
Walker ChandioK & Co LLP

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Independent Auditor's Review Report on Standalone Unaudited Quarterly and Year to Date Financial 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 have reviewed the accompanying statement of standalone unaudited financial results of **Prime Securities Limited** ('the Company') for the quarter ended **30 September 2023** and the year to date results for the period **01 April 2023 to 30 September 2023** ('the Statement'), 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. The Statement, which is the responsibility of the Company's management and approved by the 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 Listing Regulations. 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.

Prime Securities Limited

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

4. As described in note 5 to the accompanying financial results, the Company has an investment in an unlisted investee company engaged in online gaming platform service business, which is measured at fair value through Other Comprehensive Income. The fair value of such investment as at 31 March 2023 was Rs. 2,344 lakhs which has been continued to be recognised at same value as at 30 September 2023. There are certain adverse regulatory developments in the gaming business industry as further described in the said note which indicate possible reduction in the fair value of the investment. However, in absence of an updated fair valuation exercise carried out by the management as at reporting date, we are unable to comment on the adjustments, if any, that may be required to the carrying value of the aforesaid investment and its corresponding impact on the accompanying financial results of the Company.
5. Based on our review conducted as above, except for the possible effects of matter described in previous section, 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 Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

**MURAD D
DARUWALLA**

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Murad D. Daruwalla

Partner

Membership No:043334

UDIN:23043334BGSEO7864

Place: Mumbai

Date: 30 October 2023

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 UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED SEPTEMBER 30, 2023

(Rs. in Lakhs, unless otherwise stated)

Particulars	Quarter ended			Half year ended		Year ended
	30-Sep-23 (Unaudited)	30-Jun-23 (Unaudited)	30-Sep-22 (Unaudited)	30-Sep-23 (Unaudited)	30-Sep-22 (Unaudited)	31-Mar-23 (Audited)
I Revenue from Operations						
Fee and commission income	853	539	161	1,392	889	2,404
II Other Income						
i) Interest income	50	73	69	123	148	319
ii) Dividend income	0	0	0	0	0	4
iii) Net gain on fair value changes	-	-	-	-	-	-
- Realised	2	2	103	4	103	104
- Unrealised	-	-	-	-	-	-
iv) Others	-	0	2	0	11	42
Total Other Income	52	75	174	127	262	469
III Total income (I+II)	905	614	335	1,519	1,151	2,873
Expenses	-	-	-	-	-	-
i) Finance cost	16	17	11	33	21	65
ii) Fee and commission expense	-	30	16	30	19	34
iii) Net loss on fair value changes	-	-	-	-	-	-
- Unrealised	1	15	97	16	75	120
iv) Impairment on financial instruments	(26)	(3)	6	(29)	9	(55)
v) Employee benefit expenses	468	264	265	732	617	1,124
vi) Depreciation and amortisation expense	22	18	24	40	43	100
vii) Other expenses	217	159	116	376	257	574
IV Total expenses	698	500	535	1,198	1,041	1,962
V Profit / (loss) before exceptional items and tax (III-IV)	207	114	(200)	321	110	911
VI Exceptional items (net) (Refer note 3)	-	-	83	-	83	173
VII Profit / (loss) before tax (V) + (VI)	207	114	(117)	321	193	1,084
VIII Tax expenses / (credits)	-	-	-	-	-	-
- Current tax charge / (credit)	29	22	(20)	51	30	197
- Earlier year tax charge	-	-	95	-	95	170
- Deferred tax charge / (credit)	(28)	(2)	(71)	(30)	(66)	(59)
IX Profit / (loss) after tax (VII-VIII)	206	94	(121)	300	134	776
X Other comprehensive income	-	-	-	-	-	-
a) I) Items that will not be reclassified to profit or loss	-	-	-	-	-	-
(a) Remeasurement of defined employee benefit plans	(13)	(3)	(9)	(16)	(32)	(19)
(b) Remeasurement gain / (loss) on fair valuation of investments in equity instruments	-	-	1,019	-	1,019	979
II) Income tax relating to items that will not be reclassified to profit or loss	4	1	(235)	5	(228)	(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 / (loss) (a+b)	(9)	(2)	775	(11)	759	738
XI Total comprehensive income for the quarter / year (IX + X)	197	92	654	289	893	1,514
XII i) Paid-up equity share capital (face value Rs. 5 each)	1,644	1,629	1,593	1,644	1,593	1,618
ii) Other equity	-	-	-	-	-	9,954
XIII Earnings per equity share (Rs. not annualised for the quarters and year ended)						
- Basic (amount in Rs.)	0.63	0.29	(0.38)	0.92	0.43	2.44
- Diluted (amount in Rs.)	0.60	0.28	(0.38)	0.88	0.40	2.30

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STANDALONE STATEMENT OF ASSETS & LIABILITIES

(Rs. in Lakhs, unless otherwise stated)

Particulars	As at 30-Sep-23 (Unaudited)	As at 31-Mar-23 (Audited)
ASSETS		
I. Financial assets		
a) Cash and cash equivalents	373	64
b) Bank balance other than (a) above	2,250	4,333
c) Receivables		
(i) Trade receivables	1,865	1,491
(ii) Other receivables	393	440
d) Loans	456	55
e) Investments	7,548	6,107
f) Other financial assets	168	62
	13,053	12,552
II. Non-financial assets		
a) Current tax assets (net)	287	283
b) Property, plant and equipment	193	225
c) Capital work-in-progress	-	-
d) Other intangible assets	10	7
e) Other non-financial assets	37	121
	527	636
TOTAL ASSETS	13,580	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	7	8
b) Borrowings	485	487
c) Other financial liabilities	546	556
	1,038	1,051
II. Non-financial liabilities		
a) Provisions	220	175
b) Deferred tax liabilities (net)	315	349
c) Other non-financial liabilities	155	41
	690	565
III. Equity		
a) Equity share capital	1,644	1,618
b) Other equity	10,208	9,954
	11,852	11,572
TOTAL LIABILITIES AND EQUITY	13,580	13,188

