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

Qualified Opinion

- 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

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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.

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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.

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Prime Securities Limited

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- 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

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DARUWALLA

Date: 2024.04.25
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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)

	(Rs. in Lakhs, unless otherwise stated)					rwise stated)	
Particulars		Quarter ended			Year	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	4=0					
TT	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		Ŭ	1	· ·	•	
	- Realised	2	2	1	8	104	
	- Unrealised	7	21	-	12	-	
	iv) Others	-	0	31	0	42	
	Total Other Income	75	89	125	275	469	
Ш	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	
\mathbf{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	
	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	(,			0.00	.,,	
	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	1,273	123	(40)	1,396	979	
	investments in equity instruments						
	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	, , , , , , , , , , , , , , , , , , , ,	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						

PRIME SECURITIES LIMITED

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STANDALONE STATEMENT OF ASSETS & LIABILITIES

(Rs. in Lakhs, unless otherwise stated)

	(Rs	. in Lakhs, unless	
Pai	rticulars	As at	As at
I ni tionini 5		31-Mar-24	31-Mar-23
		(Audited)	(Audited)
AS	SETS		
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
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 b) Borrowings c) Other financial liabilities	- 102 194 568	- 100 487 464
		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
Ш	. 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)

		otherwise stated)	
Particulars	Year ended	Year ended	
	31-Mar-24	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	- (52)	14	
Recovery of bad bebts	(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)	
	380	<u> </u>	
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	Year ended	
	31-Mar-24	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

Standalone Notes:

- 1 The above standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the 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 April 25, 2024. The results for the year ended March 31, 2024, have been audited by the statutory auditors of the Company and they have expressed a modified audit opinion on these standalone financial results.
- 2 The Board of Directors has recommended Dividend of Re 1 per fully paid-up equity share of Rs. 5 each for the financial year ended March 31, 2024, subject to approval of members at ensuing Annual General Meeting of the Company.
- The Company has designated all its equity investments in unlisted companies at fair value through Other Comprehensive Income ("FVTOCI") as per Ind-AS 109. The Company's investment in one of the unlisted investee Company, which is into online gaming platform service business, measured at FVTOCI amounting to Rs. 2,344 lakhs as at March 31, 2023, which has been continued to be recognised at same value as at September 30, 2023, and December 31, 2023, has now been fair valued as at March 31, 2024. On September 29, 2023, Central Board of Indirect Taxes ("CBIC") notified 28% GST on specified actionable claims, including online gaming and lottery, which is retrospectively operative from July 1, 2017. The GST Authority has raised GST demands for previous years, which may impact the fair value of the investment in investee Company. The GST demand is litigated by the industry members and is currently under review by concerned courts of law. In addition, with effect from October 1, 2023, the investee Company is required to recover tax at the rate of 28% on the entry fees. The investee company also believes that any reduction in its fair valuation, though temporary, could be offset by growth in the sector. Since the changes are effective October 2023, adequate data, such as consumer reaction and the legal status of demands for the previous years, was not available for appropriate evaluation and hence its impact on the fair valuation was unascertainable to that extent. The said investment was therefore carried at the same value as adopted as at March 31, 2023, up to December 31, 2023. However, the investments have now been fair valued as at March 31, 2024 and the management has recognised the necessary adjustment in the fair value of the aforesaid investment during the current quarter ended March 31, 2024, amounting to Rs.1,243 lakhs.
- 4 Pursuant to the amendment approved by the shareholders at their meeting held on June 13, 2023, to the object clause for the utilization of funds received against the issue of equity shares in November 2021 to specified investors on a preferential basis, the Company have utilised part of the proceeds in terms of the permitted objects and the balance unutilized proceeds have been invested in the fixed deposits with bank pending utilisation in terms of the objects of the issue.
- 5 Pursuant to the approval granted by the Board of Directors on April 13, 2023, and August 8, 2023, the Company has acquired about 8% equity stake in Bridgeweave Limited ("BW"). During the quarter, the Company subscribed to the Rights Issue of BW. Due to the length of time taken for the UK regulatory approval, the original 2023 deal terms have now expired and while the strategic intent remains on both sides, a new understanding would have to be reached and as and when the new terms are agreed, relevant disclosures will be made to the exchanges and permissions of shareholders and regulators sought subsequently.
- 6 The Company has only one segment of business i.e. Financial Advisory and Intermediation services. There are no separate reportable segments in terms of Ind-AS 108.
- 7 The amounts reflected as "0" in the financial information are values with less than rupees one lakh.
- 8 The figures for quarter ended March 31, 2024, are balancing figures between the audited figures of the full financial year and the limited reviewed year-to-date figures upto the third quarter of the financial year.
- 9 Previous quarter and year ended figures have been regrouped / reclassified, wherever necessary, to confirm to the current quarter / year presentation, the impact of such restatements / regroupings are not material to Financial Statements.

For Prime Securities Limited

JAYAKUMAR NARAYANS WAMI

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N. Jayakumar Managing Director & Group CEO

(DIN: 00046048)

Mumbai April 25, 2024