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Independent Auditor's Report on Consolidated 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 consolidated annual 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 year ended **31 March 2021** ('the Statement'), attached herewith, 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) ('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 and based on the consideration of the reports of other auditors on separate audited financial results of the subsidiaries, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (iii) 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 consolidated net profit after tax and other comprehensive income and other financial information of the Group, 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 Group, 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 and that obtained by the other auditors in terms of their reports referred to in paragraph 13 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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. Our Opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the 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. The respective Board of Directors 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 Group, 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 financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
6. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the respective companies in 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 respective Board of Directors either intends to liquidate the companies included in the Group or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

8. 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.
9. 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 Holding Company has adequate internal financial controls with reference to financial statements 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 the 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 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 Group to cease to continue as a going concern.

Prime Securities Limited

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

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

10. We communicate with those charged with governance of the Holding Company 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.
11. 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.
12. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

13. We did not audit the annual financial results of 2 subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 2,078 lakhs as at 31 March 2021, total revenues of ₹ 1,545 lakhs, total net profit after tax of ₹ 173 lakhs total comprehensive income of ₹ 172 lakhs, and cash flows (net) of ₹ 115 lakhs for the year ended on that date, as considered in the Statement. These annual financial results have been audited by other auditor whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditor, and the procedures performed by us as stated in paragraph 12 above.

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

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2021, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated 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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Date: 2021.06.24
19:18:55 +05'30'

Murad D. Daruwalla

Partner

Membership No:043334

UDIN:21043334AAAACL8700

Place: Mumbai

Date: 24 June 2021

Prime Securities Limited

Independent Auditor's Report on Consolidated Annual Financial Results of Prime Securities Limited 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. 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)

Tel: +91-22-41842525 Fax: +91-22-24970777 Website: www.primesec.com Email: prime@primesec.com

STATEMENT OF CONSOLIDATED 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
I Revenue from Operations					
i) Interest income	70	65	25	230	75
ii) Dividend income	-	-	-	-	-
iii) Rental income	-	-	-	-	4
iv) Fee and commission income	1,837	500	3,081	4,069	7,366
v) Net gain on fair value changes	-	59	9	44	-
vi) Gain on sale / redemption of investments (net)	-	7	(0)	20	-
Revenue from operations	1,907	631	3,115	4,363	7,445
II Other Income	164	(0)	1	165	1
III Total income (I+II)	2,071	631	3,116	4,528	7,446
Expenses					
i) Finance cost	7	11	5	38	22
ii) Fee and commission expense	559	11	1,072	856	1,744
iii) Net loss on fair value changes	66	-	-	-	129
iv) Loss on sale / redemption of investments (net)	8	-	-	-	-
v) Impairment on financial instruments	32	46	1,452	178	1,969
vi) Employee benefit expenses	774	351	715	1,852	1,847
vii) Depreciation and amortisation expense	29	36	33	129	99
viii) Other expenses	94	114	(96)	410	562
IV Total expenses	1,569	569	3,181	3,463	6,372
V Profit / (loss) before tax (III-IV)	502	62	(65)	1,065	1,074
VI Tax expenses / (credits)					
- Current tax	137	2	11	219	269
- Deferred tax charge / (credit)	(9)	(0)	16	25	16
VII Profit / (loss) after tax (V-VI)	374	60	(92)	821	789
VIII Other comprehensive income/ (loss)					
a) I) Items that will not be reclassified to profit or loss					
(a) Remeasurement of defined employee benefit plans	6	(1)	(9)	3	(9)
II) Income tax relating to items that will not be reclassified to profit or loss	(2)	0	3	(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	-	-	-	-	-
Other comprehensive income / (loss) (a+b)	4	(1)	(6)	2	(6)
IX Total comprehensive income / (loss) for the quarter / period (VII + VIII)	378	59	(98)	823	783
X					
i) Paid-up equity share capital (face value Rs. 5 each)	1,326	1,326	1,326	1,326	1,326
ii) Other equity				4,395	3,204
XI Earning / (loss) per equity share					
(Rs. not annualised for the quarters and year ended)					
- Basic (amount in Rs.)	1.41	0.23	(0.35)	3.10	2.98
- Diluted (amount in Rs.)	1.37	0.22	(0.34)	3.01	2.95
# Refer Note 8					

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CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES

(Rs. in Lakhs, unless otherwise stated)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
ASSETS		
I. Financial assets		
a) Cash and cash equivalents	2,301	990
b) Bank balance other than (a) above	2,103	650
c) Receivables		
(i) Trade receivables	78	439
(ii) Other receivables	393	393
d) Investments	1,672	189
e) Other financial assets	129	2,249
	6,676	4,910
II. Non-financial assets		
a) Current tax assets (net)	959	550
b) Deferred tax assets (net)	58	84
c) Property, plant and equipment	313	374
d) Other intangible assets	3	4
e) Other non-financial assets	133	245
	1,466	1,257
TOTAL ASSETS	8,142	6,167
LIABILITIES AND EQUITY		
I. Financial liabilities		
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	230	225
b) Borrowings	33	44
c) Other financial liabilities	264	290
	527	559
II. Non-financial liabilities		
a) Provisions	547	767
b) Other non-financial liabilities	1,347	311
	1,894	1,078
III. Equity		
a) Equity share capital	1,326	1,326
b) Other equity	4,395	3,204
	5,721	4,530
TOTAL LIABILITIES AND EQUITY	8,142	6,167

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CONSOLIDATED STATEMENT OF CASH FLOW

(Rs. in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities:		
Profit before tax	1,065	1,074
Adjustments for :		
Depreciation and amortisation expense	129	99
Changes in fair valuation of investment (net) through profit or loss	(44)	129
(Profit)/ Loss on sale of property, plant and equipments (net)	-	16
Gain on sale of investments (net)	(20)	(1)
Interest Expense	11	13
Interest income on deposits	(230)	(75)
Share based payment to employees	369	383
Impairment of financial assets	178	1,969
Operating profit before working capital changes	1,458	3,607
Adjustments for changes in working capital:		
Increase / (Decrease) in trade payables	5	182
Increase/ (Decrease) in other financial liabilities	(26)	53
(Decrease)/ Increase in provisions	(217)	104
Increase/ (Decrease) in other non-financial liabilities	1,036	131
(Increase)/ Decrease in Loans	-	100
(Increase)/ Decrease in other financial assets	2,121	(1,365)
(Increase)/ Decrease in other receivables	0	125
Decrease/ (Increase) in trade receivables	182	(197)
Decrease/ (Increase) in fixed deposits with maturity more than 3 months	(1,453)	(303)
Decrease/ (Increase) in other non-financial assets	112	(183)
Total changes in working capital	1,760	(1,353)
Cash generated from operations	3,218	2,254
Taxes paid, net of refunds	(628)	(749)
Net cash generated/(used) from operating activities (A)	2,590	1,505
Cash flow from investing activities:		
Purchase of property, plant and equipments including capital work-in-progress	(85)	(332)
Proceeds from sale / disposal of property, plant and equipments	18	44
Purchase of Investments	(11,265)	(43)
Proceeds form sale / redemption of investments	9,846	-
Interest income	230	75
Net cash generated/(used) from in investing activities (B)	(1,256)	(256)
Cash flow from financing activities:		
Borrowings repaid during the year	(12)	(334)
Interest paid	(11)	(12)
Net cash generated/(used) in financing activities (C)	(23)	(346)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,311	903

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CONSOLIDATED STATEMENT OF CASH FLOW

(Rs. in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash and cash equivalents at the beginning of the year	990	87
Cash and cash equivalents at the end of the year	2,301	990
Total	1,311	903
Notes:		
1) Cash and cash equivalents comprise of		
Cash on hand	1	1
Balances with banks		
In current account	2,123	200
Demand deposits (less than 3 months maturity)	177	789
Cash and cash equivalents at the end of the year	2,301	990

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).

Consolidated Notes:

- 1 The above consolidated financial results have been prepared in accordance with the recognition and measurement principles of (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 consolidated 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 The Consolidated financial results include the audited 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 company continue to work from home. Prime Research & Advisory Limited has witnessed fewer deal closures during the year. 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 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.
- 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 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.
- 7 The Company has only one segment i.e. Financial Advisory & Intermediation services. There are no separate reportable segments as required by Ind AS 108.
- 8 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.
- 9 The amounts reflected as "0" in the Financial Information are values with less than rupees one lakhs.
- 10 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

Digitally signed by N. Jayakumar
DN: cn=N. Jayakumar, o=Prime Securities Limited, email=N. Jayakumar@prime-securities.com, c=IN

N. Jayakumar
Managing Director & Group CEO