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STANDALONE STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED SEPTEMBER 30, 2023

(Rs. in Lakhs, unless otherwise stated)

Particulars	Half year ended 30-Sep-23	Half year ended 30-Sep-22
Cash flow from operating activities:		
Profit before tax	321	110
Adjustments for :		
Depreciation and amortisation expense	40	43
Unrealised (gain)/ loss on foreign currency translations (net)	0	-
Changes in fair valuation of investment (net)	16	-
Gain on sale of investments (net)	(4)	(103)
Interest expense	26	10
Interest income on deposits	(99)	(148)
Dividend income	(0)	(0)
Share based payment to employees	-	11
Recovery of bad debts	(28)	-
Impairment of financial assets	(102)	9
Operating profit before working capital changes	170	(68)
Adjustments for changes in working capital:		
(Decrease) / Increase in provisions	29	63
Increase / (Decrease) in trade payables	(0)	(7)
Increase/ (Decrease) in other financial liabilities	(10)	449
Increase/ (Decrease) in other non-financial liabilities	113	81
(Increase)/ Decrease in other financial assets	(108)	(127)
(Increase)/ Decrease in other receivables	47	(97)
Decrease/ (Increase) in trade receivables	(373)	129
Decrease/ (Increase) in other non-financial assets	84	(30)
(Increase)/ Decrease in Loans	(400)	-
Total changes in working capital	(618)	461
Cash generated from / (used in) operations	(448)	393
Taxes paid, net of refunds	(55)	(69)
Net cash generated from / (used in) operating activities (A)	(503)	324
Cash flow from investing activities:		
Purchase of property, plant and equipments including capital work-in-progress	(10)	(25)
Proceeds from sale / disposal of property, plant and equipments	0	-
Purchase of Investments	(1,528)	(744)
Proceeds from sale / redemption of investments	73	584
Decrease/ (Increase) in fixed deposits with maturity more than 3 months	2,088	2,356
Interest income	99	148
Dividend received	0	0
Net cash generated from investing activities (B)	722	2,319
Cash flow from financing activities:		
Proceeds from issuance of Share capital	280	396
Borrowings availed during the year	-	10
Borrowings availed during the year from related party	-	423
Borrowings repaid during the year	(2)	(4)
Interest paid	(26)	(10)
Payment of Dividend to shareholders	(162)	-
Net cash generated from financing activities (C)	90	815
Net increase in cash and cash equivalents (A+B+C)	309	3,458
Cash and cash equivalents at the beginning of the period	64	778
Cash and cash equivalents at the end of the period	373	4,236
Total	309	3,458

Particulars	Half year ended 30-Sep-23	Half year ended 30-Sep-22
Notes:		
1) Cash and cash equivalents comprise of		
Cash on hand	0	0
Balances with banks		
In current account	373	81
Demand deposits (less than 3 months maturity)	-	4,155
Cash and cash equivalents at the end of the period	373	4,236

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 Indian Accounting Standard 34 - Interim Financial Reporting 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 October 30, 2023. The results for the quarter & half year ended September 30, 2023 have been reviewed by the statutory auditors of the company and they have expressed a modified audit conclusion on these standalone financial results.
- 2 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.
- 3 Pursuant to the approval granted by the Board of Directors on April 13, 2023, the Company has acquired about 7.68% equity stake in Bridgeweave Limited. The Board of Directors have, on August 8, 2023, approved an additional outflow of up to INR 55 lakhs, due to fluctuation in exchange rate, to complete the acquisition of 8% equity stake. The Board of Directors has also approved a binding term sheet for acquisition of remaining 92% equity stake in Bridgeweave Limited through a stock swap, subject to execution of definitive documentation, regulatory / statutory approvals, as may be required under applicable laws, including the approval of shareholders of Prime Securities for issuance of Equity Shares.
- 4 During the quarter, Hon'ble Bombay High Court passed an Order, in favour of the Company, to bring an end to long-standing litigation, in relation to the flat received in settlement of an amount due to the Company in year 1992. The clear title to the flat had not been passed on to the Company due to various litigations and hence, the cost of flat was shown in the books as receivables. Pursuant to the said Order, the Company has received the vacant and clear possession of the flat and the Company will co-ordinate with the Society for transfer of title in the name of the Company. The necessary accounting adjustments in the books will be completed after transfer of the title.
- 5 The Company has designated all its 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, 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, which is into online gaming platform service business. 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 demand 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 any reduction in its fair valuation, though temporary, may be offset by growth in the sector. Since the changes are effective from October 2023, adequate data like consumer reaction and legal status of demand for the previous years, are not available for appropriate evaluation and hence its impact on the fair valuation is unascertainable to that extent. The said investment is therefore carried at the same value adopted as at March 31, 2023.
- 6 The Company has only one segment of business i.e. Financial Advisory & 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 Previous quarter and period / year ended figures have been regrouped / reclassified, wherever necessary, to conform to the current quarter / period presentation.

For Prime Securities Limited

JAYAKUMAR
NARAYANSWAMI

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N. Jayakumar

Managing Director & Group CEO

(DIN: 00046048)

Mumbai

October 30, 2023