

---

**Walker Chandiook & Co LLP**  
16th floor, Tower II,  
Indiabulls Finance Centre,  
SB Marg, Prabhadevi (W)  
Mumbai – 400 013  
India  
T +91 22 6626 2699  
F +91 22 6626 2601

**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company 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 ('the Statement') 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 30 June 2020, 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), 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 accounting 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. 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

# Walker Chandiook & Co LLP

Prime Securities Limited

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

---

5. We draw attention to Note 5 to the accompanying Statement, which indicates that the Company has adopted IND AS from 1 April 2017 instead of 1 April 2019 and considered the 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 financial statement of the Company would not be material.
6. We draw attention to Note 6 to the accompanying Statement, 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 conclusion is not modified in respect of these above matters.

7. We did not review the interim financial results of two subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 453 lakhs, total net (loss) after tax of ₹ (152) lakhs, total comprehensive (loss) of ₹ (151) lakhs for the quarter ended 30 June 2020, 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 with respect to our reliance on the work done by and the reports of the other auditors.

8. The Statement includes the interim financial results of two subsidiaries, which have not been reviewed by their auditors, whose interim financial information reflects total revenues of ₹ 6 lakhs, net profit after tax of ₹ 1 lakh, total comprehensive income ₹ 1 lakh for the quarter ended 30 June 2020 respectively, as considered in the Statement, and have been furnished to us by the Holding Company's management. Our review of the Statement in so far as it relates to the aforesaid subsidiaries, is based solely on such unreviewed financial information. According to the information and explanations given to us by the management, such interim financial information are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Management.

9. The review of unaudited consolidated quarterly financial results for the period ended 30 June 2019 included in the Statement was carried out and reported by Gandhi & Associates LLP who have expressed modified conclusion vide their review report dated 14 August 2019, whose review report has been furnished to us by the management and which has been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No:001076N/N500013

**MURAD D**  
**DARUWALLA**

Digitally signed by  
MURAD D DARUWALLA  
Date: 2020.08.18  
12:35:46 +05'30'

**Murad D. Daruwalla**  
Partner  
Membership No:043334

**UDIN:20043334AAAAAI2717**

Place: Mumbai  
Date: 18 August 2020

# Walker Chandniok & Co LLP

Prime Securities Limited

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

---

## Annexure 1

### List of entities included in the Statement

1. Primesec Investments Limited
2. Prime Research & Advisory Limited
3. Prime Commodities Broking (India) Private Limited
4. Prime Funds Management Limited

*This space has been intentionally left blank.*

## PRIME SECURITIES LIMITED - CONSOLIDATED

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

### STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

(Rs. in Lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended
	30-Jun-20 (Unaudited)	31-Mar-20 (Unaudited)*	30-Jun-19 (Unaudited)#	31-Mar-20 Audited
<b>I Revenue from operations</b>				
i) Interest income	39	25	17	75
ii) Dividend income	-	0	0	0
iii) Rental income	-	-	1	4
iv) Fee and commission income	943	3,081	1,057	7,366
v) Net gain on fair value changes	17	9	0	-
vi) Gain on sale/ redemption of investments (net)	9	-	-	-
<b>Revenue from operations</b>	<b>1,008</b>	<b>3,115</b>	<b>1,075</b>	<b>7,445</b>
<b>II Other income</b>	<b>0</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>III Total income (I+II)</b>	<b>1,008</b>	<b>3,116</b>	<b>1,075</b>	<b>7,446</b>
<b>Expenses</b>				
i) Finance cost	8	6	7	22
ii) Fees and commission expense	183	817	242	1,880
iii) Net loss on fair value changes	-	-	19	129
iv) Impairment on financial instruments	57	1,452	-	1,969
v) Employee benefit expense	366	715	363	1,847
vi) Depreciation & amortisation expense	29	33	23	99
vii) Other expenses	153	179	152	426
<b>IV Total expenses</b>	<b>796</b>	<b>3,202</b>	<b>806</b>	<b>6,372</b>
<b>V Profit / (loss) before tax (III-IV)</b>	<b>212</b>	<b>(86)</b>	<b>269</b>	<b>1,074</b>
<b>VI Tax expenses / (credits)</b>				
- Current tax	82	11	82	269
- Deferred tax liabilities / (assets)	37	16	-	16
<b>VII Profit / (loss) after tax from continuing operations (V-VI)</b>	<b>93</b>	<b>(113)</b>	<b>187</b>	<b>789</b>
<b>VIII Other comprehensive income</b>				
a) I) Items that will not be reclassified to profit or loss				
(a) Remeasurement of defined employee benefit plans	5	(1)	(2)	(9)
II) Income tax relating to items that will not be reclassified to profit or loss	(1)	1	0	3
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 (a+b)</b>	<b>4</b>	<b>(0)</b>	<b>(2)</b>	<b>(6)</b>
<b>IX Total comprehensive income for the quarter / year (VII + VIII)</b> <b>(Comprising profit / (loss) and other comprehensive income for the quarter / year)</b>	<b>97</b>	<b>(113)</b>	<b>185</b>	<b>783</b>
<b>X</b>				
i) Paid-up equity share capital (face value Rs. 5/- each)	1,330	1,330	1,330	1,330
ii) Other equity				3,200
<b>XI Earning / (loss) per equity share for continuing operation</b> (face value Rs. 5/- per equity share) (Rs. not annualised for the quarters and year ended)				
- Basic (amount in Rs.)	<b>0.35</b>	<b>(0.43)</b>	<b>0.71</b>	<b>2.98</b>
- Diluted (amount in Rs.)	<b>0.35</b>	<b>(0.42)</b>	<b>0.70</b>	<b>2.95</b>

