
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

Qualified Opinion

1. We have audited the accompanying standalone annual financial results of **Prime Securities Limited** ('the Company') for the year ended **31 March 2024** ('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, except for the possible effects of the matter described in paragraph 3 below; and
 - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in 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 2024, except for the possible effects of the matter described in paragraph 3 below.

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)

Basis for Qualified Opinion

3. As described in note 3 to the accompanying standalone financial results, the Company has an investment in an entity engaged in online gaming platform service business which is measured at 'Fair Value through Other Comprehensive Income'. As described in aforesaid note, the gaming industry was impacted by regulatory changes with effect from 1 October 2023 which indicated possible changes in the fair value of the investment. The management has recognised a reduction in fair value of aforesaid investment amounting to INR 1,243 lakhs in the current quarter ended 31 March 2024, but has not restated the financial information for the preceding quarter ended 31 December 2023, as required under Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. In absence of management's assessment of updated fair valuation for respective earlier periods, we are unable to comment on the impact of the aforesaid matter on the current period and comparable period financial information included in the accompanying standalone financial results.

Our conclusions on the standalone financial results for quarters ended 30 September 2023 and 31 December 2023 issued vide our limited review reports dated 30 October 2023 and 19 January 2024, respectively, were qualified in respect of our inability to comment on the adjustments, if any, on account this matter in absence of an updated fair valuation exercise carried out by the management as at respective reporting dates.

4. 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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Statement

5. 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.

Prime Securities Limited

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6. 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.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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, 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 an adequate internal financial controls with reference to financial statements 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 Board of Directors;
 - Conclude on the appropriateness of the Board of Directors' 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; and
 - 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.

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)

10. 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.
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.

Other Matter

12. The Statement includes the financial results for the quarter ended 31 March 2024, 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: 2024.04.25
16:00:16 +05'30'

Murad D. Daruwalla

Partner

Membership No:043334

UDIN:24043334BKDQAZ9631

Place: Pune

Date: 25 April 2024

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, 2024

(Rs. in Lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended	
	31-Mar-24 (Unaudited)#	31-Dec-23 (Unaudited)	31-Mar-23 (Unaudited)	31-Mar-24 (Audited)	31-Mar-23 (Audited)
I Revenue from Operations					
Fee and commission income	478	1,220	825	3,090	2,404
II Other Income					
i) Interest income	66	66	92	255	319
ii) Dividend income	-	0	1	0	4
iii) Net gain on fair value changes					
- Realised	2	2	1	8	104
- Unrealised	7	21	-	12	-
iv) Others	-	0	31	0	42
Total Other Income	75	89	125	275	469
III Total income (I+II)	553	1,309	950	3,365	2,873
Expenses					
i) Finance cost	7	9	18	49	65
ii) Fee and commission expense	113	40	15	183	34
iii) Net loss on fair value changes					
- Unrealised	-	-	11	-	120
iv) Impairment on financial instruments	5	58	(32)	34	(55)
v) Employee benefit expenses	359	287	185	1,378	1,124
vi) Depreciation and amortisation expense	21	21	33	82	100
vii) Other expenses	132	115	183	623	574
IV Total expenses	637	530	413	2,349	1,962
V Profit / (loss) before exceptional items and tax (III-IV)	(84)	779	537	1,016	911
VI Exceptional items (net)	-	-	90	-	173
VII Profit / (loss) before tax (V) + (VI)	(84)	779	627	1,016	1,084
VIII Tax expenses / (credits)					
- Current tax charge / (credit)	(13)	145	107	183	197
- Earlier year tax charge / (credit)	-	-	75	-	170
- Deferred tax charge / (credit)	2	(1)	14	(29)	(59)
IX Profit / (loss) after tax (VII-VIII)	(73)	635	431	862	776
X Other comprehensive income					
a) I) Items that will not be reclassified to profit or loss					
(a) Remeasurement of defined employee benefit plans	(2)	7	8	(11)	(19)
(b) Remeasurement gain/ (loss) on fair valuation of investments in equity instruments	1,273	123	(40)	1,396	979
II) Income tax relating to items that will not be reclassified to profit or loss	(296)	(31)	7	(322)	(222)
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)	975	99	(25)	1,063	738
XI Total comprehensive income for the quarter / year (IX + X)	902	734	406	1,925	1,514
XII					
i) Paid-up equity share capital (face value Rs. 5 each)	1,664	1,648	1,618	1,664	1,618
ii) Other equity				11,961	9,954
XIII Earnings / (loss) per equity share					
(Rs. not annualised for the quarters and year ended)					
- Basic (amount in Rs.)	(0.22)	1.93	1.33	2.63	2.44
- Diluted (amount in Rs.)	(0.21)	1.86	1.27	2.52	2.30

