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**Walker Chandio & Co LLP**

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**Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date Financial Results of Prime Securities Limited Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Prime Securities Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Prime Securities Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended **31 December 2021** and the consolidated year to date results for the period 01 April 2021 to 31 December 2021 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the SEBI LODR Regulations'), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI LODR Regulations, including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI LODR Regulations, to the extent applicable.

**Prime Securities Limited**

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4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI LODR Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of two subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 389 lakhs and ₹ 664 lakhs, total net profit after tax of ₹ 150 lakhs and ₹ 149 lakhs, total comprehensive income of ₹ 151 lakh and ₹ 145 lakhs, for the quarter ended 31 December 2021 and year-to-date period 01 April 2021 to 31 December 2021, respectively, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

**MURAD D**

**DARUWALLA**

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**Murad D. Daruwalla**

Partner

Membership No:043334

**UDIN:22043334AAAAAX8073**

Place: Mumbai

Date: 28 January 2021

**Prime Securities Limited**

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**Annexure 1**

**List of subsidiaries included in the Statement**

1. Prime Research & Advisory Limited
2. Prime Funds Management Limited

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# PRIME SECURITIES LIMITED - CONSOLIDATED

Regd. Office : 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 (CIN: L67120MH1982PLC026724)

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## STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED DECEMBER 31, 2021

(Rs. in Lakhs, unless otherwise stated)

Particulars	Quarter ended			Period ended		Year ended
	31-Dec-21 (Unaudited)	30-Sep-21 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-21 (Unaudited)	31-Dec-20 (Unaudited)	31-Mar-21 (Audited)
<b>I Revenue from Operations</b>						
i) Interest income	77	67	65	215	160	230
ii) Dividend income	-	9	-	10	-	-
iii) Fee and commission income	1,467	1,151	500	3,256	2,233	4,069
iv) Net gain on fair value changes	-	88	59	21	110	44
v) Gain on sale / redemption of investments (net)	0	5	7	11	28	20
<b>Revenue from operations</b>	<b>1,544</b>	<b>1,320</b>	<b>631</b>	<b>3,513</b>	<b>2,530</b>	<b>4,363</b>
<b>II Other Income</b>	<b>-</b>	<b>8</b>	<b>(0)</b>	<b>15</b>	<b>2</b>	<b>165</b>
<b>III Total income (I+II)</b>	<b>1,544</b>	<b>1,328</b>	<b>631</b>	<b>3,528</b>	<b>2,532</b>	<b>4,528</b>
<b>Expenses</b>						
i) Finance cost	6	5	11	18	31	38
ii) Fee and commission expense	-	23	11	63	297	856
iii) Net loss on fair value changes	60	-	-	3	-	-
iv) Impairment on financial instruments	4	-	46	4	147	178
v) Employee benefit expenses	586	335	351	1,256	1,078	1,852
vi) Depreciation and amortisation expense	22	23	36	71	100	129
vii) Other expenses	107	167	114	351	316	410
<b>IV Total expenses</b>	<b>785</b>	<b>553</b>	<b>569</b>	<b>1,766</b>	<b>1,969</b>	<b>3,463</b>
<b>V Profit before exceptional items and tax (III-IV)</b>	<b>759</b>	<b>775</b>	<b>62</b>	<b>1,762</b>	<b>563</b>	<b>1,065</b>
<b>VI Exceptional items (net) (Refer note 5)</b>	<b>0</b>	<b>2</b>	<b>-</b>	<b>276</b>	<b>-</b>	<b>-</b>
<b>VII Profit before tax (V) + (VI)</b>	<b>759</b>	<b>777</b>	<b>62</b>	<b>2,038</b>	<b>563</b>	<b>1,065</b>
<b>VIII Tax expenses / (credits)</b>						
- Current tax	216	124	2	379	82	219
- Deferred tax charge / (credit)	(15)	7	(0)	24	35	25
<b>IX Profit after tax (VII-VIII)</b>	<b>558</b>	<b>646</b>	<b>60</b>	<b>1,635</b>	<b>446</b>	<b>821</b>
<b>X Other comprehensive income/ (loss)</b>						
a) I) Items that will not be reclassified to profit or loss						
(a) Remeasurement of defined employee benefit plans	7	(9)	(1)	(26)	(3)	3
(b) Remeasurement gain/ (loss) on fair valuation of investments in equity instruments	275	64	-	339	-	-
II) Income tax relating to items that will not be reclassified to profit or loss	(35)	(5)	0	(33)	1	(1)
b) I) Items that will be reclassified to profit or loss	-	-	-	-	-	-
II) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
<b>Other comprehensive income / (loss) (a+b)</b>	<b>247</b>	<b>50</b>	<b>(1)</b>	<b>280</b>	<b>(2)</b>	<b>2</b>
<b>XI Total comprehensive income for the quarter / period (IX + X)</b>	<b>805</b>	<b>696</b>	<b>59</b>	<b>1,915</b>	<b>444</b>	<b>823</b>
<b>XII i) Paid-up equity share capital (face value Rs. 5 each)</b>	<b>1,555</b>	<b>1,326</b>	<b>1,326</b>	<b>1,555</b>	<b>1,326</b>	<b>1,326</b>
<b>ii) Other equity</b>						<b>4,395</b>
<b>XIII Earning per equity share</b> (Rs. not annualised for the quarters and period ended)						
- Basic (amount in Rs.)	<b>1.94</b>	<b>2.44</b>	<b>0.23</b>	<b>6.00</b>	<b>1.68</b>	<b>3.10</b>
- Diluted (amount in Rs.)	<b>1.80</b>	<b>2.27</b>	<b>0.22</b>	<b>5.54</b>	<b>1.65</b>	<b>3.01</b>

