chambers V,
Nariman Point, Mumbai City MH 400021 IN.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Prime Securities Limited having CIN L67120MH1982PLC026724 and having registered office at 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	JAYAKUMAR NARAYANSWAMI	00046048	12/02/2011
2	NAMRATA KAUL	00994532	14/02/2019
3	AKSHAY GUPTA	01272080	14/08/2019
4	PRADIP VASANT DUBHASHI	01445030	29/01/2004
5	ALPANA PARIDA SHAH	06796621	27/03/2015
6	SMITA CAWAS AFFINWALLA	07106628	14/02/2019

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Pramod S. Shah & Associates**
Practising Company Secretaries

Pramod S. Shah
Partner
Membership No.: FCS 334
COP No.: 3804
UDIN:

Date: August 18, 2020
Place: Mumbai

Annexure 3 to Director's Report

FORM NO. MGT - 9**EXTRACT OF ANNUAL RETURN****AS ON THE FINANCIAL YEAR ENDED ON March 31, 2020****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I REGISTRATION AND OTHER DETAILS**

- i) **CIN:** L67120MH1982PLC026724
- ii) **Registration Date:** 20-Mar-1982
- iii) **Name of the Company:** Prime Securities Limited
- iv) **Category / Sub-Category of the Company:** Company Limited by Shares
- v) **Address of the Registered office**

and contact details: 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021

vi) **Whether listed company:** Yes

vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:** "Link Intime India Private Limited C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400083, Tel: +91-22-49186270, Fax: +91-22-49186060"

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	"No. of Shares held at the beginning of the year (As on 01-Apr-2019)"				"No. of Shares held at the end of the year (As on 31-Mar-2020)"				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	100	10,300	10,400	0.04	100	10,300	10,400	0.04	-
b) Banks / FI	100	10,300	10,400	0.04	100	10,300	10,400	0.04	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/Foreign Portfolio Investors	10,300	10,300	0.04	50,000	10,300	60,300	0.23	0.19	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	"No. of Shares held at the beginning of the year (As on 01-Apr-2019)"				"No. of Shares held at the end of the year (As on 31-Mar-2020)"				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (Specify)									
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
Foreign Banks	-	900	900	0.00	-	900	900	0.00	-
Sub-total (B) (I)	3,202	24,600	27,802	0.10	50,403	24,600	75,003	0.28	0.18
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	45,93,583	-	45,93,583	17.32	51,28,559	-	51,28,559	19.34	2.02
ii) Overseas	-	28,600	28,600	0.11	-	28,600	28,600	0.11	-
b) Individuals									-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	62,37,569	11,83,364	74,20,933	27.99	52,52,809	11,44,864	63,97,673	24.13	(3.86)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1,25,87,803	79,400	1,26,67,203	47.77	1,35,18,048	79,400	1,35,97,448	51.28	3.51
c) Others (Specify)									
NBFCs	300	-	300	0.00	300	-	300	0.00	-
Clearing Members	4,22,458	-	4,22,458	1.59	30,167	-	30,167	0.11	(1.48)
HUFs	3,82,967	-	3,82,967	1.44	3,40,713	-	3,40,713	1.28	(0.16)
Foreign Nationals	9,68,879	2,500	9,71,379	3.66	9,13,762	2,500	9,16,262	3.46	(0.21)
Trusts	100	-	100	-	600	-	600	0.00	0.00
Sub-total (B) (2)	2,51,93,659	12,93,864	2,64,87,523	99.89	2,51,84,958	12,55,364	2,64,40,322	99.72	(0.18)
"Total Public Shareholding (B)=(B)(I)+(B)(2)"	2,51,96,861	13,18,464	2,65,15,325	100.00	2,52,35,361	12,79,964	2,65,15,325	100.00	0.00
"C. Shares held by Custodian for GDRs & ADRs"	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,51,96,861	13,18,464	2,65,15,325	100.00	2,52,35,361	12,79,964	2,65,15,325	100.00	0.00

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-Apr-2019)			Shareholding at the end of the year (As on 31-Mar-2020)			% Change during the year
		No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
								Nil
	Total							

iii) Change in Promoters' Shareholding as on 31-Mar-2020 (please specify, if there is no change)

	Shareholding at the beginning of the year (As on 01-Apr-2019)		Shareholding at the end of the year (As on 31-Mar-2020)	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year				
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)"				Not Applicable
At the end of the year				

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01-Apr-2018)		Shareholding at the end of the year (As on 31-Mar-2019)	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1. Judith Investments Private Limited	17,83,497	6.73	17,83,497	6.73
2. Navin Khandelwal	5,00,945	1.89	14,10,000	5.32
05-04-2019	177	Purchase		
12-04-2019	46,731	Purchase		
19-04-2019	3,150	Purchase		
26-04-2019	62,344	Purchase		
03-05-2019	11,653	Purchase		
07-06-2019	1,98,305	Purchase		
14-06-2019	1,695	Purchase		
21-06-2019	1,502	Purchase		
29-06-2019	(1,502)	Purchase		
12-07-2019	(4,00,000)	Sale		
19-07-2019	13,977	Purchase		
26-07-2019	23,999	Purchase		
23-08-2019	(72,976)	Sale		

For Each of the Top 10 Shareholders			Shareholding at the beginning of the year (As on 01-Apr-2018)		Shareholding at the end of the year (As on 31-Mar-2019)	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
20-09-2019	50,000	Purchase				
27-09-2019	(50,000)	Sale				
22-11-2019	62,000	Purchase				
29-11-2019	3,000	Purchase				
27-03-2020	9,55,000	Purchase				
3. GKK Capital Markets Pvt Ltd			-	-	13,20,000	4.98
18-10-2019	6,24,999	Purchase				
25-10-2019	82,500	Purchase				
01-11-2019	1,00,001	Purchase				
29-11-2019	(8,05,500)	Sale				
27-03-2020	13,18,000	Purchase				
4. Koppara Sajeeve Thomas			7,50,000	2.83	7,50,000	2.83
5. Marwadi Shares and Finance Ltd.			-	-	6,82,519	2.57
05-04-2019	500	Purchase				
03-05-2019	50,250	Purchase				
10-05-2019	89,750	Purchase				
31-05-2019	100	Purchase				
14-06-2019	(100)	Sale				
21-06-2019	(501)	Sale				
12-07-2019	1,469	Purchase				
19-07-2019	(30,359)	Sale				
23-08-2019	(1,10,109)	Sale				
15-11-2019	(900)	Sale				
20-12-2019	57,400	Purchase				
24-01-2020	50	Purchase				
31-01-2020	(50)	Sale				
07-02-2020	25,000	Purchase				
28-02-2020	19	Purchase				
13-03-2020	1,50,000	Purchase				
20-03-2020	2,00,000	Purchase				
27-03-2020	2,50,000	Purchase				
6. Mohit Oswal			6,29,856	2.38	5,43,890	2.05
07-06-2019	22,146	Purchase				
14-06-2019	20,446	Purchase				
21-06-2019	19,164	Purchase				
29-06-2019	9,222	Purchase				
12-07-2019	21,196	Purchase				
20-09-2019	628	Purchase				
30-09-2019	10,000	Purchase				
04-10-2019	6,000	Purchase				
18-10-2019	(68,782)	Sale				
25-10-2019	(38,122)	Sale				
01-11-2019	(18,340)	Sale				
08-11-2019	(44,130)	Sale				
15-11-2019	(28,138)	Sale				
22-11-2019	(4,255)	Sale				
06-12-2019	(210)	Sale				

For Each of the Top 10 Shareholders			Shareholding at the beginning of the year (As on 01-Apr-2018)		Shareholding at the end of the year (As on 31-Mar-2019)	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
13-12-2019	7,209	Purchase				
7. LKP Finance Limited			95,000	0.36	5,31,898	2.01
05-04-2019	(40,000)	Sale				
12-04-2019	40,000	Purchase				
26-04-2019	(25,000)	Sale				
03-05-2019	(25,000)	Sale				
17-05-2019	25,000	Purchase				
07-06-2019	60,000	Purchase				
14-06-2019	(60,000)	Sale				
21-06-2019	1,05,000	Purchase				
29-06-2019	12,742	Purchase				
26-07-2019	1,57,258	Purchase				
11-10-2019	(39,002)	Sale				
18-10-2019	16,004	Purchase				
25-10-2019	2,396	Purchase				
01-11-2019	12,500	Purchase				
08-11-2019	25,000	Purchase				
15-11-2019	50,000	Purchase				
14-02-2020	1,00,000	Purchase				
06-03-2020	20,000	Purchase				
8. Kishore Hemandas Mulani			-	-	5,28,593	1.99
12-07-2019	25,000	Purchase				
19-07-2019	50,000	Purchase				
26-07-2019	25,000	Purchase				
02-08-2019	15,000	Purchase				
09-08-2019	20,000	Purchase				
30-08-2019	(40,443)	Sale				
06-09-2019	5,000	Purchase				
13-09-2019	10,000	Purchase				
20-09-2019	(4,400)	Sale				
27-09-2019	(16,324)	Sale				
30-09-2019	(50,000)	Sale				
04-10-2019	(25,000)	Sale				
11-10-2019	95,000	Purchase				
18-10-2019	(65,000)	Sale				
25-10-2019	10,000	Purchase				
01-11-2019	20,000	Purchase				
08-11-2019	31,167	Purchase				
15-11-2019	51,929	Purchase				
22-11-2019	5,000	Purchase				
10-01-2020	39,997	Purchase				
17-01-2020	25,159	Purchase				
24-01-2020	50,000	Purchase				
31-01-2020	41,333	Purchase				
07-02-2020	28,479	Purchase				
21-02-2020	(2,976)	Sale				
28-02-2020	25,000	Purchase				

For Each of the Top 10 Shareholders			Shareholding at the beginning of the year (As on 01-Apr-2018)		Shareholding at the end of the year (As on 31-Mar-2019)	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
06-03-2020	5,000	Purchase				
27-03-2020	70,000	Purchase				
31-03-2020	84,672	Purchase				
9. Akshay Gupta			4,01,990	1.52	4,68,430	1.77
13-12-2019	4,078	Purchase				
20-12-2019	8,360	Purchase				
27-12-2019	2	Purchase				
20-03-2020	4,000	Purchase				
27-03-2020	50,000	Purchase				
10. Pashupati Capital Services Private Limited			6,55,000	2.47	2,32,446	0.88
05-04-2019	2,00,000	Purchase				
21-06-2019	(36,556)	Sale				
29-06-2019	(13,369)	Sale				
26-07-2019	(22,629)	Sale				
13-03-2020	(1,50,000)	Sale				
20-03-2020	(2,00,000)	Sale				
27-03-2020	(2,00,000)	Sale				
11. Bonanza Portfolio Limited			11,52,198	4.35	-	-
05-04-2019	(2,00,000)	Sale				
12-04-2019	(1,00,000)	Sale				
19-04-2019	(90,000)	Sale				
24-05-2019	(7,60,948)	Sale				
26-07-2019	(1,230)	Sale				
30-09-2019	80	Purchase				
06-12-2019	(75)	Sale				
31-01-2020	92,475	Sale				
14-02-2020	(92,500)	Sale				
12. Abhay Agarwal			7,59,068	2.86	-	-
05-04-2019	(40,011)	Sale				
12-04-2019	(47,692)	Sale				
19-04-2019	(21,136)	Sale				
26-04-2019	(4,121)	Sale				
03-05-2019	(40,779)	Sale				
17-05-2019	(9,800)	Sale				
24-05-2019	(66,516)	Sale				
31-05-2019	(3,13,000)	Sale				
29-06-2019	(9,318)	Sale				
19-07-2019	(6,695)	Sale				
09-08-2019	(30,577)	Sale				
23-08-2019	(25,829)	Sale				
30-08-2019	(58,490)	Sale				
13-09-2019	(2,895)	Sale				
04-10-2019	(27,079)	Sale				
11-10-2019	(45,934)	Sale				
18-10-2019	(9,196)	Sale				
13. Apeksha Chopra			2,50,000	0.94	2,50,000	0.94
05-04-2019	(31,000)	Sale				

For Each of the Top 10 Shareholders			Shareholding at the beginning of the year (As on 01-Apr-2018)		Shareholding at the end of the year (As on 31-Mar-2019)	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
12-04-2019	(13,185)	Sale				
19-04-2019	(12,815)	Sale				
26-04-2019	(54,000)	Sale				
03-05-2019	(20,000)	Sale				
29-06-2019	(2,10,000)	Sale				
05-07-2019	(15,000)	Sale				
12-07-2019	(56,019)	Sale				
19-07-2019	(18,981)	Sale				

Shareholding of Directors and Key Managerial Personnel as on 31-Mar-2020

For Each of the Directors and KMP			Shareholding at the beginning of the year (As on 01-Apr-2019)		Shareholding at the end of the year (As on 31-Mar-2020)	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1. N. Jayakumar			34,03,059	12.83	35,62,987	13.44
21-06-2019	47,500	Purchase				
30-08-2019	87,428	Purchase				
20-03-2020	25,000	Purchase				
2. S. R. Sharma			4,000	0.00	4,000	0.00
3. Ajay Shah			6,100	0.02	6,100	0.02

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

(₹ in lakh)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	28.90	170.00	-	198.90
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		28.90	170.00	-	198.90
Change in Indebtedness during the financial year					
•	Addition		-	-	-
•	Reduction	5.89	170.00	-	175.89

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Net Change	(5.89)	(170.00)	-	(175.89)
Indebtedness at the end of the financial year				
i) Principal Amount	23.01	-	-	23.01
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	23.01	-	-	23.01

V REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager (₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Managing Director	
		N. Jayakumar	
	Gross Salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	601.86	601.86
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission		-
	- as % of profit	Nil	Nil
	- others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	601.86	601.86
	Ceiling as per the Act	5% of Net Profit / Schedule V	10% of Net Profit / Schedule V

B. Remuneration to other Directors (₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of Director				Total Amount
		Pradip Dubhashi	Alpana Parida	Smita Affinwalla	Namrata Kaul	
1	Independent Directors					
	• Fee for attending board / committee meetings	12.60	9.60	10.40	10.20	42.80
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	12.60	9.60	10.40	10.20	42.80
2	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1+2)					
	Total Managerial Remuneration	12.60	9.60	10.40	10.20	42.80
	Overall Ceiling as per the Act	1% of Net Profit / Schedule V				1% of Net Profit / Schedule V

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹ in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
		Ajay Shah	S. R. Sharma (From May 18, 2019)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.74	-	72.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	72.74	-	72.74

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

(₹ in lakh)

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

For and on behalf of the Board of Directors

Mumbai
August 18, 2020**Pradip Dubhashi**
Chairman**N. Jayakumar**
Managing Director and Group CEO

Annexure 4 to Director's Report

ANNUAL REPORT ON THE CSR ACTIVITIES

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

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

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

The activities and funding are monitored internally by the Company.

2. The Composition of the CSR Committee:
The Board of Directors of your Company has constituted the CSR Committee of Directors. CSR Committee is formed as per the applicable laws of the Companies Act, 2013 and the Committee is responsible for the implementation /

monitoring and review of the policy and various projects / activities undertaken under the policy.

The Members of the Committee are:

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

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

The Average Net Profit of the Company, as per Section 198 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 ("CSR Rules"), for last Three Financial Years is ₹112.83 lakh.

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

₹2.26 lakh

5. Details of CSR Spent during the Financial Year:

- a. Total amount to be spent for the Financial Year: ₹13.07 lakh (including unspent amount of ₹10.81 lakh of previous years);
- b. Amount unspent: ₹Nil;
- c. Manner in which the amount was spent during the Financial Year 2019-20

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

(₹ in lakh)

Sr. No.	CSR Project / Program	Sector Covered	District and State where Project / Program was Undertaken	Amount Outlay (Budget)	Amount Spent	Cumulative Expenditure upto the reporting period	Amount spent: Direct / Through implementing agency
1.	Promoting gender equality, empowering women	Skill Development	Delhi	15.00	15.00	15.00	Direct

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

The Company has spent the two percent of the average net profit of the latest three financial years.

7. A responsibility statement of the CSR Committee that the implementation

and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, it is hereby confirmed that the Corporate Social Responsibility Committee of the Board of Directors of Prime Securities Limited has implemented and monitored the CSR initiatives of Prime Securities Limited in line with CSR Objectives and Policy of the Company.

For and on behalf of the Board of Directors

Mumbai
August 18, 2020

Pradip Dubhashi
Chairman of CSR Committee

N. Jayakumar
Managing Director & Group CEO

Annexure 5 to Director's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

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

To,
The Members,
Prime Securities Limited,

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 (Not Applicable during the Audit Period); and
- (i.) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998 (Not Applicable during the Audit Period)

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

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at

least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

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

Pramod S. Shah & Associates
(Practicing Company Secretaries)

Date: August 18, 2020
Place: Mumbai

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

Annexure 6 to Director's Report

DISCLOSURE IN DIRECTOR'S REPORT

Pursuant to section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014

Sr. No.	Requirements	Disclosure	
		Name of the Director	Ratio
1.	The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year	N. Jayakumar, Managing Director & Group CEO	14.34 X
		Pradip Dubhashi, Chairman & Independent Director	N.A.
		Alpana Parida, Independent Director	N.A.
		Namrata Kaul, Independent Director	N.A.
		Smita Affinwalla, Independent Director	N.A.
		Akshay Gupta, Non-Executive & Non-Independent Director	N.A.
		1. The Median Remuneration of Employees of the Company was ₹36.25 lakh.	
		2. Independent Directors are not paid any remuneration except Sitting Fees, which has not been considered as remuneration.	
		3. Non-Executive & Non-Independent Directors are neither paid any remuneration nor any Sitting Fees.	
		4. Figures have been rounded off wherever necessary.	
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year	N. Jayakumar, Managing Director & Group CEO	20.93
		Pradip Dubhashi, Chairman & Independent Director	N.A.
		Alpana Parida, Independent Director	N.A.
		Namrata Kaul, Independent Director	N.A.
		Smita Affinwalla, Independent Director	N.A.
		Akshay Gupta, Non-Executive & Non-Independent Director	N.A.
		S. R. Sharma, Chief Financial Officer	Nil
		Ajay Shah, Company Secretary	(2.07)
		1. Increase, if any, in remuneration is made as per appraisal system and Remuneration and Nomination Policy of the Company	
		2. Independent Directors are not paid any remuneration except Sitting Fees, which has not been considered as remuneration.	
		3. Non-Executive & Non-Independent Directors are neither paid any remuneration nor any Sitting Fees.	

Sr. No.	Requirements	Disclosure	
		Name of the Director	Ratio
3.	The percentage increase in the Median Remuneration of Employees in the Financial Year	During FY 2020, the percentage decrease in the median remuneration of employees as compared to previous year was 7.05.	
4.	The number of Permanent Employees on the rolls of Company	There were 8 employees as on March 31, 2020.	
5.	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase / (decrease) in remuneration is (15.39)% for employees other than managerial personnel and 18.68% for managerial personnel.	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is confirmed.	

