
Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date 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

1. We have reviewed the accompanying statement of unaudited consolidated financial results 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 2021** and the consolidated year to date results for the period 01 April 2021 to 30 September 2021 ('the Statement'), 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.
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'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure 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. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the 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. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed 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.

Prime Securities Limited

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4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes 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, 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.
5. We did not review the interim financial results of two subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 1,871 lakhs as at 30 September 2021, total revenues of ₹ 155 lakhs and ₹ 288 lakhs, total net profit / (loss) after tax of ₹ 4 lakhs and ₹ (3) lakhs, total comprehensive profit / (loss) of ₹ 5 lakhs and ₹ (8) lakhs, for the quarter and year-to-date six month period ended on 30 September 2021, respectively, and cash outflows (net) of ₹ 137 lakhs for the six month period ended 30 September 2021, 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 conclusion 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 and the procedures performed by us as stated in paragraph 3 above.

Our conclusion 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.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

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DARUWALLA

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Date: 2021.11.09
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Murad D. Daruwalla

Partner

Membership No:043334

UDIN:21043334AAAVC4012

Place: Mumbai

Date: 09 November 2021

Prime Securities Limited

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Annexure 1

List of subsidiaries included in the Statement

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

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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 & HALF YEAR ENDED SEPTEMBER 30, 2021

(Rs. in Lakhs, unless otherwise stated)

Particulars	Quarter ended			Half year ended		Year ended
	30-Sep-21 (Unaudited)	30-Jun-21 (Unaudited)	30-Sep-20 (Unaudited)	30-Sep-21 (Unaudited)	30-Sep-20 (Unaudited)	31-Mar-21 (Audited)
I Revenue from Operations						
i) Interest income	67	71	56	138	95	230
ii) Dividend income	9	1	-	10	-	-
iii) Fee and commission income	1,151	638	790	1,789	1,733	4,069
iv) Net gain on fair value changes	88	-	34	78	51	44
v) Gain on sale / redemption of investments (net)	5	5	11	10	20	20
Revenue from operations	1,320	715	891	2,025	1,899	4,363
II Other Income	8	7	1	15	1	165
III Total income (I+II)	1,328	722	892	2,040	1,900	4,528
Expenses						
i) Finance cost	5	7	12	12	20	38
ii) Fee and commission expense	23	40	74	63	286	856
iii) Net loss on fair value changes	-	10	-	-	-	-
iv) Impairment on financial instruments	-	-	44	-	101	178
v) Employee benefit expenses	335	335	361	670	727	1,852
vi) Depreciation and amortisation expense	23	26	35	49	64	129
vii) Other expenses	167	77	79	244	202	410
IV Total expenses	553	495	605	1,038	1,400	3,463
V Profit / (loss) before exceptional items and tax (III-IV)	775	227	287	1,002	500	1,065
VI Exceptional items (net) (Refer note 4)	2	274	-	276	-	-
VII Profit / (loss) before tax (V) + (VI)	777	501	287	1,278	500	1,065
VIII Tax expenses / (credits)						
- Current tax	124	39	2	163	84	219
- Deferred tax charge / (credit)	7	33	(1)	40	36	25
IX Profit / (loss) after tax (VII-VIII)	646	429	286	1,075	380	821
X Other comprehensive income/ (loss)						
a) I) Items that will not be reclassified to profit or loss						
(a) Remeasurement of defined employee benefit plans	(9)	(23)	(7)	(32)	(2)	3
(b) Remeasurement gain/ (loss) on fair valuation of investments in equity instruments	64	-	-	64	-	-
II) Income tax relating to items that will not be reclassified to profit or loss	(5)	7	2	2	1	(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 / (loss) (a+b)	50	(16)	(5)	34	(1)	2
XI Total comprehensive income / (loss) for the quarter / year (IX + X)	696	413	281	1,109	379	823
XII i) Paid-up equity share capital (face value Rs. 5 each)	1,326	1,326	1,326	1,326	1,326	1,326
ii) Other equity						4,395
XIII Earning / (loss) per equity share (Rs. not annualised for the quarters and period ended)						
- Basic (amount in Rs.)	2.44	1.62	1.08	4.06	1.43	3.10
- Diluted (amount in Rs.)	2.27	1.54	1.05	3.77	1.40	3.01

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CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES

(Rs. in Lakhs, unless otherwise stated)

