

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Prime Securities Limited

1. We were engaged to review the accompanying statement of unaudited consolidated 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'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 September 2019 and the consolidated year to date results for the period 1 April 2019 to 30 September 2019, 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), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the cash flow figures for the corresponding six month period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We have taken into account the requirements of Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Because of the matters described in the Basis for Disclaimer of Conclusion paragraph, we were not able to obtain sufficient appropriate evidence to provide a basis for our conclusion on the Statement

We have also taken into account the requirements of performing procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



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4. Basis for Disclaimer of Conclusion

- a) As stated in Note 6 to the accompanying Statement, the Group's current financial assets as at 30 September 2019 includes trade receivables aggregating to Rs. 1000.00 lakhs (Prime Securities Limited: Rs. 500.00 lakhs, Primesec Investment Limited: Rs. 500.00 lakhs (30 June 2019: Rs. 1000.00 lakhs, 31 March 2019: Rs. 1000.00 lakhs) have been outstanding for a substantial period and in respect of which confirmations/ statements from the respective debtors have not been received. The management has assessed aforesaid trade receivables are fully recoverable and no adjustments are required to the carrying value of the aforesaid balances. However, in the absence of sufficient appropriate evidence to support the management's assessment as above and lack of any other relevant alternate evidence, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these trade receivable in accordance with the requirements of Ind AS 109, 'Financial Instruments', and the consequential impact on the accompanying consolidated financial results.

The above matter is also reported as an Emphasis of Matter by another firm of Chartered Accountants vide their report dated 09 November 2019 on the financial results of Primesec Investment Limited, a subsidiary of the Company, which is reproduced as under:

"The Company has not received confirmation of account from a debtor whose outstanding balance is Rs. 500.00 Lacs. No provision for doubtful debt is considered necessary by the Company as in the opinion of its management the amount will be fully realized in ordinary course of business."

- b) As stated in Note 6 to the accompanying Statement, the Group's non-current financial asset as at 30 September 2019 includes Advance to party aggregating to Rs. 327.50 lakhs (30 June 2019: Rs. 327.50 lakhs, 31 March 2019: Rs. 327.50 lakhs) which have been outstanding for a substantial period of time and in respect of which confirmations/ statements from the respective party have not been received. The Management has assessed that the aforesaid advance is fully recoverable and no adjustment are required to the carrying value of the aforesaid balance. However, in the absence of sufficient appropriate evidence to support the management's assessment as above and lack of any other relevant alternate evidence, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the aforesaid balance in accordance with the requirements of Ind AS 109, 'Financial Instruments' and the consequential impact on the accompanying consolidated financial results.

5. Disclaimer of Conclusion

Because of the significance of the matter described in the Basis for Disclaimer of Conclusion paragraph above, we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether anything has come to our attention that cause us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular(s), and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement. Accordingly, we do not express our conclusion on the Statement.



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6. In addition to the matters described in Basis for Disclaimer of Conclusion paragraph above, we draw attention to Note 6 to the Statement, the following Emphasis of Matter is given by another firm of Chartered Accountants vide their report dated 09 November 2019 on the financial results of Primesec Investment Limited, a subsidiary of the holding Company, reproduced by us as under:

"The Company has not received confirmation of account from parties to whom advances are given whose aggregate outstanding is Rs. 234.90 Lakhs. No provision for doubtful advances is considered necessary by the Company as in the opinion of its management the amount will be fully realized in ordinary course of business."

7. In addition to the matters described in Basis for Disclaimer of Conclusion paragraph above, we draw attention to Note 6 to the Statement, the following Emphasis of matter is given by another firm of Chartered Accountants vide their report dated 09 November 2019 on the financial results of Prime Research & Advisory Limited, a subsidiary of the holding Company, reproduced by us as under:

"The Company has not received confirmation of account from parties to whom advances are given whose aggregate outstanding is Rs. 295.00 Lakhs. No provision for doubtful advances is considered necessary by the Company as in the opinion of its management the amount will be fully realized in ordinary course of business."