For and on behalf of the Board of Directors

Date: August 18, 2020

Pradip Dubhashi

N. Jayakumar

Place: Mumbai

Chairman

Managing Director & Group CEO

Annexure 8 to Director's Report

EMPLOYEE STOCK OPTION SCHEME (ESOS)

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

Particulars		ESOS 2018
a)	Options granted	30,55,000
b)	Pricing formula	₹34.70 per share for 10,20,000 Options ₹36.50 per share for 15,70,000 Options (Fair value determined based on 10% discount to the three months average price, upto the Grant Date)
c)	Options vested	9,43,500
d)	Options exercised	Nil
e)	The total number of shares arising as a result of exercise of option	Nil
f)	Options lapsed	4,65,000
g)	Variation of terms of options	Nil
h)	Money raised by exercise of options	Nil
i)	Total number of options in force	25,90,000
j)	Employee wise details of options granted	
i)	Senior managerial personnel	Total 7,00,000 Options granted to 2 senior managerial personnel (employees one level below the Board of Directors including employees of subsidiaries) (Only summary given due to sensitive nature of information)
ii)	Any other employee who receives a grant in any one year of option amounting to 5% or more of the option granted during that year	6 employees has received Options more than 5% of the Options granted during the year, totalling 15,50,000 Options
iii)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	1 identified employee granted Options exceeding 1% of the issued capital totalling 9,00,000 Options

k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard AS20 Earnings Per Share		₹(0.90) per share of face value of ₹5/- each
l)	i)	Method of calculation of employee compensation cost	Fair value method
	ii)	Difference between the employee compensation cost so computed at (i) above and cost that shall have been recognised if it had used the fair value of the options	Nil
	iii)	The impact of this difference on profits and on EPS of the Company	The net profit is lower by ₹105 lakh and basic & diluted EPS is lower by ₹0.39 per share
m)	Weighted average exercise price and weighted average fair value		Weighted average exercise price – ₹30.56 Weighted average fair value – ₹41.55
n)	Fair value of options based on Black Scholes methodology - assumptions		
	Risk free rate		7.36% - 7.34%
	Expected life of options		6.5 years - 7.5 years
	Expected volatility		67.06%
	Expected dividends		-
	Closing market price of share on date of option grant		₹41.35

For and on behalf of the Board of Directors

Mumbai
August 18, 2020

Pradip Dubhashi
Chairman

N. Jayakumar
Managing Director & Group CEO

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report

To
The Members of
Prime Securities Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying standalone financial statements of Prime Securities Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of

the state of affairs (financial position) of the Company as at 31 March 2020, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTERS

4. We draw attention to Note 29 of the accompanying standalone financial statements, which indicates that the Company had adopted Ind AS from 1 April 2017 instead of 1 April 2019 and the considered transition date as 1 April 2016 which is not in compliance with Companies (Indian Accounting Standards) (Amendment) Rules, 2016, dated 30 March 2016. However, management has assessed that the impact applying the appropriate transition date as well as the possible impact of fines/penalty, if any, on account of such non-compliance on the standalone financial statement of the Company would not be material.
5. We draw attention to Note 30 to the accompanying standalone financial statements, regarding the Company's investments in and inter-Company deposit extended to Primesec Investments Limited (PIL), wholly owned subsidiary aggregating to ₹4,945 lakhs as at 31 March 2020, which is considered as fully recoverable by the management based on the valuation performed by an independent valuation expert. However, these are dependent on certain assumptions and estimates considered by the management, the

appropriateness of which is dependent upon the realisation of the related business plans.

6. We draw attention to Note 31 to the accompanying standalone financial statements regarding the restatement done by the management of the Company in accordance with the principles of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors on account of various adjustments which are further described in the aforesaid note.

Our opinion is not modified in respect of these matter.

KEY AUDIT MATTER

7. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
8. we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue Recognition</p> <p>We refer to the Groups significant accounting policies in note 2(b) and the revenue related disclosure in note 38 of the consolidated financial statements.</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none">· Evaluated the appropriateness of the Company's accounting policy for revenue recognition.· Evaluated the design and operating effectiveness of key controls over the revenue recognition process.

Key audit matter	How our audit addressed the key audit matter
<p>The Groups revenue from operations arises from merchant banking and advisory services, which mainly includes Corporate & Financial Advisory services, arranging long term finance and raising equity funds.</p> <p>Recognition of revenue is based upon the satisfaction of performance obligations upon transfer of control of promised services to customers in an amount that reflects the consideration the Group is contractually expected to receive in exchange for those services as set forth under the terms of engagement.</p> <p>Identification of the various performance obligations within the contract and allocation of consideration to these performance obligations, is complex and requires significant management judgement.</p> <p>Considering the materiality of amounts involved, significant judgements, this has been identified as a key audit matter in respect of consolidated financial statements</p>	<ul style="list-style-type: none"> · For the revenue contracts entered by the Company, the following procedures were performed. <ul style="list-style-type: none"> - Obtained and inspected the mandates, with respect to the key contractual terms entered by the Company with the customer and evaluated the appropriateness of the accounting treatment assessed by the management. - Evaluated whether the performance obligations and service delivery obligations as per the terms of the engagement appear to be satisfied by the Group to the extent of revenue recognized, by performing enquiry with the management and inspecting supporting documents evidencing completion of such work; - Tested invoices, on a sample basis, raised in relation to the advisory services and traced the receipt of money in respect of such invoices to the bank statements <p>Accounting of unbilled revenue was verified with invoices issued in subsequent period..</p> <ul style="list-style-type: none"> - For cut-off transactions, confirmations from clients were obtained to support the Groups assessment of fulfillment of performance obligations · Evaluated the appropriateness and adequacy of the disclosures related to revenue in the consolidated financial statements in accordance with the applicable accounting standards..

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

8. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, Director's Report, Corporate Governance and Management Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

9. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial

statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no

realistic alternative but to do so.

11. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

12. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override

of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair

presentation.

15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

18. The standalone financial statements of the Company for the year ended 31 March 2019 were audited by the predecessor auditor, Gandhi & Associates LLP, who have expressed a qualified opinion on those financial statements vide their audit report dated 18 May 2019.
19. The comparative financial information of the opening balance sheet as

at 1 April 2018 in these standalone financial statements which is restated as mentioned in para 6 above is based on the previously issued financial statement for the year ended 31 March 2018, were audited by previous auditors, Gandhi & Associates LLP, Chartered Accountants who have expressed unmodified opinion vide their audit report dated 29 May 2018, whose reports have been furnished to us, and which have been relied upon by us for the purpose of our audit of the financial statements. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

20. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
21. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
22. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 19 June 2020 as per Annexure II expressed unmodified opinion;
- 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, as detailed in note 27 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
UDIN: 20105782AAAAEV9135

Place: Mumbai
Date: 19 June 2020

ANNEXURE I

Annexure I to the Independent Auditor's Report of even date to the members of Prime Securities Limited, on the standalone financial statements for the year ended 31 March

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties which are included under the head 'Property, plant and equipment' are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
 - (b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;
 - (c) there is no overdue amount in respect of loans granted to such companies;
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no

undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	175	-	AY 2017-18	Commission of Income Tax (Appeals)

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid/provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where

applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 19 June 2020

ANNEXURE II

to the Independent Auditor's Report of even date to the Members of Prime Securities Limited, on the standalone financial statements for the year ended 31 March 2020

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Prime Securities Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Board of Directors 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.

5. 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 IFCoFR.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's IFCoFR 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 IFCoFR include 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2020, 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 issued by ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
UDIN: 20105782AAAAEV9135

Place: Mumbai
Date: 19 June 2020

Balance Sheet as at March 31, 2020

(₹ in Lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
I. Financial assets				
a) Cash and cash equivalents	3	166	20	6
b) Bank balance other than (a) above	4	185	-	-
c) Receivables	5			
(i) Trade receivables		267	561	65
(ii) Other receivables		393	393	396
d) Loans	6	4,525	4,604	5,067
e) Investments	7	2,122	1,876	909
f) Other financial assets	8	40	347	348
Sub total (I)		7,698	7,801	6,791
II. Non-financial assets				
a) Current tax assets (net)	9	383	215	157
b) Deferred tax assets (net)	10	78	99	89
c) Property, plant and equipment	11 (a)	271	55	32
d) Other intangible assets	11 (b)	1	1	1
e) Other non-financial assets	12	30	26	88
Sub total (II)		763	396	367
TOTAL ASSETS (I + II)		8,461	8,197	7,158
LIABILITIES AND EQUITY				
I. Financial liabilities				
a) Payables				
(i) Trade payables	13			
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		17	24	32
b) Borrowings	14	23	199	459
c) Other financial liabilities	15	226	19	2
Sub total (I)		266	242	493
II. Non-financial liabilities				
a) Provisions	16	490	649	233
b) Other non-financial liabilities	17	277	17	13
Sub total (II)		767	666	246
III. Equity				
a) Equity share capital	18	1,330	1,330	1,330
b) Other equity	19	6,098	5,959	5,089
Sub total (III)		7,428	7,289	6,419
TOTAL LIABILITIES AND EQUITY (I + II+III)		8,461	8,197	7,158

The accompanying notes are an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
(Firm Registration Number:
001076N/N500013)

For Prime Securities Limited

N. Jayakumar
Managing Director & Group CEO

Pradip Dubhashi
Chairman

Sudhir N Pillai
Partner
Membership No 105782

S. R. Sharma
Chief Financial Officer

Ajay Shah
Company Secretary

Place : Mumbai
Date : June 19, 2020

Place : Mumbai
Date : June 19, 2020

Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

Particulars	Note no.	Year ended March 31, 2020	Year ended March 31, 2019
I. Revenue from operations			
i) Interest income on deposits		55	27
ii) Rental income		4	5
iii) Fee & Commission income	20	2,225	1,038
iv) Net gain on fair value changes		-	41
Total Revenue from operations (I)		2,284	1,111
II. Other Income			
Business support service income		260	-
Total Other income (II)		260	-
III. Total income (I) + (II)		2,544	1,111
IV. Expenses			
i) Finance costs	21	8	4
ii) Fees & commission expense	22	540	-
iii) Net loss on fair value changes		33	-
iv) Impairment on financial instruments	23	889	77
v) Employee benefits expense	24	836	825
vi) Depreciation and amortisation expense		34	17
vii) Other expenses	25	422	264
Total expenses (IV)		2,762	1,187
V. Profit / (Loss) before tax (III) - (IV)		(218)	(76)
VI. Tax expense			
i) Current tax		-	-
ii) Earlier year tax		(2)	-
iii) Deferred tax		23	(8)
Total Tax expense (VI)		21	(8)
VII. Profit / (Loss) after tax (V) - (VI)		(239)	(68)
VIII. Other comprehensive income			
Item that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) of the defined benefit plans		(7)	(9)
Deferred tax on remeasurement of the defined benefit plans		2	2
Other comprehensive income for the year (VIII)		(5)	(7)
IX. Total comprehensive income for the year (Comprising Profit / (Loss) and other Comprehensive Income for the period) (VII) - (VIII)		(244)	(75)
Earnings / (Loss) per equity share of nominal value of ₹5w each			
Basic (in ₹)	26	(0.90)	(0.26)
Diluted (in ₹)		(0.90)	(0.26)

The accompanying notes are an integral part of these financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
(Firm Registration Number:
001076N/N500013)

For Prime Securities Limited

N. Jayakumar
Managing Director & Group CEO

Pradip Dubhashi
Chairman

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Membership No 105782

S. R. Sharma
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Ajay Shah
Company Secretary

Place : Mumbai
Date : June 19, 2020

Place : Mumbai
Date : June 19, 2020

Statement of Cash Flows for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities:		
Profit / (Loss) before tax	(225)	(85)
Adjustments for :		
Depreciation and amortisation	34	17
Changes in fair valuation of investment (net) through profit or loss	32	(41)
(Profit)/ Loss on sale of property, plant and equipments (net)	-	6
Interest on Finance Lease	4	-
Finance cost	2	4
Interest income	(48)	(27)
Share based payment to employees	105	7
Impairment on Financial Assets	889	77
Operating profit before working capital changes	793	(42)
Adjustments for changes in working capital:		
Non current liabilities		
(Decrease) / Increase in provisions		
Increase / (Decrease) in trade payables	(6)	(8)
Increase/ (Decrease) in other financial liabilities	(20)	18
(Decrease)/ Increase in provisions	(159)	416
Increase/ (Decrease) in other non-financial liabilities	260	5
(Increase)/ Decrease in other receivables	(0)	4
Decrease/ (Increase) in trade receivables	(267)	(497)
Decrease/ (Increase) in other non-financial assets	(4)	(15)
Total changes in working capital	(196)	(77)
Cash generated / (used) from operations	597	(120)
Taxes paid, net of refunds	(167)	(58)
Net cash generated / (used) from operating activities (A)	430	(178)
Cash flow from investing activities:		
Purchase of property, plant and equipments	(10)	(51)
Proceeds from sale / disposal of property, plant and equipments	-	6
Purchase of Investments	(0)	(855)
Movement in Loans to Subsidiaries	79	463
Decrease/ (Increase) in other bank balances	(184)	-
Interest income	46	27

Statement of Cash Flows for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net cash generated/(used) from investing activities (B)	(68)	(410)
Cash flow from financing activities:		
Application Money against warrants	-	866
Borrowings repaid during the year	(176)	(260)
Interest Paid	(2)	(4)
Payment of Lease Liability	(18)	-
Payment of Security Deposit	(20)	(0)
Net cash generated / (used) in financing activities (C)	(216)	602
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	146	14
Cash and cash equivalents at the beginning of the year	20	6
Cash and cash equivalents at the end of the year	166	20
	146	14
	-	-
Notes:		-
1) Cash and cash equivalents comprise of Cash on hand	1	0
Balances with banks	-	-
In current account	165	20
Cash and cash equivalents	166	20

Note:

- The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).
- Figures in brackets indicate cash outflows

For Walker Chandiook & Co LLP
Chartered Accountants
(Firm Registration Number:
001076N/N500013)

For Prime Securities Limited

N. Jayakumar

Pradip Dubhashi

Managing Director & Group CEO Chairman

Sudhir N Pillai
Partner
Membership No 105782

S. R. Sharma
Chief Financial Officer

Ajay Shah
Company Secretary

Place : Mumbai
Date : June 19, 2020

Place : Mumbai
Date : June 19, 2020

Statement of Changes in Equity for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

EQUITY SHARE CAPITAL

Particulars	Number of shares	Amount	Total
As at March 31, 2020	26,515,325	1,330	1,330
As at March 31, 2019	26,515,325	1,330	1,330
As at April 01, 2018	26,515,325	1,330	1,330

OTHER EQUITY

Particulars	Capital reserve	Capital Redemption Reserve	Securities Premium Reserve	Share Options outstanding account	Advance against Share Capital	General reserve	Retained earnings	Other comprehensive income ("OCI")	Total
Opening balance as at April 01, 2018	165	217	5,317	29	-	2,400	(2,991)	(48)	5,089
Transactions during the year									
Profit after tax for the year/ adjustments	-	-	-	-	-	-	(68)	-	(68)
Adjustment due to Restatement on Share based Compensation	-	-	-	49	-	-	29	-	78
Other comprehensive income/ (loss) for the year (net of tax)	-	-	-	-	-	-	-	(7)	(7)
Advance against Share Capital Provided during the Year	-	-	-	-	866	-	-	-	866
Closing balance as at March 31, 2019	165	217	5,317	78	866	2,400	(3,030)	(55)	5,959
Transactions during the year									
Profit after tax for the year	-	-	-	-	-	-	(239)	-	(239)
Other comprehensive income/ (loss) for the year (net of tax)	-	-	-	-	-	-	-	(5)	(5)
Advance against Share Capital forfeited and transferred (Refer note 33)	866	-	-	-	(866)	-	-	-	-
Share based compensation	-	-	-	383	-	-	-	-	383
Closing balance as at March 31, 2020	1,031	217	5,317	461	-	2,400	(3,269)	(60)	6,098

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

This is the Statement of Changes in Equity referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

(Firm Registration Number:

001076N/N500013)

For Prime Securities Limited

N. Jayakumar

Managing Director & Group CEO

Pradip Dubhashi

Chairman

Sudhir N Pillai

Partner

Membership No 105782

S. R. Sharma

Chief Financial Officer

Ajay Shah

Company Secretary

Place : Mumbai

Date : June 19, 2020

Place : Mumbai

Date : June 19, 2020

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

1. CORPORATE INFORMATION

Prime Securities Limited ("PSL" or 'the Company') is a public limited company and incorporated under the provisions of Companies Act, 1956. The Company is domiciled in India and the addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

PSL is a Leading provider of diversified, Investment Banking and Corporate Advisory services, licensed and regulated by the Securities and Exchange Board of India (SEBI), authorized to Advise and Arrange financial services under a Category 1 Merchant Banking License. The Company is a member of Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

PSL specialize in providing value added advice and services to our clients on complex strategic and financial decisions and transactions focused around Fund Raising, Mergers & Acquisitions, Equity & Debt Private Placements, Initial Public Offerings, Corporate Advisory, and Capital Restructuring.

The Financial statements were approved for issuance by the Company's Board of Director on June 19, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value;
- Defined benefit plans – plan assets measured at fair value
- Share based payment

iii) Preparation of financial statements

The Company is covered in the definition of non-banking financial company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company presents the Balance Sheet, the Statement of Profit and

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

Loss and the statement of Changes in Equity in the order of liquidity as per the format prescribed under Division III of Schedule III to the Companies Act, 2013. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is prescribed in Note 48

iv) Use of Estimates and Judgements

The preparation of financial statements in accordance with Ind AS requires use of estimates, judgements and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period.. The actual amounts realised may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods.

Estimates and judgements are required in particular for:

- **Determination of the estimated useful lives of Property Plant and Equipments:**

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. Useful lives of Property Plant and Equipments are based on the life prescribed in Schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

- **Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of deferred tax assets / liabilities:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of provisions and contingencies:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions. Contingencies the likelihood of which is remote are not disclosed in the financial statements.

- **Impairment of financial assets:**

The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

- **Fair valuation of employee share option**

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.

- **Determining whether an arrangement contains a lease:**

The Company determines lease term as a non-cancellable period of a lease, together with both the period covered by an option to extend the lease if the Company is reasonably certain to exercise lessee options. The determination of the incremental borrowing rate used to measure lease liabilities.

b) Revenue Recognition

The Company derives revenues primarily from advisory services.

The Company recognises revenue from contracts with customers based on a five

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Company is contractually expected to receive in exchange for those services.

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or,
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or,
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

c) Recognition of Non-Operating Income:

- i) Dividend income is recognised when the right to receive is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- ii) Interest income is recognised on accrual basis.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

- iii) Gain or losses on sale of investments are recognized on trade dates by comparing the sales realization with the weighted average cost of such investment.
- iv) Rental income is recognised on accrual basis as per the terms of the rent agreement.

d) Property, plant and equipment:

Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent cost relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are derecognised from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. Useful life of Property Plant and Equipment are reviewed at each balance sheet date and adjusted prospectively, if appropriate. The Company provides pro-rata depreciation from the date on which the asset is first put to use, till date the assets are sold or disposed.

Assets	Useful life
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	3 years
Vehicles	8 to 10 years

Notes to the Standalone Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

e) **Intangible Fixed Assets:**

Measurement at recognition

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

The Company amortizes intangible assets on a straight-line basis over the five years commencing from the date on which the asset is first put to use.

Assets	Useful life
Computer Software	5 years

Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

f) **Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Fair value of financial instruments:

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair value measurement under Ind AS are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Financial Assets:

(i) Initial recognition and measurement:

All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Classification and subsequent measurement:

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

1. Financial assets carried at amortised cost

a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as revenue from operations in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI.

Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Revenue from operations' in the Statement of Profit and Loss.

