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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 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 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 2023** and the consolidated year to date results for the period **01 April 2023 to 30 September 2023** ('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) ('Listing Regulations').
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 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.

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 Listing Regulation, to the extent applicable.

Prime Securities Limited

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4. As described in note 6 to the accompanying financial results, the Holding 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.
6. We did not review the interim financial results of two subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 3,387 lakhs as at 30 September 2023, total revenues of ₹ 649 lakhs and ₹ 2,114 lakhs, total net profit after tax of ₹188 lakhs and ₹ 597 lakhs, total comprehensive income of ₹ 190 lakhs and ₹ 588 lakhs, for the quarter and six-month period ended on 30 September 2023, respectively, and cash flows (net) of ₹ 32 lakhs for the period ended 30 September 2023, 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 matters with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

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DARUWALLA

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Date: 2023.10.30
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Murad D. Daruwalla
Partner
Membership No:043334

UDIN:23043334BGSEOB3811

Place: Mumbai
Date: 30 October 2023

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

Annexure 1

List of entities included in the Statement

- 1) Prime Research & Advisory Limited
- 2) Prime Funds Management Limited

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 UNAUDITED CONSOLIDATED 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	1,440	1,945	664	3,386	1,532	4,054
II Other Income						
i) Interest income	92	118	98	210	205	467
ii) Dividend income	0	0	0	0	0	4
iii) Net gain on fair value changes	-					
- Realised	8	4	106	12	106	117
- Unrealised	(0)	0	-	-	-	-
iv) Others	-	-	2	-	11	42
Total Other Income	100	123	206	222	322	630
III Total income (I+II)	1,540	2,068	870	3,608	1,854	4,684
Expenses						
i) Finance cost	2	6	12	8	21	57
ii) Fee and commission expense	157	618	102	775	113	650
iii) Net loss on fair value changes	-					
- Unrealised	2	15	92	17	84	141
iv) Impairment on financial instruments	(26)	(3)	5	(29)	9	(54)
v) Employee benefit expenses	681	561	437	1,242	920	1,749
vi) Depreciation and amortisation expense	26	22	27	48	49	114
vii) Other expenses	240	184	130	424	288	683
IV Total expenses	1,082	1,403	805	2,485	1,484	3,340
V Profit before exceptional items and tax (III-IV)	458	665	65	1,123	370	1,344
VI Exceptional items (net) (Refer note 4)	-	-	83	-	83	173
VII Profit before tax (V) + (VI)	458	665	148	1,123	453	1,517
VIII Tax expenses						
- Current tax charge	94	171	47	265	98	318
- Earlier year tax charge	-	-	95	-	95	147
- Deferred tax charge / (credit)	(31)	(9)	(73)	(40)	(66)	(66)
IX Profit after tax (VII-VIII)	395	503	79	898	326	1,118
X Other comprehensive income						
a) I) Items that will not be reclassified to profit or loss						
(a) Remeasurement of defined employee benefit plans	(10)	(6)	(9)	(16)	(36)	(26)
(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	3	2	(235)	5	(227)	(221)
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)	(7)	(4)	775	(11)	756	732
XI Total comprehensive income for the quarter / year (IX + X)	388	499	854	887	1,082	1,850
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						11,076
XIII Earnings per equity share						
(Rs. not annualised for the quarters and year ended)						
- Basic (amount in Rs.)	1.21	1.55	0.25	2.76	1.04	3.52
- Diluted (amount in Rs.)	1.16	1.48	0.24	2.63	0.98	3.31

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CONSOLIDATED 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	535	194
b) Bank balance other than (a) above	4,086	5,541
c) Receivables		
(i) Trade receivables	2,004	1,492
(ii) Other receivables	393	440
d) Loans	456	55
e) Investments	6,856	5,552
f) Other financial assets	167	64
	14,497	13,338
II. Non-financial assets		
a) Current tax assets (net)	325	330
b) Property, plant and equipment	227	264
c) Capital work-in-progress	-	-
d) Other intangible assets	10	8
e) Other non-financial assets	49	143
	611	745
TOTAL ASSETS	15,108	14,083
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	-	2
c) Other financial liabilities	728	744
	735	754
II. Non-financial liabilities		
a) Provisions	317	222
b) Deferred tax liabilities (net)	287	332
c) Other non-financial liabilities	181	81
	785	635
III. Equity		
a) Equity share capital	1,644	1,618
b) Other equity	11,944	11,076
	13,588	12,694
TOTAL LIABILITIES AND EQUITY	15,108	14,083

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CONSOLIDATED 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	1,123	370
Adjustments for :		
Depreciation and amortisation expense	48	49
Unrealised (gain)/ loss on foreign currency translations (net)	0	-
Changes in fair valuation of investment (net)	17	-
Gain on sale of investments (net)	(12)	(106)
Interest Expense	1	21
Interest income on deposits	(162)	(205)
Dividend income	(0)	(0)
Share based payment to employees	-	21
Recovery of bad debts	(28)	-
Impairment of financial assets	(102)	9
Operating profit before working capital changes	885	159
Adjustments for changes in working capital:		
(Decrease) / Increase in provisions	95	71
Increase / (Decrease) in trade payables	(1)	(8)
Increase/ (Decrease) in other financial liabilities	(16)	287
Increase/ (Decrease) in other non-financial liabilities	100	73
(Increase)/ Decrease in Loans	(400)	-
(Increase)/ Decrease in other financial assets	(106)	(146)
(Increase)/ Decrease in other receivables	47	-
Decrease/ (Increase) in trade receivables	(511)	(77)
Decrease/ (Increase) in other non-financial assets	94	(36)
Total changes in working capital	(698)	164
Cash generated from operations	187	323
Taxes paid, net of refunds	(260)	(110)
Net cash generated from / (used in) operating activities (A)	(73)	213
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	-
Purchase of Investments	(1,528)	(844)
Proceeds from sale / redemption of investments	217	330
Decrease/ (Increase) in fixed deposits with maturity more than 3 months	1,460	3,195
Interest income	162	205
Dividend received	0	0
Net cash generated from investing activities (B)	299	2,860
Cash flow from financing activities:		
Proceeds from issuance of Share capital	280	396
Borrowings availed during the year	-	10
Borrowings repaid during the year	(2)	(7)
Interest paid	(1)	(21)
Payment of Dividend to shareholders	(162)	-
Net cash generated from financing activities (C)	115	378
Net increase in cash and cash equivalents (A+B+C)	341	3,451
Cash and cash equivalents at the beginning of the period	194	1,035
Cash and cash equivalents at the end of the period	535	4,486
Total	341	3,451

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	1
Balances with banks		
In current account	535	115
Demand deposits (less than 3 months maturity)	-	4,370
Cash and cash equivalents at the end of the period	535	4,486

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

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 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 consolidated 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 consolidated financial results.
- 2 The consolidated financial results include the unaudited financial results of the wholly-owned subsidiaries - Prime Research & Advisory Limited and Prime Funds Management Limited.
- 3 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.
- 4 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.
- 5 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.
- 6 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.
- 7 The Group has only one segment of business i.e. Financial Advisory & Intermediation services. There are no separate reportable segments in terms of Ind AS 108.
- 8 The amounts reflected as "0" in the Financial Information are values with less than rupees one lakh.
- 9 Previous quarter and period / year ended figures have been regrouped / reclassified, wherever necessary, to confirm to the current quarter / period presentation.

Mumbai
October 30, 2023

For Prime Securities Limited

**JAYAKUMAR
NARAYANSWAMI**

Digitally signed by JAYAKUMAR NARAYANSWAMI
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N. Jayakumar
Managing Director & Group CEO
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