8. We did not review the interim financial results of two subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 2580 lakhs as at 30 September 2019, and total revenues of ₹ 1067 lakhs and ₹ 1620, total net profit after tax of ₹ 426 and ₹ 441, total comprehensive loss of Nil and ₹ 2 lakhs, for the quarter and year to date period ended on 30 September 2019, respectively, and cash outflows (net) of ₹ 600 lakh for the period ended 30 September 2019, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our review of the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors.
9. The Statement includes the interim financial results of two subsidiaries, which have not been reviewed by their auditors, whose interim financial information reflects total assets of ₹ 861 lakhs as at 30 September 2019, and total revenues of ₹ 9 lakhs and ₹ 11 lakhs, net profit after tax of ₹ 7 lakhs and ₹ 8 lakhs, total comprehensive income Nil for the quarter and year to date period ended 30 September 2019 respectively, cash flow inflow (net) of ₹ 510 lakhs for the period ended 30 September 2019 as considered in the Statement, and have been furnished to us by the Holding Company's management. Our review of the Statement, in so far as it relates to the aforesaid subsidiaries, is based solely on such unreviewed financial information. According to the information and explanations given to us by the management, such interim financial information are not material to the Group.



Prime Securities Limited

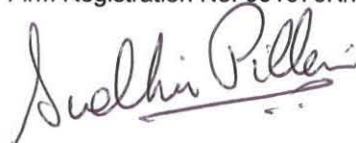
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10. The review of unaudited consolidated quarterly financial results for the period ended 30 June 2019, included in the Statement was carried out and reported by the predecessor auditor, Gandhi & Associates LLP, Chartered Accountant who have expressed modified conclusion vide their review report dated 14 August 2019, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our review of the Statement.
11. The review of unaudited consolidated quarterly financial results for the period ended 30 September 2018 and audit of consolidated financial results for the quarter and year ended 31 March 2019 included in the Statement was carried out and reported by Gandhi & Associates LLP, Chartered Accountant who have expressed modified conclusion vide their review report dated 13 November 2019 and modified opinion vide their audit report dated 18 May 2019 respectively, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



Sudhir N. Pillai

Partner

Membership No. 105782

UDIN No:19105782AAAAGP4335

Place: Mumbai

Date: 09 November 2019

Prime Securities Limited

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Annexure 1

List of entities included in the Statement

1. Primesec Investments Limited
2. Prime Research & Advisory Limited
3. Prime Commodities Broking (India) Private Limited
4. Prime Funds Management Limited



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



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2019 STATEMENT OF PROFIT AND LOSS (CONSOLIDATED)

(Rs. in Lakhs, unless otherwise stated)

PARTICULARS	Quarter ended			Period ended		
	30-Sep-19 (Unaudited)	30-Jun-19 (Unaudited)	30-Sep-18 (Unaudited)	30-Sep-19 (Unaudited)	30-Sep-18 (Unaudited)	31-Mar-19 (Audited)
I. Revenue from operations	1,876	1,057	936	2,933	1,901	4,586
II. Other income	11	10	32	21	59	109
III. Total Income (I+II)	1,887	1,067	968	2,954	1,960	4,695
IV. Expenses						
Employee benefits expense	789	240	302	1,029	485	1,240
Finance costs	6	7	6	13	8	17
Depreciation and amortisation expense	23	25	5	48	11	39
Professional fees	241	270	82	511	477	701
Other expenses	343	144	107	487	171	533
Total Expenses	1,402	686	503	2,088	1,152	2,530
V. Profit / (Loss) before tax (III-IV)	485	381	465	866	808	2,165
VI. Tax expenses / (credits)						
(i) Current tax	91	86	95	177	165	478
(ii) Deferred tax liabilities / (assets)	(1)	-	-	(1)	-	(9)
VII. Profit / (Loss) after tax (V-VI)	395	295	370	690	643	1,696
VIII. Other comprehensive income (Net)	(6)	(8)	(16)	(14)	(62)	(56)
IX. Total Comprehensive Income (VII+VIII)	389	287	354	676	581	1,640
X. (i) Paid-up Equity Share Capital (Face Value Rs. 5/- each)	1,330	1,330	1,330	1,330	1,330	1,330
(ii) Other Equity						2,238
XI. Earnings per Equity Share (Rs. not annualised for the quarters and half year ended)						
- Basic	1.49	1.11	1.34	2.60	2.42	6.40
- Diluted	1.49	1.00	1.34	2.60	2.42	6.27