3. Investments in mutual funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

(iii) Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables - The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

(iv) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities:

(i) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

(iii) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

g) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h) Employee Benefits:

i) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.

ii) Post Employment / Retirement Benefits:

Defined contribution plan:

Contribution to Defined Contribution Plans such as Provident Fund, Employees' State Insurance Corporation, etc., are charged to the Statement of Profit and Loss as incurred.

Defined Benefit Plans:

The present value of the obligation under such plans, is determined based on an actuarial valuation by an independent actuary at the end of each year, using the Projected Unit Credit Method. In the case of gratuity, which is funded, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Remeasurement of net defined benefit liability, which comprises actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any excluding interest), are recognized immediately in other comprehensive income.

iii) Other Long Term Employee Benefits:

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

i) Share based payments

Employee stock option scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions. Information about the valuation techniques and inputs used in determining the fair value of options disclosed in note 32.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

j) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

k) Foreign Exchange Transactions:

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in statement of profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate as at the date of transaction.

l) Leases:

Leases – As lessee:

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee:

The Company has adopted Ind AS 116 "Leases" using the cumulative catch-up approach. Company has recognised Right of Use assets as at 1 April 2019 for leases previously classified as operating leases and measured at an amount equal to lease liability (adjusted for related prepayments/ accruals). The Company has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

m) Taxation:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in Statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

i) Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of on temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

n) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

o) Impairment of non-financial assets:

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

p) Provisions, Contingent Assets and Contingent Liabilities:

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

q) Earnings/(Losses) per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

r) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements.

s) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

t) Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from 1 April 2020

u) These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

3. CASH AND CASH EQUIVALENTS

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash and cash equivalents			
Cash on hand	1	0	0
Balances with banks			
In current accounts	165	20	6
Total	166	20	6

4. BANK BALANCES OTHER THAN (3) ABOVE

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Others			
Term deposits with maturity more than 3 months but less than 12 months	185	-	-
Total	185	-	-

5. RECEIVABLES

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Trade receivables	267	561	65
Other receivables *	393	393	396
Total	660	954	461

Refer note 40 E (i) for credit risk analysis

* No trade or other receivables are due from directors or other officers or any of them either severally or jointly with any other person. No trade or other receivables are due from firms, limited liability partnerships or private companies in which any director is a partner or a director or a member.

6. LOANS

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Loans to Subsidiary Companies (Unsecured, Considered Good) (Refer note 35)	4,525	4,604	5,067
Loans to Subsidiary Companies (Unsecured, Considered Doubtful)	49	49	49
Less: Impairment loss allowance	(49)	(49)	(49)
	4,525	4,604	5,067

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

6. LOANS (Contd.)

Loans In India

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Others	4,574	4,653	5,116
Less: Impairment loss allowance	(49)	(49)	(49)
Total	4,525	4,604	5,067

7. INVESTMENTS

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Share / Unit	Fair Value / Net Asset Value	Share / Unit	Fair Value / Net Asset Value	Share / Unit	Fair Value / Net Asset Value
At Amortised Cost less Impairment						
Wholly-owned Subsidiary Companies						
Prime broking company (india) limited	53,41,000	1,720	53,41,000	1,720	53,41,000	1,720
Prime commodities broking (india) limited	5,00,000	50	5,00,000	50	5,00,000	50
Prime research & advisory limited	13,50,000	1,050	13,50,000	913	3,50,000	33
Primesec investments limited	6,36,000	980	16,36,000	839	16,36,000	798
Prime funds management limited	50,000	5	50,000	5	-	-
Total		3,805		3,526		2,601
Less: Impairment loss allowance		(1,720)		(1,720)		(1,753)
Total investment in wholly owned subsidiary (A)		2,085		1,807		848
At fair value through profit or loss						
Investments in equity instruments:						
Greycells education limited	79,000	29	79,000	30	79,000	33
Solid stone limited	41,939	8	41,939	39	41,939	28
Total investments in equity instruments (B)		37		69		61
Total investment (A) + (B)		2,122		1,876		909
Investments in India		2,122		1,876		909
Investments outside India		-		-		-
Total		2,122		1,876		909

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

8. OTHER FINANCIAL ASSETS

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Interest accrued on deposits	1	-	-
Security deposits	39	20	20
Advance Given	-	327	328
Total	40	347	348

9. CURRENT TAX ASSET (NET)

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advance income tax	383	215	157
[Net of provision for tax ₹297 Lacs (March 31, 2019: ₹360 Lacs), (April 1, 2018: ₹307 Lacs)]			
Total	383	215	157

10. DEFERRED TAX ASSETS (NET)

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred tax assets (Refer notes 44 and 45)			
Liability towards lease rentals	2	-	-
Provision for compensated absences	39	64	28
Provision for gratuity	12	7	5
Depreciation / amortisation	25	28	56
Total	78	99	89

11. (A) PROPERTY, PLANT AND EQUIPMENT

Particulars	Right to Use (Refer note 36)	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles (Refer note 34)	Total
Gross carrying value						
Gross carrying value as of April 1, 2018	-	4	2	13	27	46
Additions	-	2	1	3	46	51
Disposals	-	-	-	-	(20)	(20)
Gross carrying value as of March 31, 2019	-	6	3	16	54	78

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

11. (A) PROPERTY, PLANT AND EQUIPMENT (Contd.)

Particulars	Right to Use (Refer note 36)	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles (Refer note 34)	Total
Additions	240	6	3	-	-	250
Disposals	-	-	-	-	-	-
Gross carrying value as of March 31, 2020	240	12	6	16	54	328
Accumulated depreciation						
Accumulated depreciation as of April 1, 2018	-	2	1	4	7	14
Depreciation	-	2	1	4	10	17
Accumulated depreciation on disposals	-	-	-	-	(8)	(8)
Accumulated depreciation as of March 31, 2019	-	4	2	8	9	23
Depreciation for the year	21	2	1	2	8	34
Accumulated depreciation on disposals	-	-	-	-	-	-
Accumulated depreciation March 31, 2020	21	6	3	10	17	57
Net carrying value						
Net carrying value as on April 1, 2018	-	3	1	9	19	32
Net carrying value as on March 31, 2019	-	2	1	8	44	55
Net carrying value as on March 31, 2020	219	6	3	6	37	271

11. (B) OTHER INTANGIBLE ASSETS

Particulars	Computer software#
Gross carrying value	
Gross carrying value as of April 1, 2018	1
Additions	-

Notes to the Standalone Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

11. (B) OTHER INTANGIBLE ASSETS (Contd.)

Particulars	Computer software#
Disposals	-
Gross carrying value as of March 31, 2019	1
Additions	0
Disposals	-
Gross carrying value as of March 31, 2020	2
Accumulated amortisation	
Accumulated amortisation as of April 1, 2018	0
Amortisation for the year	0
Accumulated amortisation on disposals	-
Accumulated amortisation as of March 31, 2019	0
Amortisation for the year	0
Accumulated amortisation on disposals	-
Accumulated amortisation as of March 31, 2020	1
Net carrying value	
Net carrying value as on April 1, 2018	1
Net carrying value as on March 31, 2019	1
Net carrying value as on March 31, 2020	1

Other than internally generated.

12. OTHER NON-FINANCIAL ASSETS

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good:			
Vendor advances	13	20	79
Prepaid expenses	17	6	9
Total	30	26	88

13. PAYABLES

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises (Refer note 47)	-	-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	17	24	32
	17	24	32

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

14. BORROWINGS (Contd.)

Total	17	24	32
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14. BORROWINGS

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Measured at amortised cost			
Secured			
Term Loan from Bank* (Refer note no 34)	23	29	209
Unsecured			
Loans and advances from Related Parties (Refer note 35)	-	170	250
Total	23	199	459
Borrowings in India	23	199	459
Borrowings outside India	-	-	-
Total	23	199	459

* Term Loan from bank is secured against hypothecation of vehicles

15. OTHER FINANCIAL LIABILITIES

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Application Money received for Allotment of Warrants	-	-	2
Lease Liability (Refer Note 36)	226	-	-
Bank Overdraft	-	3	-
Other payables	-	16	-
Total	226	19	2

16. PROVISIONS

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for gratuity (Refer note 42)	43	26	18
Provision for compensated absences	140	231	202
Provision for employee benefit expenses	307	392	13
Total	490	649	233

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

17. OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory dues (including provident fund, tax deducted at source and goods and services tax)	277	15	11
Revenue received in Advance	-	2	2
Total	277	17	13

18. EQUITY SHARE CAPITAL

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Authorised :			
3,50,00,000 (March 31, 2019 3,50,00,000 and April 1, 2018 3,50,00,000) Equity Shares of ₹5/- each	1,750	1,750	1,750
18,00,000 (March 31, 2019 18,00,000 and April 1, 2018 18,00,000) Unclassified Shares of ₹100/- each	1,800	1,800	1,800
Issued :			
2,72,64,525 (March 31, 2019 2,72,64,525 and April 1, 2018 2,72,64,525) Equity Shares of ₹5/- each	1,363	1,363	1,363
Subscribed and paid up:			
2,65,15,325 (March 31, 2019 2,65,15,325 and April 1, 2018 2,65,15,325) Equity Shares of ₹5/- each	1,326	1,326	1,326
Add : Share Forfeiture Account [7,48,600 Equity Shares forfeited]	4	4	4
Total	1,330	1,330	1,330

(a) Reconciliation of number of shares

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Equity shares:						
Balance as at the beginning and end of the year	26,515,325	1,330	26,515,325	1,330	26,515,325	1,330

(b) Rights and restrictions attached to the shares

Equity shares:

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

18. EQUITY SHARE CAPITAL (Contd.)

The Company has only one class of equity shares having a par value of ₹5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Equity shares:						
Judith Investments Private Limited	1,783,497	6.73	1,783,497	6.73	1,783,497	6.73
N. Jayakumar	3,562,987	13.44	3,403,059	12.83	3,124,759	11.78
Navin Khandelwal	1,410,000	5.32	-	-	-	-

- (d) Aggregate number and class of shares allotted as fully paid-up pursuant to contract without payment being received in cash and bonus shares issued and shares bought back during the period of five years immediately preceding the current year

The company has neither allotted any class of shares as fully paid-up pursuant to contract without payment being received in cash and nor issued bonus shares and there has been any buy back of shares during the five years immediately preceding March 31, 2020.

19. OTHER EQUITY

	As at March 31, 2020 ₹	As at March 31, 2019 ₹	As at April 1, 2018 ₹
Capital Reserve			
Balance as at the beginning of the year	165	165	165
Add: Transfer from advance against share capital	866	-	-
Balance at the end of the year	1,031	165	165
Capital Redemption Reserve			
Balance as at the beginning of the year	217	217	217
Balance at the end of the year	217	217	217
Securities Premium			

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

19. OTHER EQUITY (Contd.)

	As at March 31, 2020 ₹	As at March 31, 2019 ₹	As at April 1, 2018 ₹
Balance as at the beginning of the year	5,317	5,317	5,317
Balance at the end of the year	5,317	5,317	5,317
Share Options Outstanding Account			
Balance as at the beginning of the year	78	29	-
Add: Provided during the year	383	49	29
Balance at the end of the year	461	78	29
Advance against Share Capital			
Balance as at the beginning of the year	866	-	-
Add: Advance received against issue of warrants	-	866	-
Less: Transfer to Capital Reserve	(866)	-	-
Balance at the end of the year	-	866	-
General Reserve			
Balance as at the beginning and end of the year	2,400	2,400	2,400
Balance at the end of the year	2,400	2,400	2,400
Surplus in Statement of Profit and Loss			
Balance as at the beginning of the year	(3,030)	(2,991)	(3,484)
Profit for the year	(239)	(68)	347
Add: Adjustment due to Restatement on Share based Compensation	-	29	-
Add: Adjustment due to Restatement of Accumulated Depreciation	-	-	146
Balance at the end of the year	(3,269)	(3,030)	(2,991)
Items of Other Comprehensive Income			
Remeasurement of Defined Benefit Liability			
Balance as at the beginning of the year	(55)	(48)	(33)
Add : Remeasurement of Defined Benefit Liability during the year	(5)	(7)	(15)
Balance at the end of the year	(60)	(55)	(48)
Total	6,098	5,959	5,089

Capital Reserve

It is made out of capital profits earned. The same is not available for profit distribution.

Capital Redemption Reserve

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

20. FEE & COMMISSION INCOME (Contd.)

The capital redemption reserve is created to be utilised towards redemption of preference shares. The reserve will be utilised in accordance with provision of the Act.

Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

Share Options Outstanding Account

Share based payment expense pertaining to outstanding portion of the option not yet exercised.

Advance against Share Capital

Advance against Share Capital represents the initial subscription received towards issue of convertible warrants on a preferential basis.

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Surplus in Statement of Profit and Loss

Surplus in the statement of profit and loss represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

Items of Other Comprehensive Income

Other comprehensive income consist of remeasurement gains / losses on defined benefit plans, gain / (loss) of equity instruments carried through FVTOCI.

20. FEE & COMMISSION INCOME

	Year ended March 31, 2020	Year ended March 31, 2019
Merchant Banking and Advisory Fees	2,225	1,038
Less : Goods and services tax	-	-
Merchant Banking and Advisory Fees (net)	2,225	1,038
Total	2,225	1,038

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products/ service lines and timing of revenue recognition:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Primary geographical market		
India	2,225	1,038
Outside India	-	-
Total	2,225	1,038

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

Major products/ service lines		
Merchant Banking and Advisory Fees	2,225	1,038
Total	2,225	1,038
Timing of revenue recognition		
At a point in time	2,225	1,038
Over a period of time	-	-
Total	2,225	1,038

21. FINANCE COSTS

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense	4	4
Interest on finance lease obligations	4	-
Total	8	4

22. FEES & COMMISSION EXPENSE

	Year ended March 31, 2020	Year ended March 31, 2019
Brokerage and commission on funds	-	-
Fees & Commission expense	540	-
Total	540	-

23. IMPAIRMENT ON FINANCIAL INSTRUMENTS

	Year ended March 31, 2020	Year ended March 31, 2019
Sundry Balance Written-Off (Net)	889	77
Total	889	77

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

24. EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, bonus and allowances	671	757
Contribution to provident and other funds [Refer note 42]	24	4
Gratuity [Refer note 42]	11	5
Compensated absences	9	48
Employee share based payments [Refer note 32]	105	7
Staff welfare expenses	16	3
Total	836	825

25. OTHER EXPENSES

	Year ended March 31, 2020	Year ended March 31, 2019
Rent (Refer note 36)	24	38
Repairs and maintenance - others	51	9
Rates and taxes	2	1
Insurance	6	4
Electricity	2	2
Travelling, conveyance and car hire	12	28
Legal and professional fees	171	76
Auditors Remuneration		
Audit fees	17	6
Other services	2	1
Out of pocket expenses	-	-
Directors' sitting fees	43	24
Loss on sale/ disposal of property, plant and equipment (net)	-	6
Spend towards Corporate Social Responsibility (CSR) activities (Refer note 38)	15	-
Miscellaneous expenditure	79	69
Total	422	264

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

26. EARNINGS /(LOSSES) PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit after tax for the year attributable to equity shareholders of company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The relevant details as described above are as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Basic earnings /(Losses) per share		
Profit / (Loss) attributable to equity shareholders (₹ in Lacs) (A)	(239)	(68)
Nominal value per share (₹)	5	5
Weighted average number of equity shares outstanding during the year (B)	26,515,325	26,515,325
Earnings /(Losses) per share (Basic) (₹) [(A) / (B)]	(0.90)	(0.26)
Diluted earnings /(Losses) per share		
Profit / (Loss) attributable to equity shareholders (₹ In Lacs)	(239)	(68)
Less: Impact on profit due to exercise of diluted potential equity shares	-	-
Profit / (Loss) attributable to equity shareholders for calculation of diluted earnings per share (₹ In Lacs) (A)	(239)	(68)
Weighted average number of equity shares used in computing basic earnings per share	26,515,325	26,515,325
Effect of potential equity shares for stock options outstanding	228,046	69,018
Weighted number of equity shares used in computing diluted earnings per share [B]	26,743,371	26,584,343
Earnings /(Losses) per share (Diluted) (₹) [(A) / (B)]	(0.90)	(0.26)

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

27. Contingent Liabilities to the extent not provided for in respect of:

Sr. No.	Particulars	March 31, 2020	March 31, 2019
i)	Demands raised by Tax Authorities against which the Company has preferred appeals	175	13

Demand in respect of Income tax matters for which appeal is pending is ₹175 lakhs (Previous Year 13 lakhs). This is disputed by the Company and hence not provided for in the books of accounts.

28. Board of Directors had on January 9, 2020 approved the Scheme of Arrangement, under Sections 230 to 232 read with Section 66 & Section 52 & other applicable provisions of the Companies Act, 2013 and the rules & regulations made thereunder, comprising merger of wholly-owned subsidiaries, Primesec Investments Limited & Prime Commodities Broking (India) Limited into the Company, which is subject to necessary approvals by stock exchanges, SEBI, shareholders and creditors, as may be applicable, and jurisdictional bench of National Company Law Tribunal and such other statutory / regulatory approvals, as may be required.

29. The Company had adopted IND AS from 1 April 2017 and comparative financial information for the year ended 31 March 2018 and transition date opening balance sheet as at 1 April 2016 were prepared in accordance with Ind AS. The Company being a listed NBFC (for the purpose of complying with IND AS, as per the provisions of the Companies (Indian Accounting Standard) Rules, 2015) with a net-worth of less than ₹500 crores, should have adopted Ind AS from 1 April 2019 with transition date being 1 April 2018 in accordance with Companies (Indian Accounting Standards) (Amendment) Rules, 2016, dated 30 March 2016.

The Management has ascertained the impact of change in transition date from 1 April 2016 to 1 April 2018 which has an insignificant impact on the equity and the management believes that no adjustment is required in the financial statements for the current year.

Further, the Management has also sought legal opinion to ascertain the qualitative and quantitative impact, for the contravention of Companies (Indian Accounting Standards) (Amendment) Rules, 2016, dated 30 March 2016 and believes that the same is not material to the financial statements.

Further, the Ministry of Corporate Affairs (MCA), vide its notification dated October 11, 2018 issued Division III of Schedule III, which provides the format for financial Statements of Non-Banking Financial Companies, as defined in the Companies (Indian Accounting Standards) (Amendments) Rules 2016. These Financial Statements have been prepared in accordance with Division III. The corresponding figures for the year ended March 2019 has been reclassified to comply with the requirements of the Division III.

30. The Company has a financial exposure of ₹4945 lakhs as at 31 March 2020 in its wholly owned subsidiary viz. Primesec Investment Limited ("PIL") – investment in equity shares and inter-Company deposits. PIL has a negative networth of ₹ (2316) Lakhs. However, having regard to efforts undertaken by the Board of PIL, among other things to

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

30. (Contd.)

augment revenue sources and realise value of its investments, the financial statement of PIL have been prepared on the basis that it is going concern and that no adjustment are required to the carrying value of asset and liabilities.

Based on the aforesaid facts and valuation performed by an independent valuer the management believes that the amount is fully recoverable and no provision is necessary for diminution in the value of the Company's financial exposure in PIL.

31. In accordance with the requirements of Indian Accounting Standards (IND AS) – 8, "Accounting Policies, Changes in Accounting Estimates and Errors" – management has restated certain account balances for the comparative year in order to comply with the accounting principles enunciated under the relevant IND-AS's.

