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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 ('the Statement') of **Prime Securities Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') for the year ended **31 March 2022**, 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').
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 statements 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 the Companies (Indian Accounting Standards) Rules, 2015, 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 2022.

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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 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 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Statement

4. 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 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 and other comprehensive income, and other financial information of the Group in accordance with the Ind AS prescribed 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. 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.
5. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of 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 Group or to cease operations, or has no realistic alternative but to do so.
6. 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.

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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 Holding Company has adequate internal financial controls system 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.
 - 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 statements 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.

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9. 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.
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.
11. 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

12. We did not audit the annual financial statements of two subsidiaries included in the Statement whose financial information reflects total assets of ₹ 2,446 lakhs as at 31 March 2022, total revenues of ₹ 1,169 lakhs, total net profit after tax of ₹ 277 lakhs, total comprehensive income of ₹ 269 lakhs, and cash flows (net) of ₹ 40 lakhs for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditors 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 auditors, and the procedures performed by us as stated in paragraph 11 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 auditors.

13. The Statement includes the consolidated financial results for the quarter ended 31 March 2022, 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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MURAD D DARUWALLA
Date: 2022.05.24
19:03:41 +05'30'

Murad D. Daruwalla

Partner

Membership No:043334

UDIN:22043334AJMDDQ3243

Place: Mumbai

Date: 24 May 2022

Prime Securities Limited

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Annexure 1

List of entities included in the Statement

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

PRIME SECURITIES LIMITED - CONSOLIDATED

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 CONSOLIDATED 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	117	77	70	332	230
ii) Dividend income	-	-	-	10	-
iii) Fee and commission income	897	1,467	1,837	4,154	4,069
iv) Net gain on fair value changes					
- Realised	6	0	-	16	20
- Unrealised	25	-	-	44	44
Revenue from operations	1,045	1,544	1,907	4,556	4,363
II Other Income	-	-	164	15	165
III Total income (I+II)	1,045	1,544	2,071	4,571	4,528
Expenses					
i) Finance cost	25	6	7	43	38
ii) Fee and commission expense	66	-	559	129	856
iii) Net loss on fair value changes					
- Realised	-	-	8	-	-
- Unrealised	-	60	66	-	-
iv) Impairment on financial instruments	4	4	32	7	178
v) Employee benefit expenses	648	586	774	1,904	1,852
vi) Depreciation and amortisation expense	16	22	29	87	129
vii) Other expenses	185	107	94	536	410
IV Total expenses	944	785	1,569	2,706	3,463
V Profit / (loss) before exceptional items and tax (III-IV)	101	759	502	1,865	1,065
VI Exceptional items (net) (Refer note 5)	1	0	-	277	-
VII Profit / (loss) before tax (V) + (VI)	102	759	502	2,142	1,065
VIII Tax expenses / (credits)					
- Current tax charge	26	216	137	406	219
- Earlier year tax charge	10	-	-	10	-
- Deferred tax charge / (credit)	3	(15)	(9)	28	25
IX Profit / (loss) after tax (VII-VIII)	63	558	374	1,698	821
X Other comprehensive income					
a) I) Items that will not be reclassified to profit or loss					
(a) Remeasurement of defined employee benefit plans	0	7	6	(26)	3
(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	(175)	(35)	(2)	(208)	(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)	411	247	4	691	2
XI Total comprehensive income for the quarter / year (IX + X)	474	805	378	2,389	823
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				9,586	4,395
XIII Earnings per equity share (Rs. not annualised for the quarters and period ended)					
- Basic (amount in Rs.)	0.20	1.94	1.41	6.02	3.10
- Diluted (amount in Rs.)	0.19	1.80	1.37	5.59	3.01
# Refer note no. 9					

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CONSOLIDATED 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	1,035	2,306
b) Bank balance other than (a) above	5,590	2,108
c) Receivables		
(i) Trade receivables	55	78
(ii) Other receivables	393	393
d) Investments	4,356	1,672
e) Other financial assets	450	128
	11,879	6,685
II. Non-financial assets		
a) Current tax assets (net)	697	959
b) Deferred tax assets (net)	-	58
c) Property, plant and equipment	292	313
d) Capital work-in-progress	65	-
e) Other intangible assets	2	3
f) Other non-financial assets	136	124
	1,192	1,457
TOTAL ASSETS	13,071	8,142
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	504	33
c) Other financial liabilities	980	707
	1,502	967
II. Non-financial liabilities		
a) Provisions	161	107
b) Deferred tax liabilities (net)	178	-
c) Other non-financial liabilities	85	1,347
	424	1,454
III. Equity		
a) Equity share capital	1,559	1,326
b) Other equity	9,586	4,395
	11,145	5,721
TOTAL LIABILITIES AND EQUITY	13,071	8,142