\* Refer Note 9

# Refer Note 6

**Consolidated Notes:**

- 1) The above consolidated financial results have been prepared in accordance with the recognition and measurement principles of Ind-AS 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 August 18, 2020. The results for the Quarter ended June 30, 2020 have been reviewed by the statutory auditors of the Company.
- 2) The Consolidated financial results include the audited financial results of the wholly-owned subsidiaries - Primesec Investments Limited, Prime Research & Advisory Limited, Prime Commodities Broking (India) Limited and Prime Funds Management Limited.
- 3) The SARS-CoV-2 virus responsible for COVID -19 continues to remain a major public health emergency. While rates of infection remain elevated, the economy is gradually opening up across the country. Localized lockdowns to control the spread of infection have been deployed. Inter-state and intra- state travel continue to have restrictions. During this unprecedented time, the company has successfully migrated all its employees to work from home .The Company has provided the required infrastructure for the same. 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 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.
- 4) The 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. The Company has received no objection from stock exchanges / SEBI and have made petition to the jurisdictional bench of National Company Law Tribunal for its approval.
- 5) The Company had adopted Ind-AS from April 1, 2017 and comparative financial information for the year ended March 31, 2018 and transition date opening balance sheet as at April 1, 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 Rs. 500 crores, should have adopted Ind AS from April 1, 2019 with transition date being April 1, 2018 in accordance with Companies (Indian Accounting Standards) (Amendment) Rules, 2016, dated March 30, 2016.  
The Management has ascertained the impact of change in transition date from April 1, 2016 to April 1, 2018 which has an insignificant impact on the equity as on April 1, 2018 and the management believes that no adjustment is required in the financial statements for the current quarter.  
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 March 30, 2016 and believes that the same is not material to the financial results.  
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 results of Non-Banking Financial Companies, as defined in the Companies (Indian Accounting Standards) (Amendments) Rules 2016. These Financial results have been prepared in accordance with Division III. The corresponding figures for the quarter ended June 2019 has been reclassified to comply with the requirements of the Division III.
- 6) In accordance with the requirements of Indian Accounting Standards (Ind-AS) - 8, "Accounting Policies, Changes in Accounting Estimates and Errors", the management has restated certain account balances for the comparative quarter in order to comply with the accounting principles enunciated under the relevant Ind-AS's:
  - a) Employee Benefit Expenses for the quarter ended June 30, 2019 aggregating to Rs. 362.92 lakhs have been adjusted:
    - (i) on account of recognition of expenses pertaining to share based payment transactions to the tune of Rs. 49.58 lakhs, and
    - (ii) on account of recognition of expenses related to performance bonus to the tune of Rs. 65 lakhs.
  - b) Depreciation Expense for the quarter ended June 30, 2019 aggregating to Rs. 23.08 lakhs have been adjusted for Rs. 1.63 lakhs on account of reversal of depreciation expense pertaining to reclassification of Property, Plant & Equipments to 'Other receivable' as per Ind-AS 16 under the financial asset to the tune of Rs. 392.80 lakhs for the quarter ended June 30, 2019.
- 7) 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 thresholds as prescribed by paragraph 13 of Ind-AS 108. Hence, the entity has not reported separate information for each operating segment.
- 8) As per Ind-AS 109, the Company has unrealised gain / (loss) of Rs.17.29 lakhs for the quarter ended June 30, 2020, which has been classified under head 'Net gain on fair value changes'.
- 9) The figures for quarter ended March 31, 2020 represents the balance between audited financials in respect of full financials year and those published till the third quarter of the respective financials years.
- 10) The amounts reflected as "0" in the Financial Information are values with less than rupees fifty thousand.
- 11) Previous quarter / year ended figures have been regrouped / reclassified, wherever found necessary, to confirm to the current quarter end presentation.

Mumbai  
August 18, 2020

For Prime Securities Limited

JAYAKUMAR  
NARAYANSWAMI

N. Jayakumar  
Managing Director & Group CEO