(a) Employee Benefit Expenses for the year ended 31 March 2019 aggregating to ₹825 lakhs respectively, have been adjusted on account of de-recognition of expenses pertaining to share based payment transactions of subsidiaries employees, which was earlier charged to the holding company to the tune of ₹71 Lakhs for the year ended 31 March 2019 respectively, and correspondingly recognized as deemed investment in subsidiaries.

(b) Depreciation Expense for the year ended 31 March 2019 aggregating to ₹17 lakhs have been adjusted on account of reversal of depreciation expense pertaining to reclassification of PPE to 'other Receivable' as per Ind AS 16 to the financial asset to the tune of ₹9 lakhs for the year ended 31 March 2019.

Accordingly, opening reserve as on 1 April 2018 is adjusted to the tune of ₹146 lakhs on account of reversal of the aforesaid depreciation.

(c) Employee Benefit Expenses and other expenses for the year ended 31 March 2019 aggregating to ₹349 Lakhs has been adjusted on account of expenses related to performance bonus.

32. EMPLOYEES STOCK OPTION SCHEMES (ESOS)

The Company's stock based compensation plan for Employees comprises ESOS 2018, which have been instituted for all eligible Employees / Directors of the Company and its Subsidiaries. ESOS 2018 permits allocation of an aggregate of 4,500,000 Equity Shares of the face value of ₹5/- per share to the eligible Employees / Directors of the Company and its Subsidiaries, on the recommendation of the Nomination and Remuneration Committee, at an Exercise Price which shall be at 10% discount to the Three Months Average Market Price on the Grant Date.

During the Year, the Company has granted 16,80,000 Options to the eligible Employees / Directors of the Company and its Subsidiaries.

All Options granted under earlier employee stock option schemes have lapsed / expired and accordingly such schemes have been discontinued.

The number of options granted, exercised and lapsed under the above schemes is set out below:

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

31. (Contd.)

Particulars (Exercise Price)	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Weighted Average Exercise Price	No of Shares	Weighted Average Exercise Price
ESOS 2018				
Options outstanding, beginning of the Year	1,375,000	34.70	-	-
Add: Granted during the Year	1,680,000	36.50	1,887,000	34.70
Less: Exercised during the Year	-	-	-	-
Less: Lapsed during the Year	465,000	35.13	512,000	34.70
Options outstanding, end of the Year	2,590,000	35.79	1,375,000	34.70
ESOS 2009				
Options outstanding, beginning of the Year	-	-	106,400	38.00
Add: Granted during the Year	-	-	-	-
Less: Exercised during the Year	-	-	-	-
Less: Lapsed during the Year	-	-	106,400	38.00
Options outstanding, end of the Year	-	-	-	-

The Company has its accounting policy for ESOPs valuation at fair value method for appropriate presentation of financial statements .

Particulars	ESOS 2018	ESOS 2009
Date of Grant	Various dates	Various dates
Date of board approval	May 29, 2018	July 17, 2009
Date of shareholders' approval	September 24, 2018	September 29, 2009
Number of options granted	3,567,000	1,485,000
Method of settlement	Equity Shares	Equity Shares
Vesting period	18 Months & 30 Months	12 Months, 24 Months & 30 Months
Vesting pattern	50 % : 50%	33.33% - 33.33% - 33.33%
Weighted average remaining contractual life		
Granted but not vested	5.93 Years (Previous year Nil)	N.A. (Previous year Nil)

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

32. EMPLOYEES STOCK OPTION SCHEMES (ESOS) (Contd.)

Particulars	ESOS 2018	ESOS 2009
Vested but not exercised	Nil (Previous year Nil)	N.A. (Previous year Nil)
Weighted average share price at the date of exercise for stock options exercised during the year	Nil (Previous year Nil)	N. A. (Previous year Nil)
Exercise period	5 years from vesting date	5 years from vesting date
Vesting conditions	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time.	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time.
Weighted average fair value of options as on grant date	30.56	27.47

The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options during the year are as follows:

Sr. No.	Particulars	ESOS 2018
(A)	Risk-free rate	7.36% - 7.34%
(B)	Expected life of options	6.5 years - 7.5 years
(C)	Expected volatility	67.06%
(E)	Weighted average share price	₹41.55 Per Share
(F)	Weighted average exercise price Grant Date 18-May-2019 - ₹36.50 Per Share	Grant Date 13-Nov-2018 - ₹34.70 Per Share Grant Date 18-May-2019 - ₹36.50 Per Share
(G)	Method used to determine expected volatility	Based on the returns generated on equity shares of Company for the period from F.Y. 2013 to F.Y. 2019

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

32. EMPLOYEES STOCK OPTION SCHEMES (ESOS) (Contd.)

Expense on Employee Stock Options Scheme debited to the Statement of Profit and Loss during the year is ₹105 lakhs (Previous year ₹7 lakhs). The Carrying amount of ESOP reserve as on March 31, 2020 is ₹461 lakhs (March 31, 2019 ₹78 lakhs).

The company provides the sensitivity analysis to show the impact to the Company's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the company's estimation by the stated percentages.

Impact on the income statement of a change in leaver assumptions	Year ended March 31, 2020	Year ended March 31, 2019
(+) 5%	-	-
(-) 5%	5.24	0.37

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

33. EQUITY SHARE WARRANTS

During the earlier year, the Company had issued and allotted 70,00,000 (Seventy Lacs) Equity Share Warrants on a preferential basis, carrying an entitlement to subscribe to an equivalent number of Equity Shares of ₹5/- each, to the Investors at an Exercise Price of ₹49.50 per share. The Company had received 25% of Exercise Price at the time of application of warrants. The warrant holders had an option to acquire the Equity Shares, in one or more tranches, on or before the expiry of 18 months from the date of allotment of the Warrants upon payment of balance 75%. The Company had shown the amount received from warrant holders as advance against share capital under Other Equity as on March 31, 2019. The said Equity Share Warrants were lapsed on September 30, 2019, as the warrant holders did not exercise the option of acquiring the equity shares before the stipulated period. The amount received from warrant holders, aggregating to Rs. 866 lakhs, has been transferred to capital reserve for advance against share capital.

34. BORROWINGS:

(A) Secured loans:

a) Term Loan from Bank:

Term loan of ₹23 Lakhs (March 31, 2019 ₹29 lakhs and April 1, 2018 ₹9 lakhs) from the Bank is secured against Vehicle of the Company.

b) Other Loan from Bank:

Other Loan from Bank of ₹ Nil (March 31, 2019 ₹ Nil, and April 1, 2018 ₹200 lakhs) is secured against pledge of shares of other parties.

c) Term of Repayment

Term Loan from Bank is repayable in equal monthly instalment, the last instalment is due on June 5, 2023 as per repayment schedule having interest rate of 8.60% p.a.

(B) Unsecured loans:

Loan from other party is unsecured, interest free and repayable on demand. Loan from related party is from an associate company in which a director is interested. It is an interest free unsecured loan and repayable on demand.

35. RELATED PARTY DISCLOSURES:

Related party disclosures in respect of related parties with whom transactions have taken place during the year are given below:

Names of related parties and their relationships:

Subsidiary Companies:

Prime Research & Advisory Limited
Prime Commodities Broking (India) Limited
Primesec Investments Limited
Prime Funds Management Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

35. RELATED PARTY DISCLOSURES: (Contd.)

Enterprises in which Key Management Personnels and the relatives exercise significant influence:

Gateway Entertainment Limited
Judith Investments Private Limited

Key Management Personnels:

Mr. N. Jayakumar
Mr. Ajay Shah
Mr. S R Sharma (From May 18, 2019)

Independent Directors:

Mr. Pradip Dubhashi
Mr. S R Sharma (Upto February 29, 2020)
Ms. Alpana Parida
Ms. Namrata Kaul
Ms. Smita Cawas Affinwalla

Relative of Independent Director:

Mr. Samresh Parida (Proprietor of S P Growth Consulting)

Director in Group Company

Mr. Puneet Pandey (Upto June 30, 2019)

Enterprises in which Key Management Personnels have control

ALSS Investments

The following transactions were carried out with the related parties in the ordinary course of business during the year 2019-20:

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
1	Interest received from Prime Commodities Broking (India) Limited	Subsidiary	48	27
2	Loan to Prime Commodities Broking (India) Limited	Subsidiary		
	Sums given		1,305	1,065
	Refund received		1,075	1,170
3	Interest free Loan given to Prime Research & Advisory Limited	Subsidiary		
	Sums Received		233	175

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

35. RELATED PARTY DISCLOSURES: (Contd.)

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
	Sums paid		233	62
4	Interest free loan given to Primesec Investment Limited	Subsidiary		
	Sums given		603	508
	Sums Received		1,243	775
5	Investment in shares of Prime Funds Management Limited	Subsidiary	-	5
6	Reimbursement of expenses from Primesec Investments Limited	Subsidiary	260	-
7	Remuneration paid to Key Managerial Personnel			
	- Mr. N Jayakumar	Key Management Personnel	502	511
	- Mr. Ajay Shah	Key Management Personnel	46	80
8	Sitting Fees to Independent Directors	Independent Directors	43	24
9	Rent received from S P Growth Consulting	Relative of Director	4	5
10	Repayment of Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited	Enterprises in which Key Management Personnels and the relatives exercise significant influence	170	80
11	Advance Received against Share Capital from Mr. Puneet Pandey	Director in Group Company	-	432
12	Advance Received against Share Capital from ALSS Investments	Enterprises in which Key Management Personnels have control	-	432

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

35. RELATED PARTY DISCLOSURES: (Contd.)

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
13	ESOP Charge to Primesec Investments Limited	Subsidiary	142	41
14	ESOP Charge to Prime Research & Advisory Limited	Subsidiary	137	30

Outstanding Balance

Sr. No.	Nature of Transaction	Relationship	Balance as on	
			March 31, 2020	March 31, 2019
1	Loan given to Prime Commodities Broking (India) Limited	Subsidiary	498 (Debit)	268 (Debit)
2	Interest free Loan given to Prime Research & Advisory Limited	Subsidiary	62 (Debit)	62 (Debit)
3	Interest free loan given to Primesec Investment Limited	Subsidiary	3965 (Debit)	4274 (Debit)
4	Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited	Enterprises in which Key Management Personnels and the relatives exercise significant influence	Nil	170 (Credit)

Note:

As the liabilities for gratuity and leave compensation are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel is not included above.

36. LEASES

The Company has taken various office premises on operating lease for the period which ranges from 12 months to 60 months with an option to renew the lease by mutual consent on mutually agreeable terms.

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" using the cumulative catch-up approach. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

36. LEASES (Contd.)

adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

The adoption of the new standard Ind AS 116, resulted in recognition of 'Right of Use' (ROU) asset of ₹12 lakhs and a lease liability of ₹12 lakhs. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.00 %.

Information about leases for which the company is a lessee are presented below:

(A) Right of use assets for the year ended March 31, 2020

Particulars	Amount
Balance as at April 1, 2019	-
Adjustment on transition to Ind AS 116	12
Movement during the year	228
Depreciation on Right-Of-Use (ROU) assets	(21)
Balance as at March 31, 2020	219

(B) Lease liabilities for the year ended March 31, 2020

Particulars	Amount
Balance as at April 1, 2019	-
Adjustment on transition to Ind AS 116	12
Movement during the year	228
Add: Interest cost accrued during the period	4
Less: Payment of lease liabilities	(18)
Balance as at March 31, 2020	226

(C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities as at March 31, 2020

Particulars	As at March 31, 2020
Less than three months	14
Three to twelve months	37
One to five years	175
More than five years	-

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

36. LEASES (Contd.)

Total	226
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(D) Amount recognised in statement of profit & loss for the year ended March 31, 2020

Particulars	Amount
Interest cost on lease liabilities	4
Depreciation on right of use assets	21
Rental Expenses recorded for short-term lease payments and payments for leases of low value assets not included in the measurement of the lease liability	24

(E) Amount recognised in statement of cash flows for the year ended March 31, 2020

Particulars	Amount
Cash payments for the principal & interest portion of the lease liability within financing activities	(18)
Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	(24)

Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore expected future minimum commitments as at March 31, 2019 during the non- cancellable period under the lease arrangements have been presented below, based on the financial statements for the year ended March 31, 2019. Further there are no short term or low value leases, for which Company carries any material commitments.

	As at March 31, 2020	As at March 31, 2019
Within one year	-	35
Later than one year but not later than five years	-	7
Later than five years	-	-
	-	42

37. SEGMENTAL REPORTING:

The company's business segment is providing merchant banking and advisory services and it has no other primarily reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liabilities and total cost incurred to acquire segment assets, is as reflected in the financial statements as of and for the year ended March 31, 2020. There is no distinguishable component of the company engaged in providing services in a different economic environment. The company has no offices outside India and there are no reportable geographical segments.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

38. CORPORATE SOCIAL RESPONSIBILITY

As required by Section 135 of Companies Act, 2013 and rules therein, a Corporate social responsibility committee has been formed by the Company. The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013

- (a) Gross amount required to be spent by the Company during the year 2019-20 ₹ Nil (Previous year ₹11 lakhs).
- (b) Amount spent during the year on:

Particulars	2019-20	2018-19
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	15	-

39. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company determines revenue recognition through the following steps:

- (a) Identification of the contract, or contracts, with a customer.
- (b) Identification of the performance obligations in the contract
- (c) Determination of the transaction price.
- (d) Allocation of the transaction price to the performance obligations in the contract.
- (e) Recognition of revenue when, or as, we satisfy a performance obligation.

I. Nature of Services

Merchant Banking and Advisory Services

The Company derives main revenue from corporate advisory services. The company specialize in providing value added advice and services to our clients on complex strategic and financial decisions and transactions focused around Fund Raising, Mergers & Acquisitions, Equity & Debt Private Placements, Initial Public Offerings, Corporate Advisory, and Capital Restructuring.

II. Contract Balances

Trade Receivables. The outstanding balance as on 31 March 2020 : ₹267 lakhs, 31 March 2019: ₹561 lakhs and April 1, 2018 : ₹65 Lakhs. (Refer note 5)

Loans & Advances. The outstanding balance as on 31 March 2020 : ₹4525 lakhs, 31 March 2019: ₹4064 lakhs and April 1, 2018 : ₹5067 Lakhs. (Refer note 6)

III. Performance obligations and timing of revenue recognition

Income from corporate advisory services is recognised upon rendering of services.

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2020	Fair value through Profit and Loss				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	166	166
Bank balance other	-	-	-	-	185	185
Trade receivables	-	-	-	-	267	267
Other receivables	-	-	-	-	393	393
Loans	-	-	-	-	4,525	4,525
Investments	37	-	-	37	2,086	2,086
Other financial assets	-	-	-	-	40	40
	-	-	-	-		-
Total	37	-	-	37	7,661	7,661
Financial liabilities						
Trade payables	-	-	-	-	17	17
Borrowings	-	-	-	-	23	23
Other financial liabilities	-	-	-	-	226	226
Total	-	-	-	-	266	266

March 31, 2019	Fair value through Profit and Loss				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	20	20
Bank balance other	-	-	-	-	-	-
Trade receivables	-	-	-	-	561	561
Other receivables	-	-	-	-	393	393
Loans	-	-	-	-	4,604	4,604
Investments	69	-	-	69	1,807	1,807
Other financial assets	-	-	-	-	347	347
Total	69	-	-	69	7,732	7,732

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd.)

March 31, 2019	Fair value through Profit and Loss				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
Financial liabilities						
Trade payables	-	-	-	-	24	24
Borrowings	-	-	-	-	199	199
Other financial liabilities	-	-	-	-	19	19
Total	-	-	-	-	242	242

April 1, 2018	Fair value through Profit and Loss					
	Level 1	Level 2	Level 3	Total	Amount	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	6	6
Bank balance other	-	-	-	-	-	-
Trade receivables	-	-	-	-	65	65
Other receivables	-	-	-	-	396	396
Loans	-	-	-	-	5,067	5,067
Investments	61	-	-	61	848	848
Other financial assets	-	-	-	-	348	348
Total	61	-	-	61	6,730	6,730
Financial liabilities						
Trade payables	-	-	-	-	32	32
Borrowings	-	-	-	-	459	459
Other financial liabilities	-	-	-	-	2	2
Total	-	-	-	-	493	493

B) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

The hierarchy is used as follows:

- Level 1:

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1

Notes to the Standalone Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd.)

· Level 2:

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

· Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

C) Valuation techniques used to determine fair value:

Significant valuation techniques used to value financial instruments include:

The carrying amounts of cash and cash equivalent, trade receivables, other financial assets, loans, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

The following tables show the valuation techniques used in measuring Level 1 fair values.

Type	Valuation technique
Equity Investments	The valuation has been done using the quoted price in active market.

D) Fair value of financial instrument measured at amortised cost

Fair value of financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the hierarchy levels.

E) Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board of Directors have adopted an Enterprise Risk Management Policy framed by the Company, which identifies the risk and lays down the risk minimization procedures. The Management reviews the Risk management policies and systems on a regular basis to reflect changes in market conditions and the Company's activities, and the same is reported to the Board of Directors periodically. Further, the Company, in

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd.)

order to deal with the future risks, has in place various methods / processes which have been imbibed in its organizational structure and proper internal controls are in place to keep a check on lapses, and the same are been modified in accordance with the regular requirements.

The Audit Committee oversees how Management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal auditors.

The Company has exposure to the following risk arising from financial instruments:

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

For trade receivables, the company individually monitors outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company monitors each loans and advances given and makes any specific provision wherever required.

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting

Notes to the Standalone Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd.)

date, the Company assesses the impairment requirements.

At March 31, 2020, the ageing of trade receivables was as follows.

Particulars	Carrying amount (₹ in lakhs)		
	March 31, 2020	March 31, 2019	April 1, 2018
Neither past due nor impaired			
Past due 1–90 days	267	-	-
Past due 91–180 days	-	500	62
Past due 181–365 days	-	-	-
Past due 366 days	-	61	3
	267	561	65

Management believes that the unimpaired amounts which are past due are collectible in full.

Cash and cash equivalents and other Bank balances

The Company held cash and cash equivalents and other bank balances of ₹350 lakhs as on March 31, 2020 (March 31, 2019, ₹20 lakhs & April 1, 2018, ₹6 Lakhs). The cash and cash equivalents are held with banks with good credit ratings.

Loans:

The Company held Loans of ₹4,525 lakhs as on March 31, 2020 (March 31, 2019, ₹4604 lakhs & April 1, 2018, ₹5067 lakhs). The loans are in the nature of loans to subsidiary and are fully recoverable.

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

40. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd.)

estimated interest payments and exclude the impact of netting agreements.

March 31, 2020	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	17	17	17	-	-	-	-
Borrowings	23	23	3	3	7	10	-
Other financial liabilities	226	226	26	25	54	121	-

March 31, 2019	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	23	23	23	-	-	-	-
Borrowings	199	199	173	3	6	17	-
Other financial liabilities	19	19	19	-	-	-	-

April 1, 2018	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	32	32	32	-	-	-	-
Borrowings	459	459	250	202	5	2	-
Other financial liabilities	2	2	2	-	-	-	-

The gross inflows/(outflows) disclosed in the above tables represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity.

41. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management

Notes to the Standalone Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

41. CAPITAL MANAGEMENT (Contd.)

is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using debt to equity ratio.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Borrowings	23	199	459
Gross Debt	23	199	459
Less: Cash & Bank Balance	(350)	(20)	(6)
Net debt (A)	-	179	454
Total equity (B)	7,428	7,289	6,419
Net debt to equity ratio (A) / (B)	0.00%	2.46%	7.07%

42. EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

The Company recognised ₹24 lakhs for year ended March 31, 2020 (₹4 lakhs for year ended March 31, 2019) provident fund contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan:

1 Gratuity

The Company participates in the Employees Gratuity scheme, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

42. EMPLOYEE BENEFITS (Contd.)

A) Particulars	Gratuity	
	March 31, 2020	March 31, 2019
Defined benefit obligation	78	58
Fair value of Plan Assets at the end of the year	35	32
Net Obligation at the end of the year	43	26

B) Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening balance	58	43	32	25	26	18
Included in profit or loss						
Current service cost	9	8	-	-	9	8
Past service cost	-	-	-	-	-	-
Interest cost / (income)	4	3	2	2	2	1
	71	54	34	27	37	27
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss / (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	3	1	-	-	3	1
Experience adjustment	4	4	-	-	4	4
Return on plan assets excluding Interest income	-	-	0	(0)	(0)	0
	-	-	-	-	-	-
	78	58	34	27	44	31
Other						

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

42. EMPLOYEE BENEFITS (Contd.)

Contributions paid by the employer	-	-	-	5	-	(5)
Benefits paid	(0)	-	(0)	-	-	-
Closing balance	78	58	34	32	44	26
Represented by						
Net defined benefit asset	-	-	-	-	(34)	(32)
Net defined benefit liability	-	-	-	-	78	58
	-	-	-	-	44	26

C) Plan assets

Plan assets comprise the following:

Particulars	March 31, 2020	March 31, 2019
Fund managed by Insurance Company	34	32
Total	34	32

D) Defined benefit obligations

i) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.83%	7.69%
Expected Rate of Return on Plan Assets	6.83%	7.69%
Salary escalation rate	5.00%	5.00%
Employee Turnover	2.00%	2.00%
Mortality rate	N.A.	N.A.
	Indian Assured Lives	Indian Assured Lives
	Mortality (2006-08)	Mortality (2006-08)
	Ult.	Ult.

Assumptions regarding future mortality have been based on published statistics and mortality tables.

ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

42. EMPLOYEE BENEFITS (Contd.)

shown below.

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.35)	3.88	(3.02)	3.41
Future salary growth (1% movement)	3.91	(3.43)	3.47	(3.12)
Rate of employee turnover (1% movement)	0.46	(0.51)	0.63	(0.70)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2020 were as follows

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2020, i.e. ₹0.21 lakhs

Expected future benefit payments	(₹ in lakhs)
March 31, 2021	46
March 31, 2022	1
March 31, 2023	1
March 31, 2024	1
March 31, 2025	1
Thereafter	72

2 Compensated Absences:

The Compensated Absences is payable to all eligible employees for each day of accumulated leave on death or on resignation. Compensated Absences debited to Statement of Profit and Loss during the year amounts to ₹9 lakhs (March 31, 2019 ₹48 lakhs). Accumulated provision for leave encashment aggregates ₹140 lakhs (March 31, 2019 ₹231 lakhs).

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

43. AUDITORS REMUNERATION

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Payment to Auditor		
Statutory audit	7	4
Limited review of quarterly results	10	2
For certification	2	1
As Auditor	19	7
Out of pocket expenses	0	-
Total	19	7

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

44. INCOME TAX EXPENSE

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Amounts recognised in statement of profit or loss		
Current tax		
Current year (a)	-	-
Changes in estimates related to prior years (b)	2	-
Deferred tax (c)		
Origination and reversal of temporary differences	(23)	8
Tax expense (a)+(b)+(c)	(21)	8
B. Tax recognised in other comprehensive income		
Deferred Tax on remeasurement of defined benefit liability	2	2
Total	2	2
C. Recognised deferred tax assets and liabilities		
Deferred tax assets and liabilities are attributable to the following:		
Difference between book depreciation and tax depreciation	(3)	(29)
Lease Rent adjustment as per Ind AS 116	2	-
Provision for Gratuity	5	2
Provision for compensated absence	(25)	36
Net Deferred Tax Expense	(21)	10

45. NET DEFERRED TAX

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax asset on account of:		
Lease Rent adjustment as per Ind AS 116	2	-
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	25	28
Provision for gratuity	12	7
Provision for compensated absences	39	64
Total Deferred tax assets (A)	78	99
Total Deferred tax liability (B)	-	-
Net Deferred Tax Assets / (Liability) (A) - (B)	78	99

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

46. MOVEMENT OF DEFERRED TAX

Particulars	As at Mar 31, 2020	Recognised through Other Comprehensive Income	Recognised through Profit and Loss	As at Mar 31, 2019	Recognised through Other Comprehensive Income	Recognised through Profit and Loss	As at April 01, 2018
Deferred tax asset on account of:							
Lease Rent adjustment as per Ind AS 116	2	-	2	-	-	-	-
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	25	-	(3)	28	-	(0)	28
Provision for gratuity	12	2	3	7	-	2	5
Provision for compensated absences	39	-	(25)	64	0	8	56
Total Deferred tax assets (A)	78	2	(23)	99	-	10	89
Total Deferred tax liability (B)	-	-	-	-	-	-	-
Net Deferred Tax Assets / (Liability) (A) - (B)	78	2	(23)	99	-	10	89

47. DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006), certain disclosures are required to be made relating to dues to Micro and Small enterprises. The Company has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	The principal amount remaining unpaid at the end of the year.	-	-
2	The interest amount remaining unpaid at the end of the year.	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

47. DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES (Contd.)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
3	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
5	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
6	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
7	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 to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
	The Balance of MSMED parties as at the end of the Year	-	-

48. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
Financial Assets									
Cash and Cash Equivalents	166	-	166	20	-	20	6	-	6
Bank Balance other than Cash and Cash Equivalents above	185	-	185	-	-	-	-	-	-
Receivables									
Trade Receivables	267	-	267	561	-	561	65	-	65
Other Receivables	393	-	393	393	-	393	396	-	396
Loans	4,525	-	4,525	4,604	-	4,604	5,067	-	5,067
Investments	-	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

48. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
Other Financial Assets	7	33	40	-	347	347	-	348	348
Total financial assets (A)	5,542	2,156	7,698	5,578	2,223	7,802	5,534	1,258	6,791
Non-financial assets									
Current Tax Assets (Net)	-	383	383	-	215	215	-	157	157
Deferred Tax Assets (Net)	-	78	78	-	99	99	-	89	89
Property, Plant and Equipment	-	271	271	-	55	55	-	32	32
Other Intangible assets	-	1	1	-	1	1	-	1	1
Other non-financial assets	24	6	30	26	0	26	88	-	88
Total Non-financial Assets (B)	24	739	763	26	371	397	88	280	367
Total Assets (C) = (A) + (B)	5,566	2,895	8,461	5,604	2,594	8,198	5,622	1,537	7,158

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
Financial liabilities									
Payables									
Trade Payables									
Total Outstanding dues of Micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	17	-	17	24	-	24	32	-	32
Borrowings	6	17	23	6	193	199	4	455	459
Other financial liabilities	51	175	226	19	-	19	2	-	2
Total Financial Liabilities (A)	74	192	266	49	193	242	37	455	493
Non Financial Liabilities									
Provisions	490	-	490	649	-	649	233	-	233
Other Non Financial Liabilities	277	-	277	17	-	17	13	-	13
Total Non-Financial Liabilities (B)	767	-	767	666	-	666	246	-	246
Total Liabilities (C) = (A) + (B)	841	192	1,033	715	193	908	284	455	739

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

49. ASSETS PLEDGED AS SECURITY

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non financial asset			
Property, Plant and Equipment (Vehicle)	37	44	19
Total assets pledged as security	36	44	19

50. Primesec Investments Limited, a wholly owned subsidiary ("PIL"), has reimbursed an amount of ₹260 lakhs by way of business support charges, for the time and efforts devoted by the Group CEO for the operations of PIL in accordance with the cost sharing agreement entered into by the company with PIL.

51. The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreak was declared as a global pandemic by the World Health Organisation. In view of the complete lockdown, we have moved to a 100% work from home mode of operation and we have been able to conduct business without any interruption during this period using digital tools. All our employees have been able to work remotely and securely. We will gradually open our physical offices once permitted based on the guidelines and rules issued by the government.

The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial statements. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

52. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

For Walker Chandiok & Co LLP
Chartered Accountants
(Firm Registration Number:
001076N/N500013)

For and on behalf of the Board of Directors

N. Jayakumar

Managing Director & Group CEO

Pradip Dubhashi

Chairman

Sudhir N Pillai

Partner

Membership No 105782

S. R. Sharma

Chief Financial Officer

Ajay Shah

Company Secretary

Place : Mumbai

Date : June 19, 2020

Place : Mumbai

Date : June 19, 2020

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To
The Members of
Prime Securities Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying consolidated financial statements of Prime Securities Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013

('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2020, and its consolidated profit, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 17 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTERS

4. We draw attention to Note 29 to the accompanying consolidated financial statements, which indicates that the Group had incorrectly adopted Ind AS from 1 April 2017 instead of 1 April 2019 and considered transition date as 1 April 2016 which is not in compliance with Companies (Indian Accounting Standards) (Amendment) Rules, 2016, dated 30 March 2016. However, management has assessed that the impact of applying the appropriate transition date as well as the possible impact of fines/penalty, if any, on account of such non-compliance on the consolidated financial statement of the Group would not be material.
5. We draw attention to Note 30 to the accompanying consolidated financial statements regarding the restatement done by the management of the Group

in accordance with the principles of Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors on account of various adjustments which are further described in the aforesaid note.

Our opinion is not modified in respect of these matters..

KEY AUDIT MATTER

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
7. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue Recognition</p> <p>We refer to the Groups significant accounting policies in note 2(b) and the revenue related disclosure in note 38 of the consolidated financial statements.</p> <p>The Groups revenue from operations arises from merchant banking and advisory services, which mainly includes Corporate & Financial Advisory services, arranging long term finance and raising equity funds. .</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> · Evaluated the appropriateness of the Groups accounting policy for revenue recognition. · Evaluated the design and operating effectiveness of key controls over the revenue recognition process. · For the revenue contracts entered by the Company, the following procedures were performed. <ul style="list-style-type: none"> - Obtained and inspected the mandates, with respect to the key contractual terms entered by the Group with the customer and evaluated the appropriateness of the accounting treatment assessed by the management. .

<p>Recognition of revenue is based upon the satisfaction of performance obligations upon transfer of control of promised services to customers in an amount that reflects the consideration the Group is contractually expected to receive in exchange for those services as set forth under the terms of engagement.</p> <p>Identification of the various performance obligations within the contract and allocation of consideration to these performance obligations, is complex and requires significant management judgement.</p> <p>Considering the materiality of amounts involved, significant judgements, this has been identified as a key audit matter in respect of consolidated financial statements</p>	<ul style="list-style-type: none"> - Evaluated whether the performance obligations and service delivery obligations as per the terms of the engagement appear to be satisfied by the Group to the extent of revenue recognized, by performing enquiry with the management and inspecting supporting documents evidencing completion of such work; - Tested invoices, on a sample basis, raised in relation to the advisory services and traced the receipt of money in respect of such invoices to the bank statements. - Accounting of unbilled revenue was verified with invoices issued in subsequent period. - For cut-off transactions, confirmations from clients were obtained to support the Groups assessment of fulfillment of performance obligations.
	<ul style="list-style-type: none"> - Evaluated the appropriateness and adequacy of the disclosures related to revenue in the consolidated financial statements in accordance with the applicable accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

8. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, Director's Report, Corporate Governance and Management Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements,

our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

9. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial

statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no

realistic alternative but to do so.

11. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant

audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

17. We did not audit the financial statements of 3 subsidiaries, whose financial statements reflects total assets of ₹ 4,311 lakhs and net assets of ₹ (819) lakhs as at 31 March 2020, total revenues of ₹ 5,206 lakhs and net cash inflow amounting to ₹ 876 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act,

in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

18. We did not audit the financial information of 1 subsidiary, whose financial information reflect total assets of ₹ 5 lakhs and net assets of ₹ 5 lakhs as at 31 March 2020, total revenues of ₹ Nil and net cash inflows/outflows amounting to ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. This financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

19. The consolidated financial statements of the Company for the year ended 31 March 2019 were audited by the predecessor auditor, Gandhi & Associates LLP, who have expressed a

qualified opinion on those consolidated financial statements vide their audit report dated 18 May 2019.

20. The comparative financial statement of the opening balance sheet as at 1 April 2018 in these consolidated financial statements which is restated as mentioned in the aforesaid para 5 are based on the previously issued financial statement for the year ended 31 March 2018 were audited by previous auditors, Gandhi & Associates LLP who have expressed unmodified opinion vide their audit report dated 29 May 2018, whose reports have been furnished to us, and which have been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

21. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 17, on separate financial statements of the subsidiaries, we report that the Holding Company and its subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
22. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report (s) of the other auditor (s) on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2020 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 Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';
- 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 and based on the consideration of the report

of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 27 to the consolidated financial statements;
- ii. the Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, covered under the Act, during the year ended 31 March 2020;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable. For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner

Membership No.: 105782
UDIN: 20105782AAAAEV9135

Place: Mumbai

Date: 19 June 2020

ANNEXURE I

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

1. In conjunction with our audit of the consolidated financial statements of Prime Securities Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company and its subsidiary companies which are companies covered under the Act, are 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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 issued by ICAI

OTHER MATTER

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 3 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 4,311 lakhs and net assets of ₹ (819) lakhs as at 31 March 2020, total revenues of ₹ 5,206 lakhs and net cash inflows amounting to ₹ 876 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

We did not audit the internal financial controls with reference to financial statements in so far as it relates to 1 subsidiary, which are companies covered under the Act, whose financial information reflect total assets of ₹ 5 lakhs and net assets of ₹ 5 lakhs as at 31 March 2020, total revenues of ₹ Nil and

net cash inflows/outflows amounting to ₹ Nil for the year ended on that date. The internal financial controls with reference to financial statements of this subsidiary company which are companies covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiary, is solely based on the corresponding internal financial controls with reference to financial statements report certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, financial information are not material to the Group. Our report on adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Group does not include the internal financial controls with reference to financial statements assessment in respect of the aforesaid company. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements reports certified by the management.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

UDIN: 20105782AAAAEV9135

Place: Mumbai

Date: 19 June 2020

Consolidated Balance Sheet as at March 31, 2020

(₹ in Lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
I. Financial assets				
a) Cash and cash equivalents	3	201	87	11
b) Bank balance other than (a) above	4	1,439	347	525
c) Receivables	5			
(i) Trade receivables		439	2,211	130
(ii) Other receivables		393	518	526
d) Loans	6	-	100	200
e) Investments	7	189	275	164
f) Other financial assets	8	2,249	884	363
Sub total (I)		4,910	4,422	1,919
II. Non-financial assets				
a) Current tax assets (net)	9	550	69	97
b) Deferred tax assets (net)	10	84	98	89
c) Property, plant and equipment	11 (a)	374	201	38
d) Other intangible assets	11 (b)	4	5	1
e) Other non-financial assets	12	245	63	170
Sub total (II)		1,257	436	395
TOTAL ASSETS (I + II)		6,167	4,858	2,314
LIABILITIES AND EQUITY				
I. Financial liabilities				
a) Payables				
(i) Trade payables	13			
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		245	43	34
b) Borrowings	14	44	380	797
c) Other financial liabilities	15	533	236	55
Sub total (I)		822	659	886
II. Non-financial liabilities				
a) Provisions	16	504	655	242
b) Other non-financial liabilities	17	311	180	22
Sub total (II)		815	835	264
III. Equity				
a) Equity share capital	18	1,330	1,330	1,330
b) Other equity		3,200	2,034	(166)
Sub total (III)		4,530	3,364	1,164
TOTAL LIABILITIES AND EQUITY (I + II+III)		6,167	4,858	2,314

The accompanying notes are an integral part of these consolidated financial statements.
This is the consolidated Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
(Firm Registration Number:
001076N/N500013)

For and on behalf of the Board of Directors
Prime Securities Limited

N. Jayakumar
Managing Director & Group CEO

Pradip Dubhashi
Chairman

Sudhir N Pillai
Partner
Membership No 105782

S. R. Sharma
Chief Financial Officer

Ajay Shah
Company Secretary

Place : Mumbai
Date : June 19, 2020

Place : Mumbai
Date : June 19, 2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

Particulars	Note no.	Year ended March 31, 2020	Year ended March 31, 2019
I. Revenue from operations			
i) Interest income		75	40
ii) Dividend income		0	17
iii) Rental income		4	5
iv) Fee & Commission income	20	7,366	4,586
v) Net gain on fair value changes		-	42
vi) Gain on sale/ redemption of investments (net)		1	4
Total Revenue from operations (I)		7,446	4,694
II. Other Income			
Miscellaneous income		-	1
Total Other income (II)		-	1
III. Total income (I) + (II)		7,446	4,695
IV. Expenses			
i) Finance costs	21	22	17
ii) Fees & Commission expense	22	1,880	720
iii) Net loss on fair value changes		129	-
iv) Impairment on financial instruments		1,969	138
v) Employee benefits expense	24	1,847	1,748
vi) Depreciation and amortisation expense	23	99	29
vii) Other expenses	25	426	396
Total expenses (IV)		6,372	3,048
V. Profit / (Loss) before tax (III) - (IV)		1,074	1,647
VI. Tax expense			
i) Current tax		271	390
ii) Earlier year tax		(2)	-
iii) Deferred tax		16	(6)
Total Tax expense (VI)		285	384
VII. Profit / (Loss) after tax (V) - (VI)		789	1,263
VIII. Other comprehensive income			
Item that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) of the defined benefit plans		(9)	(10)
Deferred tax on remeasurement of the defined benefit plans		3	2
Other comprehensive income for the year (VIII)		(6)	(8)
IX. Total comprehensive income for the year (Comprising Profit / (Loss) and other Comprehensive Income for the period) (VII) - (VIII)		783	1,255
Earnings per equity share of nominal value of ₹5 each			
Basic (in ₹)		2.98	4.76
Diluted (in ₹)	26	2.95	4.75

The accompanying notes are an integral part of these consolidated financial statements.
This is the Statement of consolidated Profit and Loss referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
(Firm Registration Number:
001076N/N500013)

For and on behalf of the Board of Directors
Prime Securities Limited

N. Jayakumar
Managing Director & Group CEO

Pradip Dubhashi
Chairman

Sudhir N Pillai
Partner
Membership No 105782

S. R. Sharma
Chief Financial Officer

Ajay Shah
Company Secretary

Place : Mumbai
Date : June 19, 2020

Place : Mumbai
Date : June 19, 2020

Consolidated Statement of Cash Flows for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities:		
Profit before tax	1,065	1,637
Adjustments for :		
Depreciation and amortisation	99	29
Changes in fair valuation of investment (net) through profit or loss	130	(43)
(Profit)/ Loss on sale of property, plant and equipments (net)	16	6
Gain on sale of investments (net)	(1)	(4)
Finance cost	22	17
Interest income on deposits	(75)	(40)
Dividend income	(0)	(17)
Restricted stocks award/ employee stock incentive plan amortised	383	78
Operating profit before working capital changes	1,639	1,663
Adjustments for changes in working capital:		
Non current liabilities		
(Decrease) / Increase in provisions	-	-
Increase / (Decrease) in trade payables	202	9
Increase/ (Decrease) in other financial liabilities	296	181
(Decrease)/ Increase in provisions	(151)	413
Increase/ (Decrease) in other non-financial liabilities	131	158
(Increase)/ Decrease in Loans	100	100
(Increase)/ Decrease in other financial assets	(1,365)	(521)
(Increase)/ Decrease in other receivables	(0)	9
Decrease/ (Increase) in trade receivables	1,897	(2,081)
Decrease/ (Increase) in other bank balances	(1,092)	178
Decrease/ (Increase) in other non-financial assets	(183)	107
Total changes in working capital	(164)	(1,447)
Cash generated / (used) from operations	1,478	212
Taxes paid, net of refunds	(749)	(363)
Net cash generated / (used) from operating activities (A)	726	(147)
Cash flow from investing activities:		
Purchase of property, plant and equipments including capital work-in-progress	(332)	(208)
Proceeds from sale / disposal of property, plant and equipments	44	6
Purchase of Investments	(43)	(64)
Interest income	75	40
Dividend received	0	17
Net cash generated / (used) from investing activities (B)	(255)	(209)

Consolidated Statement of Cash Flows for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from financing activities:		
Application Money against warrants	-	866
Borrowings repaid during the year	(335)	(417)
Interest Paid	(22)	(17)
Interim dividend (including dividend distribution tax) paid	-	-
Net cash from/ (used in) financing activities before exceptional items	(356)	432
Exceptional items	-	-
Net cash generated / (used) in financing activities (C)	(356)	436
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	114	76
Cash and cash equivalents at the beginning of the year	87	11
Cash and cash equivalents at the end of the year	201	87
Notes:	114	76
Cash and cash equivalents comprise of		
Cash on hand	1	1
Balances with banks		
In current account	200	86
Demand deposits (less than 3 months maturity)	-	-
	201	87
Book overdraft	-	-
Cash and cash equivalents	201	87

Note:

1) The above consolidated Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

2) Figures in brackets indicate cash outflows

This is the consolidated Statement of Cash Flows referred to in our report on even date.

