
Walker ChandioK & 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 2022** ('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')
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents standalone 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') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, 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 2022.

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 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 standalone financial results 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.

Prime Securities Limited

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Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual 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 Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 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.
5. 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.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

7. 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.
8. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, 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)

- 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.
9. 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.
10. 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 Matter

11. The Statement includes the financial results for the quarter ended 31 March 2022, being the balancing figures between the audited figures in respect of the full financial year and the published 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 Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

MURAD D
DARUWALLA

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Date: 2022.05.24
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Murad D. Daruwalla
Partner
Membership No:043334

UDIN:22043334AJMCXK2420

Place: Mumbai
Date: 24 May 2022

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 & YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended	
	31-Mar-22 (Unaudited)#	31-Dec-21 (Unaudited)	31-Mar-21 (Unaudited)#	31-Mar-22 (Audited)	31-Mar-21 (Audited)
I Revenue from Operations					
i) Interest income	77	51	43	214	135
ii) Dividend income	-	-	-	10	-
iii) Fee and commission income	439	1,103	1,129	3,115	2,794
iv) Net gain on fair value changes					
- Realised	2	0	-	10	23
- Unrealised	31	-	-	52	43
Revenue from operations	549	1,154	1,172	3,401	2,995
II Other Income	-	-	2	12	2
III Total income (I+II)	549	1,154	1,174	3,413	2,997
Expenses					
i) Finance cost	28	5	5	44	26
ii) Fee and commission expense	6	-	200	27	286
iii) Net loss on fair value changes					
- Realised	-	-	9	-	-
- Unrealised	-	43	47	-	-
iv) Impairment on financial instruments	3	4	32	7	178
v) Employee benefit expenses	410	428	546	1,295	1,259
vi) Depreciation and amortisation expense	14	19	20	72	77
vii) Other expenses	163	95	76	481	344
IV Total expenses	624	594	935	1,926	2,170
V Profit / (loss) before exceptional items and tax (III-IV)	(75)	560	239	1,487	827
VI Exceptional items (net) (Refer note 4)	1	-	-	277	-
VII Profit / (loss) before tax (V) + (VI)	(74)	560	239	1,764	827
VIII Tax expenses / (credits)					
- Current tax charge / (credit)	(21)	165	56	307	138
- Earlier year tax charge	10	-	-	10	-
- Deferred tax charge / (credit)	2	(12)	(3)	27	27
IX Profit / (loss) after tax (VII-VIII)	(65)	407	186	1,420	662
X Other comprehensive income					
a) I) Items that will not be reclassified to profit or loss					
(a) Remeasurement of defined employee benefit plans	5	6	6	(15)	4
(b) Remeasurement gain/ (loss) on fair valuation of investments in equity instruments	586	275	-	925	-
II) Income tax relating to items that will not be reclassified to profit or loss	(177)	(34)	(2)	(211)	(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	-	-	-	-	-
Other comprehensive income (a+b)	414	247	4	699	3
XI Total comprehensive income for the quarter / year (IX + X)	349	654	190	2,119	665
XII i) Paid-up equity share capital (face value Rs. 5 each)	1,559	1,555	1,326	1,559	1,326
ii) Other equity				8,799	3,878
XIII Earnings / (loss) per equity share (Rs. not annualised for the quarters and period ended)					
- Basic (amount in Rs.)	(0.21)	1.42	0.70	5.03	2.50
- Diluted (amount in Rs.)	(0.20)	1.31	0.68	4.67	2.43
# Refer note no. 8					

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STANDALONE STATEMENT OF ASSETS & LIABILITIES

(Rs. in Lakhs, unless otherwise stated)

Particulars	As at 31-Mar-22 (Audited)	As at 31-Mar-21 (Audited)
ASSETS		
I. Financial assets		
a) Cash and cash equivalents	778	2,088
b) Bank balance other than (a) above	4,502	1,453
c) Receivables		
(i) Trade receivables	7	78
(ii) Other receivables	393	393
d) Loans	-	62
e) Investments	4,856	2,133
f) Other financial assets	406	81
	10,942	6,288
II. Non-financial assets		
a) Current tax assets (net)	598	787
b) Deferred tax assets (net)	-	52
c) Property, plant and equipment	227	192
d) Capital work-in-progress	65	-
e) Other intangible assets	0	1
f) Other non-financial assets	129	54
	1,019	1,086
TOTAL ASSETS	11,961	7,374
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	18	227
b) Borrowings	496	17
c) Other financial liabilities	733	520
	1,247	764
II. Non-financial liabilities		
a) Provisions	132	94
b) Deferred tax liabilities (net)	187	-
c) Other non-financial liabilities	37	1,312
	356	1,406
III. Equity		
a) Equity share capital	1,559	1,326
b) Other equity	8,799	3,878
	10,358	5,204
TOTAL LIABILITIES AND EQUITY	11,961	7,374

