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**Walker Chandiook & Co LLP**

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**Independent Auditor's Report on Standalone Annual 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**

**Opinion**

1. We have audited the accompanying standalone annual financial results of **Prime Securities Limited** ('the Company') for the year ended 31 March 2021 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
  - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 Statement 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 ('the 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matters**

4. We draw attention to Note 5 to the accompanying Statement, 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 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 financial statement of the Company would not be material.

**Prime Securities Limited****Independent Auditor's Report on Standalone Annual Financial Results of Prime Securities Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

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5. We draw attention to Note 3 to the accompanying standalone financial results, which states that pursuant to the Scheme of Merger (the 'Scheme') entered into between Prime Securities Limited ('the Transferee Company') and its erstwhile subsidiary companies, PrimeSec Investments Limited ('PIL') and Prime Commodities Broking India limited ('PCBIL') (jointly referred as 'the Transferor Companies') as approved by the Hon'ble National Company Law Tribunal, Mumbai Bench, by order dated 13 May 2021, the transferor companies have been merged with the Company and such merger transaction has been accounted for as per the accounting prescribed under the scheme which is in line with the accounting principles given under Appendix C to Ind AS 103 applicable to common control business combinations. Accordingly, the comparative financial information for the quarter and year ended 31 March 2020 and quarter ended 31 December 2020 have been adjusted to reflect the aforesaid merger, as described in aforesaid note.

Our opinion is not modified in respect of these matters.

**Responsibilities of Management and Those Charged with Governance for the Statement**

6. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
7. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Statement**

9. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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, specified under section 143(10) of the Act, 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 this Statement.
10. As part of an audit in accordance with the 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 Statement, 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 in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.

**Prime Securities Limited**

**Independent Auditor's Report on Standalone Annual Financial Results of Prime Securities Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of the 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 Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
11. 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.
12. 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.

**Other Matters**

13. The comparative financial information of PIL for the quarter and year ended 31 March 2020 and quarter ended 31 December 2020, included in the accompanying Statement, are based on the financial results of such transferor company audited by another firm of Chartered Accountants, M/s Gandhi & Associates LLP, whose reports dated 18 June 2020 and 3 February 2021, expressed an unmodified opinion and an unmodified conclusion, respectively, on those financial results.
14. The comparative financial information of PCBIL for the quarter and year ended 31 March 2020 and quarter ended 31 December 2020, included in the accompanying Statement, are based on the financial results of such transferor company audited by another firm of Chartered Accountants, Arun Bedekar & Co, whose reports dated 18 June 2020 and 3 February 2021, expressed an unmodified opinion and an unmodified conclusion, respectively, on those financial results.

The adjustments made to the accompanying financial results to give effect to the scheme of merger as described in paragraph 5 above have been audited by us. Our opinion is not modified in respect of this matter.

15. The Statement includes the financial results for the quarter ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the restated unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

**MURAD D**  
**DARUWALLA**

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MURAD D DARUWALLA  
Date: 2021.06.24  
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**Murad D. Daruwalla**

Partner

Membership No:043334

**UDIN:21043334AAAACK8186**

Place: Mumbai

Date: 24 June 2021

# PRIME SECURITIES LIMITED

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

Tel: +91-22-61842525 Fax: +91-22-24970777 Website: www.primesec.com Email: prime@primesec.com

## STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the quarter ended			For the year ended	
	31-Mar-21 (Unaudited)#	31-Dec-20 (Unaudited)	31-Mar-20 (Unaudited)#	31-Mar-21 (Audited)	31-Mar-20 (Audited)
<b>I Revenue from Operations</b>					
i) Interest income	43	37	14	135	59
ii) Dividend income	-	-	-	-	-
iii) Rental income	-	-	-	-	4
iv) Fee and commission income	1,129	380	2,206	2,794	4,935
v) Net gain on fair value changes	-	45	9	43	-
vi) Gain on sale / redemption of investments (net)	-	7	-	23	-
<b>Revenue from operations</b>	<b>1,172</b>	<b>469</b>	<b>2,229</b>	<b>2,995</b>	<b>4,998</b>
<b>II Other Income</b>	<b>2</b>	<b>0</b>	<b>-</b>	<b>2</b>	<b>-</b>
<b>III Total income (I+II)</b>	<b>1,174</b>	<b>469</b>	<b>2,229</b>	<b>2,997</b>	<b>4,998</b>
<b>Expenses</b>					
i) Finance cost	5	6	4	26	13
ii) Fee and commission expense	200	2	526	286	978
iii) Net loss on fair value changes	47	-	-	-	129
iv) Loss on on sale / redemption of investments (net)	9	-	-	-	-
v) Impairment on financial instruments	32	46	1,265	178	1,705
vi) Employee benefit expenses	546	237	371	1,259	1,183
vii) Depreciation and amortisation expense	20	20	21	77	51
viii) Other expenses	76	83	155	344	479
<b>IV Total expenses</b>	<b>935</b>	<b>394</b>	<b>2,342</b>	<b>2,170</b>	<b>4,538</b>
<b>V Profit / (loss) before tax (III-IV)</b>	<b>239</b>	<b>75</b>	<b>(113)</b>	<b>827</b>	<b>460</b>
<b>VI Tax expenses / (credits)</b>					
- Current tax	56	2	22	138	127
- Deferred tax charge / (credit)	(3)	(2)	22	27	22
<b>VII Profit / (loss) after tax (V-VI)</b>	<b>186</b>	<b>75</b>	<b>(157)</b>	<b>662</b>	<b>311</b>
<b>VIII Other comprehensive income/ (loss)</b>					
a) I) Items that will not be reclassified to profit or loss					
(a) Remeasurement of defined employee benefit plans	6	(1)	(1)	4	(9)
II) Income tax relating to items that will not be reclassified to profit or loss	(2)	0	0	(1)	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 / (loss) (a+b)</b>	<b>4</b>	<b>(1)</b>	<b>(1)</b>	<b>3</b>	<b>(6)</b>
<b>IX Total comprehensive income / (loss) for the quarter / year (VII + VIII)</b>	<b>190</b>	<b>74</b>	<b>(158)</b>	<b>665</b>	<b>305</b>
<b>X</b>					
i) Paid-up equity share capital (face value Rs. 5 each)	1,326	1,326	1,326	1,326	1,326
ii) Other equity				3,878	2,845
<b>XI Earning / (loss) per equity share</b>					
(Rs. not annualised for the quarters and year ended)					
- Basic (amount in Rs.)	0.70	0.28	(0.59)	2.50	1.17
- Diluted (amount in Rs.)	0.68	0.28	(0.59)	2.43	1.16
# Refer Note 7					

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## STANDALONE STATEMENT OF ASSETS & LIABILITIES

(Rs. in Lakhs, unless otherwise stated)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
<b>ASSETS</b>		
<b>I. Financial assets</b>		
a) Cash and cash equivalents	2,084	933
b) Bank balance other than (a) above	1,453	-
c) Receivables		
(i) Trade receivables	78	438
(ii) Other receivables	393	393
d) Loans	62	62
e) Investments	2,133	1,131
f) Other financial assets	76	1,357
	<b>6,279</b>	<b>4,314</b>
<b>II. Non-financial assets</b>		
a) Current tax assets (net)	787	483
b) Deferred tax assets (net)	52	80
c) Property, plant and equipment	192	282
d) Other intangible assets	1	1
e) Other non-financial assets	63	116
	<b>1,095</b>	<b>962</b>
<b>TOTAL ASSETS</b>	<b>7,374</b>	<b>5,276</b>
<b>LIABILITIES AND EQUITY</b>		
<b>I. Financial liabilities</b>		
a) Payables		
(i) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	227	5
b) Borrowings	17	23
c) Other financial liabilities	196	262
	<b>440</b>	<b>290</b>
<b>II. Non-financial liabilities</b>		
a) Provisions	418	529
b) Other non-financial liabilities	1,312	286
	<b>1,730</b>	<b>815</b>
<b>III. Equity</b>		
a) Equity share capital	1,326	1,326
b) Other equity	3,878	2,845
	<b>5,204</b>	<b>4,171</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,374</b>	<b>5,276</b>

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## **STANDALONE STATEMENT OF CASH FLOW**

(Rs. in Lakhs, unless otherwise stated)