For Walker Chandio & Co LLP
Chartered Accountants
(Firm Registration Number:
001076N/N500013)

For and on behalf of the Board of Directors
Prime Securities Limited

N. Jayakumar

Managing Director & Group CEO

Pradip Dubhashi

Chairman

Sudhir N Pillai

Partner

Membership No 105782

S. R. Sharma

Chief Financial Officer

Ajay Shah

Company Secretary

Place : Mumbai

Date : June 19, 2020

Place : Mumbai

Date : June 19, 2020

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(₹ in Lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Number of shares	Amount	Total
As at March 31, 2020	26,515,325	1,330	1,330
As at March 31, 2019	26,515,325	1,330	1,330
As at April 01, 2018	26,515,325	1,330	1,330

B. OTHER EQUITY

Particulars	Capital Re-serve	Capital Redemption Reserve	Securities Premium	Share Options outstanding account	Advance against Share Capital	General reserve	Retained earnings	Other comprehensive income ("OCI")	Total
Opening balance as at April 01, 2018	165	217	5,317	29	-	2,400	(8,239)	(55)	(166)
Transactions during the year	-	-	-	-	-	-	-	-	-
Profit after tax for the year/ adjustments	-	-	-	-	-	-	1,263	-	1,263
Adjustment due to Restatement on Share based Compensation	-	-	-	49	-	-	29	-	78
Other comprehensive income/ (loss) for the year (net of tax)	-	-	-	-	-	-	-	(8)	(8)
Advance against Share Capital Provided during the Year	-	-	-	-	866	-	-	-	866
Closing balance as at March 31, 2019	165	217	5,317	78	866	2,400	(6,947)	(63)	2,034
Transactions during the year	-	-	-	-	-	-	-	-	-
Profit after tax for the year	-	-	-	-	-	-	789	-	789
Other comprehensive income/ (loss) for the year (net of tax)	-	-	-	-	-	-	-	(7)	(7)
Advance against Share Capital forfeited and transferred (Refer note 32)	866	-	-	-	(866)	-	-	-	-
Share based compensation	-	-	-	383	-	-	-	-	383
Closing balance as at March 31, 2020	1,031	217	5,317	461	-	2,400	(6,158)	(70)	3,200

The accompanying notes are an integral part of these consolidated financial statements.
This is the consolidated Statement of Changes in Equity referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
(Firm Registration Number:
001076N/N500013)

For and on behalf of the Board of Directors
Prime Securities Limited

N. Jayakumar
Managing Director & Group CEO

Pradip Dubhashi
Chairman

Sudhir N Pillai
Partner
Membership No 105782

S. R. Sharma
Chief Financial Officer

Ajay Shah
Company Secretary

Place : Mumbai
Date : June 19, 2020

Place : Mumbai
Date : June 19, 2020

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

1. CORPORATE INFORMATION

Prime Securities Limited ("PSL" or 'the Holding Company') is a public limited company and incorporated under the provisions of Companies Act, 1956. The Holding Company is domiciled in India and the addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. PSL is a member of Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Prime Securities Limited and its subsidiaries (collectively, the Group) are engaged in Investment Banking and Corporate Advisory services. The Group specialize in providing value added advice and services to our clients on complex strategic and financial decisions and transactions focused around Fund Raising, Mergers & Acquisitions, Equity & Debt Private Placements, Initial Public Offerings, Corporate Advisory, and Capital Restructuring. These consolidated financial statements contain financial information of the Group and were authorized for issue by the Board of Directors on June 19, 2020. Information on the Group's structure is provided in note 51.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

i) Compliance with Ind AS

The consolidated financial statements of the Group comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value;
- Defined benefit plans – plan assets measured at fair value
- Share based payment

iii) Preparation of consolidated financial statements

The Holding Company is covered in the definition of non-banking financial company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Holding Company presents the Balance Sheet, the Statement of Profit and Loss and the statement of Changes in Equity in the order of liquidity as per the format prescribed under Division III of Schedule III to the Companies Act, 2013. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is prescribed in Note 46

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

iv) Use of Estimates and Judgements

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates, judgements and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities (including contingent liabilities) and disclosures as of the date of consolidated financial statements and the reported amounts of revenue and expenses for the reporting period. The actual amounts realised may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Appropriate changes in estimates are recognized in the period in which the Group becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods.

Estimates and judgements are required in particular for:

- **Determination of the estimated useful lives of Property Plant and Equipments:**

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. Useful lives of Property Plant and Equipments are based on the life prescribed in Schedule II of the Companies Act, 2013 or are based on the Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

- **Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of deferred tax assets / liabilities:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

- Recognition and measurement of provisions and contingencies:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions. Contingencies the likelihood of which is remote are not disclosed in the consolidated financial statements.

- Impairment of financial assets:

The Group recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

- Fair valuation of employee share option

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Group's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.

- Determining whether an arrangement contains a lease:

The Group determines lease term as a non-cancellable period of a lease, together with both the period covered by an option to extend the lease if the Group is reasonably certain to exercise lessee options. The determination of the incremental borrowing rate used to measure lease liabilities.

b) Principles of Consolidation

Subsidiaries

The consolidated financial statements has comprised financial statements of the Holding Company and its subsidiaries, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and balance sheet respectively. Statement of Profit and Loss including Other Comprehensive Income (OCI) is attributable to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interest and such balance is attributed even if this results in controlling interest is having a deficit balance.

c) Revenue Recognition

The Group derives revenues primarily from advisory services.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Group is contractually expected to receive in exchange for those services.

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or,
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or,
3. The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Group applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

d) Recognition of Non-Operating Income:

- i) Dividend income is recognised when the right to receive is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
- ii) Interest income is recognised on accrual basis.
- iii) Gain or losses on sale of investments are recognized on trade dates by comparing the sales realization with the weighted average cost of such investment.
- iv) Rental income is recognised on accrual basis as per the terms of the rent agreement.

e) Property, plant and equipment:

- **Recognition and measurement:**

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent cost relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are derecognised from the consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
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Loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. Useful life of Property Plant and Equipment are reviewed at each balance sheet date and adjusted prospectively, if appropriate. The Group provides pro-rata depreciation from the date on which the asset is first put to use, till date the assets are sold or disposed.

Assets	Useful life
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	3 years
Vehicles	8 to 10 years

f) Intangible Fixed Assets:

Measurement at recognition

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Group and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any. The Group amortizes intangible assets on a straight-line basis over the five years commencing from the date on which the asset is first put to use.

Assets	Useful life
Computer Software	5 years

Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

g) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Fair value of financial instruments:

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair value measurement under Ind AS are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Financial Assets:

(i) Initial recognition and measurement:

All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(ii) Classification and subsequent measurement:

The Group has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

1. Financial assets carried at amortised cost

a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. All investments in equity instruments classified under financial assets are initially measured at fair value, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as revenue from operations in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Revenue from operations' in the Statement of Profit and Loss.

3. Investments in mutual funds

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Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

(iii) Impairment of financial assets:

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

(iv) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of the Group of similar financial assets) is primarily derecognised (i.e. removed from the Consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

the maximum amount of consideration that the Group could be required to repay.

Financial liabilities:

(i) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

h) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Employee Benefits:

i) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.

ii) Post Employment / Retirement Benefits:

Defined contribution plan:

Contribution to Defined Contribution Plans such as Provident Fund, Employees' State Insurance Corporation, etc., are charged to the Statement of Profit and Loss as incurred.

Defined Benefit Plans:

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The present value of the obligation under such plans, is determined based on an actuarial valuation by an independent actuary at the end of each year, using the Projected Unit Credit Method. In the case of gratuity, which is funded, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Remeasurement of net defined benefit liability, which comprises actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any excluding interest), are recognized immediately in other comprehensive income.

iii) Other Long Term Employee Benefits:

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

j) Share based payments

Employee stock option scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Holding Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Holding Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions. Information about the valuation techniques and inputs used in determining the fair value of options disclosed in note 31.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

k) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

l) Foreign Exchange Transactions:

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in statement of profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate as at the date of transaction.

m) Leases:

· Leases – As lessee:

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

· Measurement and recognition of leases as a lessee:

The Group has adopted Ind AS 116 "Leases" using the cumulative catch-up approach. Group has recognised Right of Use assets as at 1 April 2019 for leases previously classified as operating leases and measured at an amount equal to lease liability (adjusted for related prepayments/ accruals). The Group has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
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to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

n) Taxation:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in Statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

i) Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Group:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of on temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

o) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

p) Impairment of non-financial assets:

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

q) Provisions, Contingent Assets and Contingent Liabilities:

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable.

r) Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Holding Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders of the Holding Company by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

s) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirements.

t) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

u) Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Group from 1 April 2020

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

3. CASH AND CASH EQUIVALENTS

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash and cash equivalents			
Cash on hand	1	1	1
Cheques on hand	-	-	-
Balances with banks			
In current accounts	200	86	10
Total	201	87	11

4. BANK BALANCES OTHER THAN (3) ABOVE

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Others			
Term deposits with maturity more than 3 months but less than 12 months	1,439	347	525
Total	1,439	347	525

5. RECEIVABLES

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Trade receivables	439	2,211	130
Other receivables *	393	518	526
Total	832	2,729	656

Refer note 39 E (i) for credit risk analysis

* No trade or other receivables are due from directors or other officers or any of them either severally or jointly with any other person. No trade or other receivables are due from firms, limited liability partnerships or private companies in which any director is a partner or a director or a member.

6. LOANS

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Loans to Subsidiary Companies (Unsecured, Considered Doubtful)	49	49	49
Loans to Others	-	100	200
Less: impairment loss allowance	(49)	(49)	(49)
Total	-	100	200

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

6. LOANS (Contd.)

Loans In India

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Others	49	149	249
Less: impairment loss allowance	(49)	(49)	(49)
Total	-	100	200

7. INVESTMENTS

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Share / Unit	Fair Value / Net Asset Value	Share / Unit	Fair Value / Net Asset Value	Share / Unit	Fair Value / Net Asset Value
At fair value through profit or loss						
Investments in equity instruments:						
Greycells education limited	1,17,500	43	1,17,500	45	1,17,500	49
Solid stone limited	1,72,731	33	1,72,731	162	1,72,731	116
Investments in units of mutual fund:						
HDFC Liquid Fund - Direct Plan Growth Option	2,884	113	-	-	-	-
Aditya Birla Sun Life Mutual Fund	-	-	22,636	68	-	-
Total investment		189		275		164
Investments in India		189		275		164
Investments outside India		-		-		-
Total		189		275		164

8. OTHER FINANCIAL ASSETS

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Interest accrued on deposits	8	4	7
Security deposits	66	52	29
Unbilled Revenue	2,175	501	-
Advance Given	-	328	328
Total	2,249	884	363

9. CURRENT TAX ASSET (NET)

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advance income tax	550	69	97
Total	550	69	97

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

10. DEFERRED TAX ASSETS (NET)

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred tax assets/ (liabilities) (Refer note 43 and 44)			
Liability towards lease rentals	2	-	-
Provision for compensated absences	40	28	28
Provision for gratuity	15	7	5
Depreciation/ amortisation	27	62	56
Total	84	98	89

11. (A) PROPERTY, PLANT AND EQUIPMENT

Particulars	Right to Use (Refer note 35)	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles (Owned) (Refer note 33)	Total
Gross carrying value						
Gross carrying value as of April 1, 2018	-	5	4	16	27	52
Additions	-	9	4	39	152	203
Disposals	-	-	-	-	(20)	(20)
Gross carrying value as of March 31, 2019	-	14	8	55	159	236
Additions	321	7	3	-	-	332
Disposals	-	-	-	-	(67)	(67)
Gross carrying value as of March 31, 2020	321	21	12	55	91	500
Accumulated depreciation						
Accumulated depreciation as of April 1, 2018	-	2	1	4	7	14
Depreciation	-	3	2	7	17	29
Accumulated depreciation on disposals	-	-	-	-	(8)	(8)
Accumulated depreciation as of March 31, 2019	-	5	3	11	16	35
Depreciation for the year	70	5	2	6	16	98

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

11. (A) PROPERTY, PLANT AND EQUIPMENT (Contd.)

Particulars	Right to Use (Refer note 35)	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles (Owned) (Refer note 33)	Total
Accumulated depreciation on disposals	-	-	-	-	(7)	(7)
Accumulated depreciation March 31, 2020	70	10	4	17	25	126
Net carrying value						
Net carrying value as on April 1, 2018	-	3	3	12	19	38
Net carrying value as on March 31, 2019	-	9	5	44	142	201
Net carrying value as on March 31, 2020	251	11	7	38	67	374

11. (B) OTHER INTANGIBLE ASSETS

Particulars	Computer software#
Gross carrying value	
Gross carrying value as of April 1, 2018	1
Additions	5
Disposals	-
Gross carrying value as of March 31, 2019	6
Additions	0
Disposals	-
Gross carrying value as of March 31, 2020	6
Accumulated amortisation	
Accumulated amortisation as of April 1, 2018	0
Amortisation for the year	1
Accumulated amortisation on disposals	-
Accumulated amortisation as of March 31, 2019	1
Amortisation for the year	1

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

11. (B) OTHER INTANGIBLE ASSETS (Contd.)

Particulars	Computer software#
Accumulated amortisation on disposals	-
Accumulated amortisation as of March 31, 2020	2
Net carrying value	
Net carrying value as on April 1, 2018	1
Net carrying value as on March 31, 2019	5
Net carrying value as on March 31, 2020	4

Other than internally generated.

12. OTHER NON-FINANCIAL ASSETS

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good:			
Vendor advances	210	46	158
Prepaid expenses	35	17	12
Total	245	63	170

13. PAYABLES

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises (Refer note 45)	-	-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	245	43	34
Total	245	43	34

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

14. BORROWINGS

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Measured at amortised cost			
Secured			
Term Loan from Bank* (Refer note no 33)	44	110	307
Unsecured			
Loans and advances from Related Parties (Refer note 34)	-	270	490
Total	44	380	797
Borrowings in India	44	380	797
Borrowings outside India	-	-	-
Total	44	380	797

* Term Loan from bank is secured against hypothecation of vehicles

15. OTHER FINANCIAL LIABILITIES

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Application Money received for Allotment of Warrants	-	-	2
Employee benefits payable	231	48	-
Lease Liability (Refer Note no 35)	260	-	-
Bank Overdraft	-	3	-
Other payables	42	185	53
Total	533	236	55

16. PROVISIONS

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for gratuity (Refer note 41)	53	26	18
Provision for compensated absences (Refer note 41)	144	233	211
Provision for employee benefit expenses	307	396	13
Total	504	655	242

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

17. OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory dues (including provident fund, tax deducted at source and goods and services tax)	311	178	20
Revenue received in Advance	-	2	2
Total	311	180	22

18. EQUITY SHARE CAPITAL

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Authorised :			
3,50,00,000 (March 31, 2019 3,50,00,000 and April 1, 2018 3,50,00,000) Equity Shares of ₹5/- each	1,750	1,750	1,750
18,00,000 (March 31, 2019 18,00,000 and April 1, 2018 18,00,000) Unclassified Shares of ₹100/- each	1,800	1,800	1,800
Issued :			
2,72,64,525 (March 31, 2019 2,72,64,525 and April 1, 2018 2,72,64,525) Equity Shares of ₹5/- each	1,363	1,363	1,363
Subscribed and paid up :			
2,65,15,325 (March 31, 2019 2,65,15,325 and April 1, 2018 2,65,15,325) Equity Shares of ₹5/- each	1,326	1,326	1,326
Add: Share forfeiture account (7,48,600 equity shares)	4	4	4
Total	1,330	1,330	1,330

(a) Reconciliation of number of shares

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Equity shares:						
Add/(Less): Issued / forfeited during the year	-	-	-	-	-	-
Balance as at the beginning and end of the year	26,515,325	1,330	26,515,325	1,330	26,515,325	1,330

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

18. EQUITY SHARE CAPITAL (Contd.)

(b) Rights and restrictions attached to the shares

Equity shares:

The Company has only one class of equity shares having a par value of ₹5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Equity shares:						
Judith Investments Private Limited	1,783,497	6.73	1,783,497	6.73	1,783,497	6.73
N. Jayakumar	3,562,987	13.44	3,403,059	12.83	3,124,759	11.78
Navin Khandelwal	1,410,000	5.32	-	-	-	-

(e) Aggregate number and class of shares allotted as fully paid-up pursuant to contract without payment being received in cash and bonus shares issued and shares bought back during the period of five years immediately preceding the current year

The company has neither allotted any class of shares as fully paid-up pursuant to contract without payment being received in cash and nor issued bonus shares and there has been any buy back of shares during the five years immediately preceding March 31, 2020.

19. OTHER EQUITY

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Capital Reserve			
Balance as at the beginning of the year	165	165	165
Add: Transfer from advance against share capital	866	-	-
Balance at the end of the year	1,031	165	165

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

19. OTHER EQUITY (Contd.)

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Capital Redemption Reserve			
Balance as at the beginning of the year	217	217	217
Balance at the end of the year	217	217	217
Securities Premium			
Balance as at the beginning of the year	5,317	5,317	5,317
Balance at the end of the year	5,317	5,317	5,317
Share Options Outstanding Account			
Balance as at the beginning of the year	78	29	29
Add: Provided during the year	383	49	-
Balance at the end of the year	461	78	29
Advance against Share Capital			
Balance as at the beginning of the year	866	-	-
Add: Advance received against issue of warrants	-	866	-
Less: Transfer to Capital Reserve	(866)	-	-
Balance at the end of the year	-	866	-
General Reserve			
Balance as at the beginning and end of the year	2,400	2,400	2,400
Balance at the end of the year	2,400	2,400	2,400
Surplus in Statement of Profit and Loss			
Balance as at the beginning of the year	(6,947)	- (8,239)	(8,385)
Profit for the year	789	1,263	-
Add: Adjustment due to Restatement on Share based Compensation		29	-
Add: Adjustment due to Restatement of Accumulated Depreciation	-	-	146
Balance at the end of the year	(6,158)	(6,947)	(8,239)
Items of Other Comprehensive Income			
Remeasurement of Defined Benefit Liability			
Balance as at the beginning of the year	(63)	(55)	(55)
Add : Other Comprehensive Income for the year	(7)	(8)	-
Balance at the end of the year	(70)	(63)	(55)
Total	3,197	2,033	(166)

Capital Reserve

It is made out of capital profits earned. The same is not available for profit distribution.