**Consolidated Notes:**

- 1 The above consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. The consolidated financial results were reviewed by Audit Committee and approved by the Board of Directors at its Meeting held on January 28, 2022. The results for the quarter and nine months ended December 31, 2021 were subjected to limited review by the statutory auditors of the company.
- 2 The Consolidated financial results include the reviewed financial results of the wholly-owned subsidiaries - Prime Research & Advisory Limited and Prime Funds Management Limited.
- 3 Amid continued COVID-19 pandemic and gradual phase out of restrictions, economic activities have started returning to normal. Employees of the Group continue to work from home. The Company believes that it has taken into account all possible impact of known events arising out of COVID 19 pandemic in preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company is continuously monitoring any material changes that may influence future economic conditions.
- 4 The Board of Directors have, at their meeting held on October 13, 2021, approved the issue of upto 45,50,000 equity shares of the Company to the specified investors, on a preferential basis at a price of Rs. 88.75 per equity share, subject to approval of the shareholders at their extraordinary general meeting scheduled to be held on November 10, 2021. The proceeds received by the company is temporarily parked in Fixed deposit with bank.
- 5 During the nine months ended December 31, 2021, the holding company has tracked and recovered certain listed shares which had formed a part of its investments. These had been misplaced and so written-off in earlier years. These shares have since been reinstated at the average cost they were carried at. The difference between the market value of such shares on the date of reinstatement and the average cost at which they have been reinstated and related expense, has been accounted for through exceptional item as the gain that has been accounted for does not pertain to this nine months ended December 31, 2021 alone. Subsequent changes in fair valuations have been shown under "Net Gain on fair value changes".
- 6 On December 17, 2021, the Group had intimated to the stock exchanges under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 about an interim order passed by the sole arbitrator, containing certain directions against the Group, in an arbitration between two parties, having no relationship to the Group and the subsequent stay order obtained by the Group against such order. The counterparties had appealed for vacation of the stay of such order in the meantime. However, subsequently, the sole arbitrator has passed an award in terms of the said arbitration and set aside all interim orders passed therein. Accordingly, appeal filed for the stay order has become infructuous. Since the Group is not the party to the arbitration, the award passed by the arbitration is not binding on the Group and currently the matter is pending with the Dehradun Jurisdictional Court, India. Based on external legal advice obtained by the management, the Group has good merit in these litigations.
- 7 The Company has identified two business segments (i) Financial Advisory & Intermediation services and (ii) Brokerage from financial product distribution business as per Ind-AS 108. However, the segment "Brokerage from distribution business of financial products" does not exceed the quantitative thresholds as prescribed by paragraph 13 of Ind-AS 108. Hence, the entity has not reported separate information for each operating segment.
- 8 The amounts reflected as "0" in the Financial Information are values with less than rupees one lakh.
- 9 Previous quarter / period ended figures have been regrouped / reclassified, wherever necessary, to confirm to the current quarter presentation.

**For Prime Securities Limited****JAYAKUMAR  
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Mumbai  
January 28, 2022

**N. Jayakumar**  
**Managing Director & Group CEO**