Particulars	As at 30-Sep-21 (Unaudited)	As at 31-Mar-21 (Audited)
ASSETS		
I. Financial assets		
a) Cash and cash equivalents	293	2,301
b) Bank balance other than (a) above	1,516	2,103
c) Receivables		
(i) Trade receivables	437	78
(ii) Other receivables	393	393
d) Loans	-	-
e) Investments	2,698	1,672
f) Other financial assets	160	129
	5,497	6,676
II. Non-financial assets		
a) Current tax assets (net)	953	959
b) Deferred tax assets (net)	20	58
c) Property, plant and equipment	242	313
d) Other intangible assets	2	3
e) Other non-financial assets	77	133
	1,294	1,466
TOTAL ASSETS	6,791	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	19	230
b) Borrowings	26	33
c) Other financial liabilities	264	264
	309	527
II. Non-financial liabilities		
a) Provisions	165	547
b) Other non-financial liabilities	570	1,347
	735	1,894
III. Equity		
a) Equity share capital	1,326	1,326
b) Other equity	4,421	4,395
	5,747	5,721
TOTAL LIABILITIES AND EQUITY	6,791	8,142

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED SEPTEMBER 30, 2021

(Rs. in Lakhs, unless otherwise stated)

Particulars	Period ended 30-Sep-21	Period ended 30-Sep-20
Cash flow from operating activities:		
Profit before tax	1,278	500
Adjustments for :		
Depreciation and amortisation expense	49	64
Changes in fair valuation of investment (net)	(411)	(51)
Gain on sale of investments (net)	(10)	(20)
Interest Expense	12	20
Interest income on deposits	(138)	(95)
Dividend income	(10)	-
Share based payment to employees	110	213
Impairment of financial assets	-	101
Operating profit before working capital changes	880	732
Adjustments for changes in working capital:		
(Decrease) / Increase in provisions	(415)	(664)
Increase / (Decrease) in trade payables	(211)	(11)
Increase/ (Decrease) in other financial liabilities	(0)	40
Increase/ (Decrease) in other non-financial liabilities	(777)	(237)
(Increase)/ Decrease in other financial assets	(31)	2,079
Decrease/ (Increase) in trade receivables	(359)	17
Decrease/ (Increase) in fixed deposits with maturity more than 3 months	587	(102)
Decrease/ (Increase) in other non-financial assets	56	187
Total changes in working capital	(1,150)	1,309
Cash generated from operations	(270)	2,041
Taxes paid, net of refunds	(157)	(367)
Net cash generated/(used) from operating activities (A)	(427)	1,674
Cash flow from investing activities:		
Purchase of property, plant and equipments including capital work-in-progress	23	(88)
Purchase of Investments	(551)	(2,565)
Proceeds form sale / redemption of investments	10	-
Interest income	138	95
Dividend received	10	-
Net cash generated/(used) from in investing activities (B)	(370)	(2,558)
Cash flow from financing activities:		
Borrowings repaid during the year	(6)	(5)
Interest paid	(12)	(20)
Payment of Dividend to shareholders	(1,193)	-
Net cash generated/(used) in financing activities (C)	(1,211)	(25)

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED SEPTEMBER 30, 2021

(Rs. in Lakhs, unless otherwise stated)

Particulars	Period ended 30-Sep-21	Period ended 30-Sep-20
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,008)	(909)
Cash and cash equivalents at the beginning of the year	2,301	990
Cash and cash equivalents at the end of the year	293	81
Total	(2,008)	(909)
Notes:		
1) Cash and cash equivalents comprise of		
Cash on hand	1	1
Balances with banks		
In current account	292	80
Demand deposits (less than 3 months maturity)	-	-
Cash and cash equivalents at the end of the year	293	81

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 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 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 November 9, 2021. The results for the quarter and half ended September 30, 2021 were subjected to limited review by the statutory auditors of the company.
- 2 The Consolidated financial results include the reviewed 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 financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company is continuously monitoring any material changes that may influence future economic conditions.
- 4 During the quarter and half year ended September 30, 2021, the holding company has tracked and recovered certain listed shares which had formed a 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 half year ended September 30, 2021 alone. Subsequent changes in fair valuations have been shown under "Net Gain on fair value changes".
- 5 The Board of Directors have, at their meeting held on October 13, 2021, approved the issue of upto 45,50,000 equity shares of the Holding Company to the specified investors, on a preferential basis at a price of Rs. 88.75 per equity share, subject to approval of the shareholders at their extraordinary general meeting scheduled to be held on November 10, 2021.
- 6 The Company has identified two business segments (i) Financial Advisory & Intermediation services and (ii) Brokerage from financial product distribution business as per Ind-AS 108. However, the segment "Brokerage from distribution business of financial products" does not exceed the quantitative thresholds as prescribed by paragraph 13 of Ind-AS 108. Hence, the entity has not reported separate information for each operating segment.
- 7 The amounts reflected as "0" in the Financial Information are values with less than rupees one lakh.
- 8 Previous quarter, half year and year ended figures have been regrouped / reclassified, wherever necessary, to confirm to the current quarter presentation.

Mumbai
November 9, 2021

For Prime Securities Limited

JAYAKUMAR
NARAYANSWAMI

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N. Jayakumar
Managing Director & Group CEO