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CONSOLIDATED 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	1,865	1,065
Adjustments for :		
Depreciation and amortisation expense	87	129
Changes in fair valuation of investment (net) through profit or loss	(44)	(44)
Gain on sale of investments (net)	(16)	(20)
Interest Expense	43	11
Interest income on deposits	(332)	(230)
Dividend income	(10)	-
Share issue expenses	2	-
Share based payment to employees	153	369
Impairment of financial assets	7	178
Operating profit before working capital changes	1,755	1,458
Adjustments for changes in working capital:		
(Decrease) / Increase in provisions	36	(217)
Increase / (Decrease) in trade payables	(209)	5
Increase/ (Decrease) in other financial liabilities	272	(26)
Increase/ (Decrease) in other non-financial liabilities	(1,263)	1,036
(Increase)/ Decrease in other financial assets	(322)	2,126
Decrease/ (Increase) in trade receivables	16	182
Decrease/ (Increase) in other non-financial assets	(12)	112
Total changes in working capital	(1,482)	3,218
Cash generated from operations	273	4,676
Taxes paid, net of refunds	(153)	(628)
Net cash generated from / (used in) operating activities (A)	119	4,048
Cash flow from investing activities:		
Purchase of property, plant and equipments including capital work-in-progress	(191)	(85)
Proceeds from sale / disposal of property, plant and equipments	-	18
Purchase of Investments	(1,457)	(11,265)
Proceeds from sale / redemption of investments	25	9,846
Decrease/ (Increase) in fixed deposits with maturity more than 3 months	(3,482)	(1,453)
Interest income	332	230
Dividend received	10	-
Net cash generated from / (used in) investing activities (B)	(4,763)	(2,709)
Cash flow from financing activities:		
Proceeds from issuance of Share capital	4,140	-
Borrowings availed during the year	471	-
Borrowings repaid during the year	-	(12)
Share issue expenses	(2)	-
Interest paid	(43)	(11)
Final dividend (including dividend distribution tax) paid (F.Y. 2020-2021)	(1,193)	-
Net cash generated from / (used in) financing activities (C)	3,373	(23)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,271)	1,316
Cash and cash equivalents at the beginning of the year	2,306	990
Cash and cash equivalents at the end of the year	1,035	2,306
Total	(1,271)	1,316
Notes:		
1) Cash and cash equivalents comprise of		
Cash on hand	1	1
Balances with banks		
In current account	80	2,123
Demand deposits (less than 3 months maturity)	954	182
Cash and cash equivalents at the end of the year	1,035	2,306

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 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 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 consolidated financial results.
- 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 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 consolidated financial results.
- 4 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.
- 5 During the quarter and year ended March 31, 2022, the Holding 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".
- 6 On December 17, 2021, the Holding 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 Holding Company, in an arbitration between two parties, having
no relationship to the Holding Company and the subsequent stay order obtained by the Holding 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 Holding Company in respect of the earlier stay
order became infructuous and the appeal was withdrawn by the Holding Company.
The Holding Company is not party to the arbitration and the Award, passed by the sole arbitrator is not binding on the Holding
Company. Accordingly, the Holding 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 Holding Company has good merit in these litigations and the Holding Company does not see any impact on
the financial results due to the same.
- 7 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.
- 8 The Group has only one segment i.e. Financial Advisory & Intermediation services. There are no separate reportable segments
in terms of Ind AS 108.
- 9 The figures for the last quarter and half year 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.
- 10 The amounts reflected as "0" in the Financial Information are values with less than rupees one lakh.
- 11 Previous quarter and period / year ended figures have been regrouped / reclassified, wherever necessary, to confirm to the
current quarter / year presentation.

For Prime Securities Limited

JAYAKUMAR
NARAYANSWAMI

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N. Jayakumar

Managing Director & Group CEO

Mumbai
May 24, 2022