Refer note no. 8

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STANDALONE STATEMENT OF ASSETS & LIABILITIES

(Rs. in Lakhs, unless otherwise stated)

Particulars	As at 31-Mar-24 (Audited)	As at 31-Mar-23 (Audited)
ASSETS		
I. Financial assets		
a) Cash and cash equivalents	75	64
b) Bank balance other than (a) above	1,970	4,333
c) Receivables		
(i) Trade receivables	1,230	1,491
(ii) Other receivables	431	440
d) Loans	555	55
e) Investments	10,453	6,107
f) Other financial assets	41	62
	14,755	12,552
II. Non-financial assets		
a) Current tax assets (net)	442	283
b) Property, plant and equipment	153	225
c) Other intangible assets	9	7
d) Other non-financial assets	44	121
	648	636
TOTAL ASSETS	15,403	13,188
LIABILITIES AND EQUITY		
I. Financial liabilities		
a) Payables		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	102	100
b) Borrowings	194	487
c) Other financial liabilities	568	464
	864	1,051
II. Non-financial liabilities		
a) Provisions	207	175
b) Deferred tax liabilities (net)	643	349
c) Other non-financial liabilities	64	41
	914	565
III. Equity		
a) Equity share capital	1,664	1,618
b) Other equity	11,961	9,954
	13,625	11,572
TOTAL LIABILITIES AND EQUITY	15,403	13,188

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STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Lakhs, unless otherwise stated)

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Cash flow from operating activities:		
Profit before tax	1,016	911
Adjustments for :		
Depreciation and amortisation expense	82	100
Unrealised (gain)/ loss on foreign currency translations (net)	0	-
Changes in fair valuation of investment (net)	(12)	120
(Profit)/ Loss on sale of property, plant and equipments (net)	(0)	(6)
Gain on sale of investments (net)	(8)	(104)
Interest expense	37	53
Interest income on deposits	(156)	(319)
Dividend income	(0)	(4)
Share issue expenses	-	-
Share based payment to employees	-	14
Recovery of bad debts	(73)	(123)
Impairment of financial assets	(193)	61
Operating profit before working capital changes	693	703
Adjustments for changes in working capital:		
(Decrease) / Increase in provisions	32	43
Increase / (Decrease) in trade payables	1	(10)
Increase/ (Decrease) in other financial liabilities	105	(177)
Increase/ (Decrease) in other non-financial liabilities	23	5
(Increase)/ Decrease in other financial assets	21	(40)
(Increase)/ Decrease in other receivables	9	(47)
Decrease/ (Increase) in trade receivables	261	(1,191)
Decrease/ (Increase) in other non-financial assets	76	9
(Increase)/ Decrease in Loans	(500)	(55)
Total changes in working capital	28	(1,463)
Cash generated from operations	721	(760)
Taxes paid, net of refunds	(341)	(52)
Net cash generated from /(used in) operating activities (A)	380	(812)
Cash flow from investing activities:		
Purchase of property, plant and equipments including capital work-in-progress	(12)	(26)
Proceeds from sale / disposal of property, plant and equipments	0	6
Purchase of Investments	(2,950)	(901)
Proceeds from sale / redemption of investments	20	609
Decrease/ (Increase) in other bank balances	(4)	-
Decrease/ (Increase) in fixed deposits with maturity more than 3 months	2,368	222
Interest income	156	319
Dividend received	0	4
Net cash generated from /(used in) investing activities (B)	(422)	232
Cash flow from financing activities:		
Proceeds from issuance of Share capital	545	698
Borrowings availed during the year from related party	(291)	483
Borrowings repaid during the year	(2)	(492)
Interest paid	(37)	(53)
Payment of Dividend to shareholders	(162)	(717)
Net cash generated from /(used in) financing activities (C)	53	(81)

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Net increase / (decrease) in cash and cash equivalents (A+B+C)	11	(660)
Cash and cash equivalents at the beginning of the period	64	724
Cash and cash equivalents at the end of the period	75	64
Total	11	(660)
Notes:		
1) Cash and cash equivalents comprise of		
Cash on hand	-	-
Balances with banks		
In current account	75	64
Demand deposits (less than 3 months maturity)	-	-
Cash and cash equivalents at the end of the period	75	64

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).

Figures in brackets indicate cash outflows