Capital Redemption Reserve

The capital redemption reserve is created to be utilised towards redemption of preference shares. The reserve will be utilised in accordance with provision of the Act.

Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

Share Options Outstanding Account

Share based payment expense pertaining to outstanding portion of the option not yet exercised.

Advance against Share Capital

Advance against Share Capital represents the initial subscription received towards issue of convertible warrants on a preferential basis.

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Surplus in Statement of Profit and Loss

Surplus in the statement of profit and loss represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

Items of Other Comprehensive Income

Other comprehensive income consist of remeasurement gains / losses on defined benefit plans, gain / (loss) of equity instruments carried through FVTOCI.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

20. FEE & COMMISSION INCOME

	Year ended March 31, 2020	Year ended March 31, 2019
Merchant Banking and Advisory Fees	4,652	2,084
Restructuring Advisory Fees	2,710	2,066
Income from Brokerage on Mutual Fund	4	437
Less : Goods and services tax	-	-
Total Fees (net)	7,366	4,586
Total	7,366	4,586

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products/ service lines and timing of revenue recognition:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Primary geographical market		
India	7,366	4,586
Outside India	-	-
Total	7,366	4,586
Major products/ service lines		
Merchant Banking and Advisory Fees	7,366	4,586
Total	7,366	4,586
Timing of revenue recognition		
At a point in time	7,366	4,586
Over a period of time	-	-
Total	7,366	4,586

21. FINANCE COSTS

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense	13	17
Interest on finance lease obligations	9	-
Total	22	17

22. FEE & COMMISSION EXPENSE

	Year ended March 31, 2020	Year ended March 31, 2019
Brokerage and commission on funds	-	-
Fee & Commission Expense	1,880	720
Total	1,880	720

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

23. IMPAIRMENT ON FINANCIAL INSTRUMENTS

	Year ended March 31, 2020	Year ended March 31, 2019
Sundry Balance Written-Off (Net)	1,955	138
Provision for Receivables	14	-
Total	1,969	138

24. EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, bonus and allowances	1,381	1,575
Contribution to provident and other funds [Refer note 41]	33	25
Gratuity [Refer note 41]	19	6
Compensated absences	11	54
Employee share based payments [Refer note 31]	383	78
Staff welfare expenses	20	10
Total	1,847	1,748

25. OTHER EXPENSES

	Year ended March 31, 2020	Year ended March 31, 2019
Rent (Refer note 35)	28	138
Repairs and maintenance - others	60	16
Rates and taxes	3	1
Insurance	11	4
Electricity	4	4
Travelling, conveyance and car hire	28	50
Auditors' Remuneration		
Audit fees	22	10
Other services	3	1
Out of pocket expenses	-	-
Directors' sitting fees	53	33
Commission To Independent Directors	17	-
Loss on sale/ disposal of property, plant and equipment (net)	16	6
Spend towards Corporate Social Responsibility (CSR) activities (Refer note 37)	64	12
Miscellaneous expenditure	117	121
Total	426	396

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

26. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit after tax for the year attributable to equity shareholders of company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The relevant details as described above are as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Basic earnings per share		
Profit attributable to equity shareholders (₹ in Lakhs) (A)	789	1,263
Nominal value per share (₹)	5	5
Weighted average number of equity shares outstanding during the year (B)	26,515,325	26,515,325
Earnings per share (Basic) (₹) [(A) / (B)]	2.98	4.76
Diluted earnings per share		
Profit attributable to equity shareholders (₹ In Lakhs)	789	1,263
Less: Impact on profit due to exercise of diluted potential equity shares	-	-
Profit / (Loss) attributable to equity shareholders for calculation of diluted earnings per share (₹ In Lakhs) (A)	789	1,263
Weighted average number of equity shares used in computing basic earnings per share	26,515,325	26,515,325
Effect of potential equity shares for stock options outstanding	228,046	69,018
Weighted number of equity shares used in computing diluted earnings per share [B]	26,743,371	26,584,343
Earnings per share (Diluted) (₹) [(A) / (B)]	2.95	4.75

27. CONTINGENT LIABILITIES TO THE EXTENT NOT PROVIDED FOR IN RESPECT OF:

Sr. No.	Particulars	March 31, 2020	March 31, 2019
i)	Demands raised by Tax Authorities against which the Company has preferred appeals	175	13

Demand in respect of Income tax matters for which appeal is pending is ₹175 lakhs (Previous Year ₹13 lakhs). This is disputed by the Company and hence not provided for in the books of accounts.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

28. Board of Directors had on January 9, 2020 approved the Scheme of Arrangement, under Sections 230 to 232 read with Section 66 & Section 52 & other applicable provisions of the Companies Act, 2013 and the rules & regulations made thereunder, comprising merger of wholly-owned subsidiaries, Primesec Investments Limited & Prime Commodities Broking (India) Limited into the Company, which is subject to necessary approvals by stock exchanges, SEBI, shareholders and creditors, as may be applicable, and jurisdictional bench of National Company Law Tribunal and such other statutory / regulatory approvals, as may be required.
29. The Group had adopted IND AS from 1 April 2017 and comparative financial information for the year ended 31 March 2018 and transition date opening balance sheet as at 1 April 2016 were prepared in accordance with Ind AS. The Company being a listed NBFC (for the purpose of complying with IND AS, as per the provisions of the Companies (Indian Accounting Standard) Rules, 2015) with a net-worth of less than ₹500 crores, should have adopted Ind AS from 1 April 2019 with transition date being 1 April 2018 in accordance with Companies (Indian Accounting Standards) (Amendment) Rules, 2016, dated 30 March 2016. The Management has ascertained the impact of change in transition date from 1 April 2016 to 1 April 2018 which has an insignificant impact on the equity and the management believes that no adjustment is required in the financial statements for the current year. Further, the Management has also sought legal opinion to ascertain the qualitative and quantitative impact, for the contravention of Companies (Indian Accounting Standards) (Amendment) Rules, 2016, dated 30 March 2016 and believes that the same is not material to the financial statements. Further, the Ministry of Corporate Affairs (MCA), vide its notification dated October 11, 2018 issued Division III of Schedule III, which provides the format for financial Statements of Non-Banking Financial Companies, as defined in the Companies (Indian Accounting Standards) (Amendments) Rules 2016. These Financial Statements have been prepared in accordance with Division III. The corresponding figures for the year ended March 31, 2019 has been reclassified to comply with the requirements of the Division III.
30. In accordance with the requirements of Indian Accounting Standards (IND AS) – 8, "Accounting Policies, Changes in Accounting Estimates and Errors" – management has restated certain account balances for the comparative year in order to comply with the accounting principles enunciated under the relevant IND-AS's.

Depreciation Expense for the year ended 31 March 2019 aggregating to ₹17 lakhs have been adjusted on account of reversal of depreciation expense pertaining to reclassification of PPE to 'other Receivable' as per Ind AS 16 to the financial asset to the tune of ₹9 lakhs for the year ended 31 March 2019.

Accordingly, opening reserve as on 1 April 2018 is adjusted to the tune of ₹146 lakhs on account of reversal of the aforesaid depreciation.

Employee Benefit Expenses and other expenses for the year ended 31 March 2019 aggregating to ₹439 Lakhs has been adjusted on account of expenses related to performance bonus.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

31. EMPLOYEES STOCK OPTION SCHEMES (ESOS)

The Holding Company's stock based compensation plan for Employees comprises ESOS 2018, which have been instituted for all eligible Employees / Directors of the Holding Company and its Subsidiaries. ESOS 2018 permits allocation of an aggregate of 4,500,000 Equity Shares of the face value of ₹5/- per share to the eligible Employees / Directors of the Company and its Subsidiaries, on the recommendation of the Nomination and Remuneration Committee, at an Exercise Price which shall be at 10% discount to the Three Months Average Market Price on the Grant Date.

During the Year, the Holding Company has granted 16,80,000 Options to the eligible Employees / Directors of the Holding Company and its Subsidiaries.

All Options granted under earlier employee stock option schemes have lapsed / expired and accordingly such schemes have been discontinued.

The number of options granted, exercised and lapsed under the above schemes is set out below:

Particulars (Exercise Price)	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Weighted Average Exercise Price	No of Shares	Weighted Average Exercise Price
ESOS 2018				
Options outstanding, beginning of the Year	1,375,000	34.70	-	-
Add: Granted during the Year	1,680,000	36.50	1,887,000	34.70
Less: Exercised during the Year	-	-	-	-
Less: Lapsed during the Year	465,000	35.13	512,000	34.70
Options outstanding, end of the Year	2,590,000	35.79	1,375,000	34.70
ESOS 2009				
Options outstanding, beginning of the Year	-	-	106,400	38.00
Add: Granted during the Year	-	-	-	-
Less: Exercised during the Year	-	-	-	-
Less: Lapsed during the Year	-	-	106,400	38.00
Options outstanding, end of the Year	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

31. EMPLOYEES STOCK OPTION SCHEMES (ESOS) (Contd.)

The Company has its accounting policy for ESOSs valuation at fair value method for appropriate presentation of financial statements.

Particulars	ESOS 2018	ESOS 2009
Date of Grant	Various dates	Various dates
Date of board approval	May 29, 2018	July 17, 2009
Date of shareholders' approval	September 24, 2018	September 29, 2009
Number of options granted	3,567,000	1,485,000
Method of settlement	Equity Shares	Equity Shares
Vesting period	18 Months & 30 Months	12 Months, 24 Months & 30 Months
Vesting pattern	50 % : 50%	33.33% - 33.33% - 33.33%
Weighted average remaining contractual life		
Granted but not vested	5.93 Years (Previous year Nil)	N.A. (Previous year Nil)
Vested but not exercised	Nil (Previous year Nil)	N.A. (Previous year Nil)
Weighted average share price at the date of exercise for stock options exercised during the year	Nil (Previous year Nil)	N. A. (Previous year Nil)
Exercise period	5 years from vesting date	5 years from vesting date
Vesting conditions	Vesting of Options would be subject to continued employment with the Company and/ or its holding/subsidiary, and thus the Options would vest on passage of time.	Vesting of Options would be subject to continued employment with the Company and/ or its holding/subsidiary, and thus the Options would vest on passage of time.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

31. EMPLOYEES STOCK OPTION SCHEMES (ESOS) (Contd.)

Weighted average fair value of options as on grant date	30.56	27.47
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The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options during the year are as follows:

Sr. No.	Particulars	ESOS 2018
(A)	Risk-free rate	7.36% - 7.34%
(B)	Expected life of options	6.5 years - 7.5 years
(C)	Expected volatility	67.06%
(E)	Weighted average share price	₹41.55 Per Share
(F)	Weighted average exercise price	Grant Date 13-Nov-2018 - ₹34.70 Per Share Grant Date 18-May-2019 - ₹36.50 Per Share
(G)	Method used to determine expected volatility	Based on the returns generated on equity shares of Company for the period from F.Y. 2013 to F.Y. 2019

Expense on Employee Stock Options Scheme debited to the Statement of Profit and Loss during the year is ₹383 lakhs (Previous year ₹78 lakhs). The Carrying amount of ESOS reserve as on March 31, 2020 is ₹461 lakhs (March 31, 2019 ₹78 lakhs).

The company provides the sensitivity analysis to show the impact to the Company's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the company's estimation by the stated percentages.

Impact on the income statement of a change in leaver assumptions	Year ended March 31, 2020	Year ended March 31, 2019
(+) 5%	-	-
(-) 5%	5.24	0.37

32. EQUITY SHARE WARRANTS

During the earlier year, the Company had issued and allotted 70,00,000 (Seventy lakhs) Equity Share Warrants on a preferential basis, carrying an entitlement to subscribe to an equivalent number of Equity Shares of ₹5/- each, to the Investors at an Exercise Price of ₹49.50 per share. The Company had received 25% of Exercise Price at the time of application of warrants. The warrant holders had an option to acquire the Equity Shares, in one or more tranches, on or before the expiry of 18 months from the date of allotment of the Warrants upon payment of balance 75%. The Company had shown the amount received from warrant holders as advance against share capital under Other Equity as on March 31, 2019. The said Equity Share Warrants were lapsed on October 3, 2019, as the warrant holders did not exercise the option of acquiring the equity shares before the stipulated period. The amount received from warrant holders has been transferred to capital reserve for advance against share capital.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

33. BORROWINGS:

(A) Secured loans:

a) Term Loan from Bank:

Term loan of ₹44 lakhs (March 31, 2019 ₹110 lakhs and April 1, 2018 ₹9 lakhs) from the Bank is secured against Vehicles of the Group.

b) Other Loan from Bank:

Other Loan from Bank of ₹ Nil (March 31, 2019 ₹ Nil & April 1, 2018 ₹200 Lacs) is secured against pledge of shares of other parties. Overdraft against Fixed Deposit from Bank of ₹ Nil (March 31, 2019 ₹ Nil & April 1, 2018 ₹97.36 lacs) is secured against Fixed Deposit of the Bank.

c) Term of Repayment

Term Loan from Bank is repayable in equal monthly instalment, the last instalment is due on September 15, 2023 as per repayment schedule having interest rate of 8.70% p.a.

(B) Unsecured loans:

Loan from other party is unsecured, interest free and repayable on demand. Loan from related party is from an associate company in which a director is interested. It is an interest free unsecured loan and repayable on demand.

34. RELATED PARTY DISCLOSURES:

Related party disclosures in respect of related parties with whom transactions have taken place during the year are given below:

Names of related parties and their relationships:

Enterprises in which Key Management Personnels and the relatives exercise significant influence:

Gateway Entertainment Limited

Judith Investments Private Limited

Key Management Personnels:

Mr. N. Jayakumar

Mr. Ajay Shah

Mr. S R Sharma (CFO in Prime Securities Limited from May 18, 2019 & Managing Director in Primesec Investments Limited upto February 27, 2020 & Director in Prime Securities upto February 29, 2020)

Mr. Akshay Gupta (Executive Director of Prime Research & Advisory Limited)

Mr. Puneet Pandey (Managing Director of Prime Research & Advisory Limited upto June 30, 2019)

Independent Directors:

Mr. Pradip Dubhashi

Ms. Alpna Parida

Kadambari Deodhar (Upto August 14, 2019)

Ms. Namrata Kaul

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

34. RELATED PARTY DISCLOSURES: (Contd.)

Ms. Smita Cawas Affinwalla

Relative of Independent Director:

Mr. Samresh Parida (Proprietor of S P Growth Consulting)

Enterprises in which Key Management Personnels have control

ALSS Investments

PRP Professional Edge Associates Pvt. Ltd. (Upto June 30, 2019)

The following transactions were carried out with the related parties in the ordinary course of business during the year 2019-2020:

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
1	Remuneration paid to Key Managerial Personnel			
	Mr. N Jayakumar	Key Management Personnel	502	511
	Mr. Akshay Gupta	Key Management Personnel	312	79
	Mr. S R Sharma	Key Management Personnel	81	91
	Mr. Ajay Shah	Key Management Personnel	45	80
	Mr. Puneet Pandey	Key Management Personnel	15	138
2	Sitting Fees to Independent Directors	Independent Directors	53	33
3	Rent received from S P Growth Consulting	Relative of Director	4	5
4	Repayment of Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited	Enterprises in which Key Management Personnels and the relatives exercise significant influence	270	220
5	Advance Received against Share Capital from Mr. Puneet Pandey	Key Management Personnel	-	432
6	Advance Received against Share Capital from ALSS Investments	Enterprises in which Key Management Personnels have control	-	432
7	Remuneration paid to Mr. Prakhar Pandey	Relative of Director	10	39

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

34. RELATED PARTY DISCLOSURES: (Contd.)

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
8	Transactions with PRP Professional Edge Associates Pvt. Ltd. towards purchase of Fixed Assets & reimbursement of expenses			
	Purchase of Fixed Assets	Enterprises in which Key Management Personnels have control	-	38
	Reimbursement of expenses	Enterprises in which Key Management Personnels have control	-	22
	Rent Paid	Enterprises in which Key Management Personnels have control	-	18
	Security Deposit	Enterprises in which Key Management Personnels have control	-	3

Outstanding Balance

Sr. No.	Nature of Transaction	Relationship	Balance as on	
			March 31, 2020	March 31, 2019
1	Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited	Enterprises in which Key Management Personnels and the relatives exercise significant influence	Nil	270 (Credit)
2	Transactions with PRP Professional Edge Associates Private Limited	Associate Companies" with "Enterprises in which Key Management Personnels have control	1 (Credit)	1 (Debit)

Note:

As the liabilities for gratuity and leave compensation are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel is not included above.

35. LEASES

The Company has taken various office premises on operating lease for the period which ranges from 12 months to 60 months with an option to renew the lease by mutual consent on mutually agreeable terms.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

35. LEASES (Contd.)

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" using the cumulative catch-up approach. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

The adoption of the new standard Ind AS 116, resulted in recognition of 'Right of Use' (ROU) asset of ₹94 lakhs and a lease liability of ₹94 lakhs. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cashout flows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.00 %.

Information about leases for which the company is a lessee are presented below:

(A) Right of use assets for the year ended March 31, 2020

Particulars	Amount
Balance as at April 1, 2019	-
Adjustment on transition to Ind AS 116	93
Movement during the year	228
Depreciation on Right-Of-Use (ROU) assets	(70)
Balance as at March 31, 2020	251

(B) Lease liabilities for the year ended March 31, 2020

Particulars	Amount
Balance as at April 1, 2019	-
Adjustment on transition to Ind AS 116	93
Movement during the year	228
Add: Interest cost accrued during the period	9
Less: Payment of lease liabilities	(70)
Balance as at March 31, 2020	260

(C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities as at March 31, 2020

Particulars	As at March 31, 2020
Less than three months	26
Three to twelve months	59

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

35. LEASES (Contd.)

One to five years	175
More than five years	-
Total	260

(D) Amount recognised in statement of profit & loss for the year ended March 31, 2020

Particulars	Amount
Interest cost on lease liabilities	9
Depreciation on right of use assets	70
Rental Expenses recorded for short-term lease payments and payments for leases of low value assets not included in the measurement of the lease liability	28

(E) Amount recognised in statement of cash flows for the year ended March 31, 2020

Particulars	Amount
Cash payments for the principal & interest portion of the lease liability within financing activities	(70)
Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	(28)

Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore expected future minimum commitments as at March 31, 2019 during the non- cancellable period under the lease arrangements have been presented below, based on the financial statements for the year ended March 31, 2019. Further there are no short term or low value leases, for which Company carries any material commitments.