<b>Particulars</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
<b>Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>827</b>	<b>460</b>
<b>Adjustments for :</b>		
Depreciation and amortisation expense	77	51
Changes in fair valuation of investment (net) through profit or loss	(43)	129
Gain on sale of investments (net)	(23)	-
Interest expense	6	9
Interest income on deposits	(135)	(59)
Share based payment to employees	191	247
Impairment of financial assets	178	1,705
<b>Operating profit before working capital changes</b>	<b>1,078</b>	<b>2,542</b>
<b>Adjustments for changes in working capital:</b>		
(Decrease) / Increase in provisions	(106)	(132)
Increase / (Decrease) in trade payables	222	(34)
Increase/ (Decrease) in other financial liabilities	(66)	75
Increase/ (Decrease) in other non-financial liabilities	1,025	140
(Increase)/ Decrease in other financial assets	1,280	(999)
(Increase)/ Decrease in other receivables	-	125
Decrease/ (Increase) in trade receivables	182	(228)
Decrease/ (Increase) in other non-financial assets	52	(62)
(Increase)/ Decrease in Loans	-	100
Decrease/ (Increase) in fixed deposits with maturity more than 3 months	(1,453)	347
<b>Total changes in working capital</b>	<b>1,136</b>	<b>(668)</b>
<b>Cash generated from operations</b>	<b>2,214</b>	<b>1,874</b>
Taxes paid, net of refunds	(442)	(520)
<b>Net cash generated/(used) from operating activities (A)</b>	<b>1,772</b>	<b>1,354</b>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipments including capital work-in-progress	(4)	(273)
Proceeds from sale / disposal of property, plant and equipments	18	-
Purchase of Investments	(7,435)	2
Proceeds from sale / redemption of investments	6,678	-
Interest income	135	59
<b>Net cash generated/(used) from in investing activities (B)</b>	<b>(609)</b>	<b>(212)</b>
<b>Cash flow from financing activities:</b>		
Borrowings repaid during the year	(6)	(276)
Interest paid	(6)	(9)
<b>Net cash generated/(used) in financing activities (C)</b>	<b>(12)</b>	<b>(285)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,151</b>	<b>857</b>

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## **STANDALONE STATEMENT OF CASH FLOW**

(Rs. in Lakhs, unless otherwise stated)

<b>Particulars</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
<b>Cash and cash equivalents at the beginning of the year</b>	933	76
<b>Cash and cash equivalents at the end of the year</b>	2,084	933
<b>Total</b>	<b>1,151</b>	<b>857</b>
<b>Notes:</b>		
1) Cash and cash equivalents comprise of		
Cash on hand	1	1
Balances with banks		
In current account	1,981	173
Demand deposits (less than 3 months maturity)	102	759
<b>Cash and cash equivalents at the end of the year</b>	<b>2,084</b>	<b>933</b>


Notes:

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).

**Standalone Notes:**

- 1 The above standalone financial results have been prepared in accordance with the recognition and measurement principles of Companies (Indian Accounting Standard) rules, 2015 ('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 standalone financial results were reviewed by Audit Committee and approved by the Board of Directors at its Meeting held on June 24, 2021. The results for the year ended March 31, 2021 have been audited by the statutory auditors of the company.
- 2 Amid continued COVID-19 pandemic and gradual phase out of restrictions, economic activities have started returning to normal. Employees of the company 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.
- 3 Pursuant to receipt of order dated May 13, 2021, from the Honourable National Company Law Tribunal, Mumbai Bench (NCLT) approving the scheme of amalgamation of Primesec Investment Limited (PIL) and Prime Commodities Broking (India) Limited (PCBIL), the transferor companies, with Prime Securities Limited (PSL), the transferee company as a result of which the transferor companies and transferee company have filed Form INC-28 with ROC which has made the Scheme effective from the date of April 1, 2020. Amalgamation of the Transferor Companies with the Transferee Company has been accounted in the books of the Transferee Company as per Pooling of Interests Method as set out in Appendix C of Ind-AS 103 (Business Combinations of entities under common control) read with the Companies (Indian Accounting Standards) Rules, 2015. The comparative financial information in the financial results in respect of quarter ended December 31, 2020, March, 31, 2020 and year ended March 31, 2020 have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements i.e April 1, 2019.
- 4 The Board of Directors at its meeting held on June 24, 2021 has proposed a final dividend of Rs. 4.50 per equity share of face value of Rs. 5/- each, for the financial year 2020-21, subject to approval of the shareholders in forthcoming Annual General Meeting.
- 5 The Company, being considered a NBFC with a net-worth of less than Rs. 500 crores, was required to have adopted Ind-AS from April 1, 2019 under the Companies (Indian Accounting Standard) Rules, 2015, against which the actual adoption was from April 1, 2017 and the considered transition date as April 1, 2016. Management believes that the qualitative / quantitative impact of the same was not material to the financial results and hence, no adjustment was required.
- 6 The Company has only one segment i.e. Financial Advisory & Intermediation services. There are no separate reportable segments as required by Ind AS 108.
- 7 The figures for the last quarter of the current year and of the previous year are the balancing figures between audited figures in respect of the full financial year and the restated year-to-date figures up to third quarter.
- 8 The amounts reflected as "0" in the Financial Information are values with less than rupees one lakhs.
- 9 Previous quarter and period/year ended figures have been regrouped/reclassified, wherever found necessary, to confirm to the current quarter/period/year end presentation.

Mumbai  
June 24, 2021

**For Prime Securities Limited**  
**JAYAKUMAR**  
**NARAYANSWAMI**  
  
**N. Jayakumar**  
**Managing Director & Group CEO**