Notes:

- The above results are in compliance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013. The results were reviewed by Audit Committee and taken on record by the Board of Directors at its Meeting held on November 9, 2019.
- The consolidated results of the Company include the unaudited results of the subsidiaries, Primesec Investments Limited (100%), Prime Research & Advisory Limited (100%), Prime Commodities Broking (India) Limited (100%) and Prime Funds Management Limited (100%).
- Employee benefit includes employee stock option expenses and ex-gratia.
- Other expenses include sundry balances written-off and unrealised loss on investments.
- Other comprehensive income represents net actuarial gain / (loss) on employee defined benefit obligation.
- Independent Auditors in their Limited Review Report for the Quarter ended September 30, 2019 has recorded their opinion about the following:
Non receipt of confirmation of account from certain debtors and advances. *Management clarification: Management is confident of receiving the amount in the ordinary course of business.*
- The group has identified two reportable segments (i) financial advisory & intermediation services and (ii) brokerage from mutual fund distribution as per Ind-AS 108.
- Previous period figures have been re-grouped / re-classified wherever necessary.

Mumbai
November 9, 2019



For Prime Securities Limited
N. Jayakumar
N. Jayakumar
Managing Director & Group CEO



PRIME SECURITIES LIMITED



Regd. Office : 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 (CIN: L67120MH1982PLC026724)

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UNAUDITED FINANCIAL RESULTS FOR THE HALF-YEAR ENDED SEPTEMBER 30, 2019

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

PARTICULARS	Standalone		Consolidated	
	As At 30-Sep-19 (Unaudited)	As At 31-Mar-19 (Audited)	As At 30-Sep-19 (Unaudited)	As At 31-Mar-19 (Audited)
A. ASSETS				
1. Non-Current Assets				
a) Property, Plants & Equipment	296	293	429	439
b) Other Intangible Assets	1	1	5	5
c) Financial Assets				
(i) Investments	1,748	1,766	45	168
d) Deferred Tax Assets	100	99	100	100
e) Non -Current Advance tax Assets (Net)	209	171	308	-
f) Other Non-Current Assets	347	348	378	379
Total Non-Current Assets	2,701	2,678	1,265	1,091
2. Current Assets				
a) Financial Assets				
(i) Investments	9	39	9	107
(ii) Trade receivables	500	561	1,944	2,712
(iii) Cash & Cash equivalents	65	20	430	87
(iv) Bank Balance other than (iii) above	-	-	1,057	347
(v) Loans	4,825	4,604	100	100
(vi) Others Financial Assets	-	-	115	129
b) Other Current Assets	16	27	80	62
Total Non-Current Assets	5,415	5,251	3,735	3,544
TOTAL ASSETS	8,116	7,929	5,000	4,635
B. EQUITY & LIABILITIES				
1. Equity				
a) Equity Share Capital	1,330	1,330	1,330	1,330
b) Other Equity	6,429	6,038	3,075	2,238
Total Equity	7,759	7,368	4,405	3,568
2. Non-Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	20	23	40	88
b) Deferred Tax Liability (Net)	-	-	1	1
c) Provisions	233	220	236	222
Total Non-Current Liabilities	253	243	277	311
3. Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	-	173	-	273
(ii) Trade Payables	13	24	20	43
(iii) Other Financial liabilities	6	6	11	22
b) Other Current Liabilities	44	78	245	376
c) Provisions	41	37	42	37
d) Current tax Liabilities (Net)	-	-	-	5
Total Current Liabilities	104	318	318	756
TOTAL EQUITY AND LIABILITIES	8,116	7,929	5,000	4,635

Mumbai
November 9, 2019



For Prime Securities Limited
N. Jayakumar
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Managing Director & Group CEO