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STANDALONE STATEMENT OF CASH FLOWS

(Rs. in Lakhs, unless otherwise stated)

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
Cash flow from operating activities:		
Profit before tax	1,487	827
Adjustments for :		
Depreciation and amortisation expense	72	77
Changes in fair valuation of investment (net) through profit or loss	(52)	(43)
Gain on sale of investments (net)	(10)	(23)
Interest expense	26	6
Interest income on deposits	(214)	(135)
Dividend income	(10)	-
Share issue expenses	2	-
Share based payment to employees	74	191
Impairment of financial assets	7	178
Operating profit before working capital changes	1,382	1,078
Adjustments for changes in working capital:		
(Decrease) / Increase in provisions	27	(106)
Increase / (Decrease) in trade payables	(209)	222
Increase/ (Decrease) in other financial liabilities	213	(66)
Increase/ (Decrease) in other non-financial liabilities	(1,275)	1,025
(Increase)/ Decrease in other financial assets	(325)	1,284
Decrease/ (Increase) in trade receivables	64	182
Decrease/ (Increase) in other non-financial assets	(75)	52
(Increase)/ Decrease in Loans	62	-
Total changes in working capital	(1,518)	2,594
Cash generated from operations	(136)	3,672
Taxes paid, net of refunds	(128)	(442)
Net cash generated from / (used in) operating activities (A)	(264)	3,229
Cash flow from investing activities:		
Purchase of property, plant and equipments including capital work-in-progress	(172)	(4)
Proceeds from sale / disposal of property, plant and equipments	-	18
Purchase of Investments	(1,465)	(7,435)
Proceeds from sale / redemption of investments	18	6,678
Decrease/ (Increase) in fixed deposits with maturity more than 3 months	(3,048)	(1,453)
Interest income	214	135
Dividend received	10	-
Net cash generated from / (used in) investing activities (B)	(4,444)	(2,063)
Cash flow from financing activities:		
Proceeds from fresh issue of shares	4,140	-
Borrowings availed during the year	477	-
Borrowings availed during the year from related party	396	-
Borrowings repaid during the year	(394)	(6)
Share issue expenses	(2)	-
Interest paid	(26)	(6)
Final dividend (including dividend distribution tax) paid (F.Y. 2020-2021)	(1,193)	-
Net cash generated from / (used in) financing activities (C)	3,398	(13)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,310)	1,155
Cash and cash equivalents at the beginning of the year	2,088	933
Cash and cash equivalents at the end of the year	778	2,088
Total	(1,310)	1,155
Notes:		
1) Cash and cash equivalents comprise of		
Cash on hand	1	1
Balances with banks		
In current account	74	1,981
Demand deposits (less than 3 months maturity)	703	106
Cash and cash equivalents at the end of the year	778	2,088

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 May 24, 2022. The results for the year ended March 31, 2022 have been audited by the statutory auditors of the company and they have expressed an unmodified audit opinion on these standalone financial results.
- 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 standalone financial results.
- 3 The Board of Directors at its meeting held on May 24, 2022 has proposed a final dividend of Rs. 2.25 per equity share of face value of Rs. 5 each, for the financial year 2021-22, subject to approval of the shareholders in forthcoming Annual General Meeting.
- 4 During the quarter and year ended March 31, 2022, the Company has tracked and recovered certain listed shares which had formed 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 quarter and year ended March 31, 2022 alone. Subsequent changes in fair valuations have been shown under "Net Gain on fair value changes".
- 5 On December 17, 2021, the Company 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 Company, in an arbitration between two parties, having no relationship to the Company and the subsequent stay order obtained by the Company against such order. Subsequently, the sole arbitrator has passed an Award dated January 21, 2022 ('the Award'), in the arbitration proceedings and set aside all interim orders passed therein. Accordingly, appeal filed by the Company in respect of the earlier stay order became infructuous and the appeal was withdrawn by the Company.

The Company is not party to the arbitration and the Award, passed by the sole arbitrator is not binding on the Company. Accordingly, the Company has challenged the Award and obtained a stay order on the Award. Currently, the matter is pending with the Dehradun Jurisdictional Court, India. Based on external legal advice obtained by the management, the Company has good merit in these litigations and the Company does not see any impact on the financial results due to the same.
- 6 The shareholders at their extraordinary general meeting held on November 10, 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. The proceeds received by the company is temporarily invested in Fixed deposit with bank.
- 7 The Company has only one segment i.e. Financial Advisory & Intermediation services. There are no separate reportable segments in terms of Ind AS 108.
- 8 The figures for the last quarter of the previous year is 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 lakh.
- 10 Previous quarter and period / year ended figures have been regrouped / reclassified, wherever necessary, to confirm to the current quarter / year presentation.

Mumbai
May 24, 2022

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