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	-	52
Later than one year but not later than five years	-	13
Later than five years	-	17
Total	-	83

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

36. SEGMENT INFORMATION :

The Group has identified two reportable segments (i) Financial Advisory & Intermediation services and (ii) Brokerage from mutual fund distribution as per Ind AS 108. However, the segment "Brokerage from mutual fund distribution" does not exceed the quantitative threshold as prescribed by paragraph 13 of Ind AS 108. Hence, the entity has not reported segment information for each operating segment.

37. CORPORATE SOCIAL RESPONSIBILITY

As required by Section 135 of Companies Act, 2013 and rules therein, a Corporate social responsibility committee has been formed by the Company, The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013

- (a) Gross amount required to be spent by the Company during the year 2019-20 ₹22 lakhs (Previous year ₹36 lakhs).
- (b) Amount spent during the year on:

Particulars	2019-20	2018-19
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	64	12

38. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company determines revenue recognition through the following steps:

- (a) Identification of the contract, or contracts, with a customer.
- (b) Identification of the performance obligations in the contract
- (c) Determination of the transaction price.
- (d) Allocation of the transaction price to the performance obligations in the contract.
- (e) Recognition of revenue when, or as, we satisfy a performance obligation.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

I. Nature of Services

Merchant Banking and Advisory Services

The Company derives main revenue from corporate advisory services. The company specialize in providing value added advice and services to our clients on complex strategic and financial decisions and transactions focused around Fund Raising, Mergers & Acquisitions, Equity & Debt Private Placements, Initial Public Offerings, Corporate Advisory, and Capital Restructuring.

II. Contract Balances

Trade Receivables. The outstanding balance as on 31 March 2020 : ₹439 lakhs, 31 March 2019: ₹2211 lakhs and April 1, 2018 : ₹130 Lakhs. (Refer note 5)

Loans & Advances. The outstanding balance as on 31 March 2020 : ₹ Nil, 31 March 2019: ₹100 lakhs and April 1, 2018 : ₹200 Lakhs. (Refer note 6)

III. Performance obligations and timing of revenue recognition

Income from corporate advisory services is recognised upon rendering of services.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2020	Fair value through Profit and Loss				Amortised Cost
	Level 1	Level 2	Level 3	Total	Amount
Financial assets					
Cash and cash equivalents	-	-	-	-	201
Bank balance other	-	-	-	-	1,439
Trade receivables	-	-	-	-	439
Other receivables	-	-	-	-	393
Investments	189	-	-	189	-
Loans	-	-	-	-	0
Other financial assets	-	-	-	-	2,249
	189	-	-	189	4,721
Financial liabilities					
Trade payables	-	-	-	-	245
Borrowings	-	-	-	-	44
Other financial liabilities	-	-	-	-	533
	-	-	-	-	822

March 31, 2019	Fair value through Profit and Loss				Amortised Cost
	Level 1	Level 2	Level 3	Total	Amount
Financial assets					
Cash and cash equivalents	-	-	-	-	87
Bank balance other	-	-	-	-	347
Trade receivables	-	-	-	-	2,211
Other receivables	-	-	-	-	518
Investments	275	-	-	275	-
Loans	-	-	-	-	100
Other financial assets	-	-	-	-	884
	275	-	-	275	4,147

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd.)

March 31, 2019	Fair value through Profit and Loss				Amortised Cost
	Level 1	Level 2	Level 3	Total	Amount
Financial liabilities					
Trade payables	-	-	-	-	43
Borrowings	-	-	-	-	380
Other financial liabilities	-	-	-	-	236
	-	-	-	-	659

April 1, 2018	Fair value through Profit and Loss				Amortised Cost
	Level 1	Level 2	Level 3	Total	Amount
Financial assets					
Cash and cash equivalents	-	-	-	-	11
Bank balance other	-	-	-	-	525
Trade receivables	-	-	-	-	130
Other receivables	-	-	-	-	526
Investments	164	-	-	164	-
Loans	-	-	-	-	200
Other financial assets	-	-	-	-	363
	164	-	-	164	1,755
Financial liabilities					
Trade payables	-	-	-	-	34
Borrowings	-	-	-	-	797
Other financial liabilities	-	-	-	-	55
	-	-	-	-	886

B) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

The hierarchy is used as follows:

· Level 1:

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd.)

- Level 2:
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3:
If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

C) Valuation techniques used to determine fair value:

Significant valuation techniques used to value financial instruments include:

The carrying amounts of cash and cash equivalent, trade receivables, other financial assets, loans, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

The following tables show the valuation techniques used in measuring Level 1 fair values.

Type	Valuation technique
Equity Investments	The valuation has been done using the quoted price in active market.

D) Fair value of financial instrument measured at amortised cost

Fair value of financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the hierarchy levels.

E) Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board of Directors have adopted an Enterprise Risk Management Policy framed by the Company, which identifies the risk and lays down the risk minimization procedures. The Management reviews the Risk management policies and systems on a regular basis to reflect changes in market conditions and the Company's activities, and the same is reported to the Board of Directors periodically. Further, the Company, in order to deal with the future risks, has in place various methods / processes which have been imbibed in its organizational structure and proper internal controls are in place to keep a check on lapses, and the same are been modified in accordance with the regular requirements.

The Audit Committee oversees how Management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd.)

of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal auditors.

The Company has exposure to the following risk arising from financial instruments:

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

For trade receivables, the company individually monitors outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company monitors each loans and advances given and makes any specific provision wherever required.

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

At March 31, 2020, the ageing of trade receivables was as follows.

Particulars	Carrying amount (₹ in lakhs)		
	March 31, 2020	March 31, 2019	April 1, 2018
Neither past due nor impaired			
Past due 1-90 days	267	756	65
Past due 91-180 days	172	813	61
Past due 181-365 days	-	559	-
Past due 366 days	-	83	3
	439	2,211	130

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
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39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd.)

Management believes that the unimpaired amounts which are past due are collectible in full.

Cash and cash equivalents and other Bank balances

The Company held cash and cash equivalents and other bank balances of ₹1,641 lakhs as on March 31, 2020 (March 31, 2019, ₹434 lakhs & April 1, 2018, ₹536 lakhs). The cash and cash equivalents are held with banks with good credit ratings.

Loans:

The Company held Loans of ₹ Nil as on March 31, 2020 (March 31, 2019, ₹100 lakhs & April 1, 2018, ₹200 lakhs). The loans are in nature of advances to other parties and are fully recoverable.

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2020	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade payables	245	245	245	-	-	-	-
Borrowings	44	44	24	3	7	10	-
Other financial liabilities	533	533	322	36	54	121	-

March 31, 2019	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade payables	43	43	43	-	-	-	-
Borrowings	380	380	281	11	24	64	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd.)

Other financial liabilities	236	236	236	-	-	-	-
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April 1, 2018	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade payables	34	34	34	-	-	-	-
Borrowings	797	797	788	2	5	2	-
Other financial liabilities	55	55	55	-	-	-	-

The gross inflows/(outflows) disclosed in the above tables represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity.

40. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using debt to equity ratio.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Borrowings	44	380	797
Gross Debt	44	380	797
Less: Cash & Bank Balance	(1,641)	(434)	(536)
Net debt (A)	-	-	261
Total equity (B)	4,530	3,364	1,164
Net debt to equity ratio (A) / (B)	0.00%	0.00%	22.42%

41. EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

41. EMPLOYEE BENEFITS (Contd.)

no further obligations beyond making such contribution.

The Company recognised ₹33 lakhs for year ended March 31, 2020 (₹25 lakhs for year ended March 31, 2019) provident fund contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan:

1) Gratuity

The Company participates in the Employees Gratuity scheme, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A) Particulars	Gratuity	
	March 31, 2020	March 31, 2019
Defined benefit obligation	106	75
Fair value of Plan Assets at the end of the year	53	50
Net Obligation at the end of the year	53	25

B) Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening balance	75	56	50	40	25	16
Included in profit or loss	-	-	-	-	-	-
Current service cost	17	9	-	-	17	9
Past service cost	-	-	-	-	-	-
Interest cost (income)	6	4	4	3	2	1

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

41. EMPLOYEE BENEFITS (Contd.)

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	98	69	54	43	44	26
Included in OCI						
Remeasurement loss (gain):					-	-
Actuarial loss / (gain) arising from:	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	5	1	-	-	5	1
Experience adjustment	4	5	-	-	4	5
Return on plan assets excluding interest income	-	-	0	(0)	(0)	0
	107	75	54	43	53	32
Other						
Contributions paid by the employer	-	-	0	7	(0)	(7)
Benefits paid	(1)	-	(1)		-	-
Closing balance	106	75	53	50	53	25
Represented by						
Net defined benefit asset	-	-	-	-	(53)	(50)
Net defined benefit liability	-	-	-	-	106	75
	-	-	-	-	53	25

C) Plan assets

Plan assets comprise the following:

Particulars	March 31, 2020	March 31, 2019
Fund managed by Insurance Company	53	50
	53	50

D) Defined benefit obligations

i) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.84%	7.73%

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

41. EMPLOYEE BENEFITS (Contd.)

Particulars	March 31, 2020	March 31, 2019
Expected Rate of Return on Plan Assets	4.57%	7.73%
Salary escalation rate	5.00%	5.00%
Employee Turnover	2.00%	2.00%
Mortality rate	N.A.	N.A.
	Indian Assured Lives	Indian Assured Lives
	Mortality (2006-08)	Mortality (2006-08)
	Ult.	Ult.

Assumptions regarding future mortality have been based on published statistics and mortality tables.

ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(6.48)	7.42	(4.64)	5.28
Future salary growth (1% movement)	7.49	(6.64)	5.37	(4.80)
Rate of employee turnover (1% movement)	0.63	(0.83)	1.03	(1.13)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2020 were as follows

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

41. EMPLOYEE BENEFITS (Contd.)

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2020, i.e. ₹0.37 lakhs

Expected future benefit payments	(₹ in lakhs)
March 31, 2021	47
March 31, 2022	2
March 31, 2023	2
March 31, 2024	2
March 31, 2025	2
Thereafter	139

2) Compensated Absences:

The Compensated Absences is payable to all eligible employees for each day of accumulated leave on death or on resignation. Compensated Absences debited to Statement of Profit and Loss during the year amounts to ₹11 lakhs (March 31, 2019 ₹54 lakhs). Accumulated provision for leave encashment aggregates ₹144 lakhs (March 31, 2019 ₹233 lakhs).

42. AUDITORS REMUNERATION

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Payment to Auditor		
Statutory audit	10	8
Limited review of quarterly results	12	2
For certification work	3	1
As Auditor	25	11
Out of Pocket expenses	0	-
Total	25	11

43. INCOME TAX EXPENSE

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Amounts recognised in statement of profit or loss		

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

43. INCOME TAX EXPENSE (Contd.)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
Current year (a)	271	390
Changes in estimates related to prior years (b)	(2)	-
Deferred tax (c)		
Origination and reversal of temporary differences	16	(6)
Tax expense (a)+(b)+(c)	285	384
B. Tax recognised in other comprehensive income		
Deferred Tax on remeasurement of defined benefit liability	3	2
	3	2
C. Reconciliation of effective tax		
Profit/(Loss) before tax	1,074	1,647
Tax at the rate of 27.82%	299	458
Effect of:		
Disallowance of Expenses	38	11
Current and brought forward losses	(158)	(409)
Difference due to MAT	92	330
Tax adjustment of earlier year	(2)	-
Deferred Tax	16	(6)
Effective tax	285	384
Effective Tax Rate (%)	26.53	23.32
D. Recognised deferred tax assets and liabilities		
Deferred tax assets and liabilities are attributable to the following:		
Difference between book depreciation and tax depreciation	(35)	6
Lease Rent adjustment as per Ind AS 116	2	-
Provision for Gratuity	7	2
Provision for compensated absence	12	0
Net Deferred Tax Expense	(13)	8

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

44. MOVEMENT OF DEFERRED TAX

Particulars	As at Mar 31, 2020	Recognised through Other Comprehensive Income	Rec- ognised through Profit and Loss	As at Mar 31, 2019	Recognised through Other Comprehen- sive Income	Rec- ognised through Profit and Loss	As at April 01, 2018
Deferred tax asset on account of:							
Lease Rent adjustment as per Ind AS 116	2	-	2	-	-	-	-
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	27	-	(35)	62	-	6	56
Provision for gratuity	15	3	4	7	2	-	5
Provision for compensated absences	40	-	12	28	-	0	28
Total Deferred tax assets (A)	84	3	(17)	98	2	6	89
Total Deferred tax liability (B)	-	-	-	-	-	-	-
Net Deferred Tax Assets / (Liability) (A) - (B)	84	3	(17)	98	2	6	89

45. DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006), certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the management. The Company has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
1	The principal amount remaining unpaid at the end of the year.	-	-	-
2	The interest amount remaining unpaid at the end of the year.	-	-	-
3	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-	-
5	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-	-
6	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-	-
7	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 to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-
	The Balance of MSMED parties as at the end of the Year	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (₹ in Lakhs, unless otherwise stated)

46. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
Financial Assets									
Cash and Cash Equivalents	201	-	201	87	-	87	11	-	11
Bank Balance other than Cash and Cash Equivalents above	1,439	-	1,439	347	-	347	525	-	525
Receivables									
Trade Receivables	439	-	439	2,211	-	2,211	130	-	130
Other Receivables	393	-	393	518	-	518	526	-	526
Loans	-	-	-	100	-	100	200	-	200
Investments	189	-	189	275	-	275	164	-	164
Other Financial Assets	2,189	60	2,249	504	380	884	7	356	363
Total financial assets (A)	4,850	60	4,910	4,042	380	4,422	1,563	356	1,919
Non-financial assets									
Current Tax Assets (Net)	-	550	550	-	69	69	-	97	97
Deferred Tax Assets (Net)	-	84	84	-	98	98	-	89	89
Property, Plant and Equipment	-	374	374	-	201	201	-	38	38
Other Intangible assets	-	4	4	-	5	5	-	1	1
Other non-financial assets	239	6	245	63	-	63	170	-	170
Total Non-financial Assets (B)	239	1,018	1,257	63	373	436	170	225	395
Total Assets (C) = (A) + (B)	5,089	1,078	6,167	4,105	753	4,858	1,733	581	2,314

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
Financial liabilities									
Payables									
Trade payables									
Total Outstanding dues of Micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

46. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	245	-	245	43	-	43	34	-	34
Borrowings	27	17	44	187	193	380	342	455	797
Other financial liabilities	358	175	533	236	-	236	55	-	55
Total Financial Liabilities (A)	630	192	822	466	193	659	431	455	886
Non Financial Liabilities									
Provisions	504	-	504	655	-	655	242	-	242
Other non-financial liabilities	311	-	311	180	-	180	22	-	22
Total Non-Financial Liabilities (B)	815	-	815	835	-	835	264	-	264
Total Liabilities (C) = (A) + (B)	1,445	192	1,637	1,302	193	1,494	695	455	1,150

47. ASSETS PLEDGED AS SECURITY

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non financial asset			
Property, Plant and Equipment (Vehicle)	67	142	19
Total assets pledged as security	67	142	19

48. The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On March 11, 2020, the COVID-19 outbreak was declared as a global pandemic by the World Health Organisation. In view of the complete lockdown, we have moved to a 100% work from home mode of operation and we have been able to conduct business without any interruption during this period using digital tools. All our employees have been able to work remotely and securely. We will gradually open our physical offices once permitted based on the guidelines and rules issued by the governments. The Group believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

49. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these consolidated financial statements.

50. PRINCIPLES AND ASSUMPTIONS USED FOR CONSOLIDATED FINANCIAL STATEMENTS AND PROFORMA ADJUSTMENTS

The Consolidated Financial Statements have been prepared by applying the principles laid in the Indian Accounting Standard (Ind AS) - 110 "Consolidated Financial Statements" and (Ind AS) - 28 "Investments in Associates and Joint Ventures" issued by the Institute of Chartered Accountants of India for the purposes of these Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and Summary of significant accounting policies and other explanatory information to the consolidated financial statements, together referred to in as 'Consolidated Financial Statements'.

The list of subsidiaries in the consolidated financial statement are as under :-

Prime Securities Limited ('the Company' or 'the holding company') shareholding in the following companies as on March 31, 2020 and March 31, 2019 is as under:

Name of the Entities		Country of incorporation	Proportion of ownership interest	
			As at March 31, 2020	As at March 31, 2019
Name of the Subsidiary Companies				
Direct Subsidiaries				
1	Primesec Investments Limited	India	100	100
2	Prime Research & Advisory Limited	India	100	100
3	Prime Commodities Broking (India) Limited	India	100	100
4	Prime Funds Management Limited	India	100	100

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(₹ in Lakhs, unless otherwise stated)

51. ADDITIONAL DISCLOSURE PERTAINING TO SUBSIDIARIES/ASSOCIATE AS PER DIVISION III OF COMPANIES ACT, 2013

Sr. No.	Name of the Entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit / (Loss)	Amount	As % of Consolidated OCI	Amount	As % of Total Consolidated Income	Amount
	Parent								
	Prime Securities Limited	118%	5,348	-31%	-241	86%	-5	-31%	-246
	Subsidiary Company								
1	Primesec Investments Limited	-51%	-2,316	69%	545	14%	-1	69%	544
2	Prime Research & Advisory Limited	31%	1,409	61%	482	0%	-	62%	482
3	Prime Commodities Broking (India) Limited	2%	89	0%	3	0%	-	0%	3
4	Prime Funds Management Limited	0%	-	0%	-	0%	-	0%	-
	Total	100%	4,530	100%	789	100%	-6	100%	783

52. THE AMOUNT REFLECTED AS "0" IN THE FINANCIAL STATEMENTS ARE VALUES WITH LESS THAN RUPEES ONE LAKH.

For Walker Chandiok & Co LLP
Chartered Accountants
(Firm Registration Number:
001076N/N500013)

For and on behalf of the Board of Directors
Prime Securities Limited

N. Jayakumar

Managing Director & Group CEO

Pradip Dubhashi

Chairman

Sudhir N Pillai

Partner

Membership No 105782

S. R. Sharma

Chief Financial Officer

Ajay Shah

Company Secretary

Place : Mumbai

Date : June 19, 2020

Place : Mumbai

Date : June 19, 2020

FORM AOC-1

Salient features of the financial statements
of Subsidiaries / Associate Companies / Joint Ventures

[Pursuant to the first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]

Subsidiaries

Sr. No.	Name of Subsidiary	Primesec Investments Limited	Prime Research & Advisory Limited	Prime Commodities Broking (India) Limited	Prime Funds Management Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020
2	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
3	Share Capital	164	135	50	5
4	Reserve and Surplus	(2,480)	1,273	39	(0)
5	Total Assets	1,716	2,004	591	5
6	Total Liabilities (Excluding Minority interest)	4,032	595	502	-
7	Investment other than investment in Subsidiary	39	113	-	-
8	Turnover and Other Income	2,710	2,449	48	-
9	Profit Before Taxation	672	617	4	(0)
10	Provision for Taxation (incl Deferred Tax)	127	136	1	-
11	Profit after Tax	545	481	3	(0)
12	Dividend	-	-	-	-
13	% of shareholding	100%	100%	100%	100%

For and on behalf of the Board of Directors
Prime Securities Limited

N. Jayakumar
Managing Director & Group CEO

Pradip Dubhashi
Chairman

S. R. Sharma
Chief Financial Officer
Place : Mumbai
Date : June 19, 2020

Ajay Shah
Company Secretary

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

PRIME

The logo features the word "PRIME" in a white, italicized, sans-serif font. To the right of the text is a red, curved swoosh that starts below the 'P', arches over the 'M', and ends below the 'E'.