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UNAUDITED FINANCIAL RESULTS FOR THE HALF-YEAR ENDED SEPTEMBER 30, 2019 STATEMENT OF CASH FLOWS (CONSOLIDATED)

(Rs. in Lakhs)

PARTICULARS	Period ended 30-Sep-19	Period ended 30-Sep-18
A. Cash flow from Operating Activities		
Net Profit / (Loss) before tax from continuing operations	852	746
Adjustments for:		
Dividend received	(0)	(13)
Interest received	(18)	(12)
Depreciation	48	10
Lease Liability Written-back	(28)	-
Interest & finance charges	13	8
Loss / (gain) on sale of investments (net)	(0)	-
Balances written off	(178)	-
(Appreciation) / diminution in value of investments	153	(32)
Loss / (gain) on sale of Fixed Assets	16	-
Provision for outstanding ESOS	163	-
	169	(39)
Operating profit / (loss) before working capital changes	1,016	707
Adjustments for changes in the working capital		
Debtor	945	(949)
Current assets	(18)	50
Loans & advances	14	36
Current liabilities & provisions	(204)	135
	737	(728)
Cash generated from operations	1,753	(21)
Direct taxes (paid) / refund (net)	(489)	(233)
Net Cash from Operating Activities (A)	1,269	(254)
B. Cashflow from Investment Activities		
Purchase of investments	-	(433)
Purchase of fixed assets	(2)	(108)
Sale of investments	68	-
Movement in Fixed Deposits with bank	(710)	(134)
Sale of assets	44	-
Other non-current assets	2	55
Dividend received	0	13
Interest received	18	12
Net Cash from Investment Activities (B)	(580)	(595)
C. Cashflow from Financing Activities		
Interest & finance charges	(13)	(8)
Application money against warrants	-	866
Funds borrowed / (repaid) (net)	(333)	43
Net Cash from Finance Activities (C)	(346)	901
Net Cashflow (A + B + C)	343	52
Changes in the Cash & Bank Balances	343	52
Cash and Cash Equivalents at the beginning of the year	87	11
Cash and Cash Equivalents at the end of the year	430	63

Mumbai
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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2019 SEGMENTWISE REVENUES, RESULTS AND CAPITAL EMPLOYED (CONSOLIDATED)

(Rs. in Lakhs)

PARTICULARS	Quarter ended			Period ended		
	30-Sep-19 (Unaudited)	30-Jun-19 (Unaudited)	30-Sep-18 (Unaudited)	30-Sep-19 (Unaudited)	30-Sep-18 (Unaudited)	31-Mar-19 (Audited)
1. Segement Revenue						
a) Merchant Banking	1,874	1,056	923	2,930	1,477	4,149
b) Brokerage Mutual Fund	2	1	13	3	424	437
c) Unallocated	-	-	-	-	-	-
Total	1,876	1,057	936	2,933	1,901	4,586
Less: Inter Segment Revenue	-	-	-	-	-	-
Net Income from Operations	1,876	1,057	936	2,933	1,901	4,586
2. Segement Results [Profit/(Loss) before Tax & Finance Cost]						
a) Merchant Banking	501	402	498	903	759	2,193
b) Brokerage Mutual Fund	2	1	(55)	3	8	(81)
c) Unallocated	11	10	33	21	60	109
Total	514	413	476	927	827	2,221
Less: i) Finance Cost	(6)	(7)	(6)	(13)	(8)	(17)
ii) Depreciation	(23)	(25)	(5)	(48)	(11)	(39)
iii) Unallocable Income	-	-	-	-	-	-
iv) Extraordinary Item	-	-	-	-	-	-
Total Profit / (Loss) before Tax	485	381	465	866	808	2,165
3. Capital Employed [Segment Assets - Segment Liabilities]						
a) Merchant Banking	4,352	3,720	1,831	4,352	1,831	3,288
b) Brokerage Mutual Fund	-	-	433	-	433	5
c) Unallocated	53	132	196	53	196	275
Total Capital Employed in Segments	4,405	3,852	2,460	4,405	2,460	3,568

Mumbai
November 9, 2019



For Prime Securities Limited
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Managing Director & Group CEO

