

PRIME

January 9, 2020

The Manager - Listing Department

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001

The Manager - Listing Department

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (East),
Mumbai 400051

Dear Sir,

Sub: Disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Re: Stock Code: 500337 (BSE) / PRIMESECU (NSE)

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we wish to inform you that the Board of Directors of Prime Securities Limited ("the Company") and Primesec Investments Limited / Prime Commodities Broking (India) Limited (both wholly-owned subsidiaries of Prime Securities Limited) at their respective Board Meetings held on January 9, 2020 has approved the Composite Scheme of Arrangement ("Scheme") under Sections 230 to 232 read with Section 66 and Section 52 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme, inter alia, provides for:

- (i) Merger of Primesec Investments Limited ("PIL") and Prime Commodities Broking (India) Limited (both wholly-owned subsidiaries of the Company) with and into the Company; and
- (ii) Upon effecting the Merger, Reduction of Capital and Re-organisation of Reserves of the Company.

Since, both PIL and PCBIL are wholly-owned subsidiaries of the Company, no Equity Shares will be issued by the Company as consideration for the Merger.

Upon effecting the Merger, Reduction of Capital and Re-organisation of Reserves of the Company shall be carried out under as part of the Scheme in the following manner:

Prime Securities Limited
1109 / 1110, Maker Chambers V,
Nariman Point, Mumbai 400 021.
CIN: L67120MH1982PLC026724
Website: www.primesec.com



Tel : +91-22-6184 2525
Fax: +91-22-2497 0777



- (i) Set-off of debit balance in Profit and Loss Account against balance in Capital Reserve Capital Redemption Reserve, Share Forfeiture Account and balance (if any) against Securities Premium; and
- (ii) Re-classification of General Reserve to Profit and Loss Account.

The Scheme as aforesaid is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, Shareholders and Creditors of the Company(ies), as may be applicable, Jurisdictional Bench of National Company Law Tribunal (“NCLT”) and such other statutory and regulatory approvals as may be required.

The Scheme as approved by the Board would be available on the website of the Company at www.primesec.com post submitting the same to the Stock Exchanges. The relevant documents for obtaining approval under Regulation 37 of the SEBI Listing Regulations will be submitted to the Stock Exchanges.

In terms of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we are furnishing herewith the details of the Scheme as Annexure I and Annexure II.

The Board Meeting commenced at 12.30 p.m. and concluded at 4.00 p.m.

Thanking you,

Yours faithfully,
For **Prime Securities Limited**



Ajay Shah
Company Secretary
(ACS-14359)

Annexure I – Amalgamation / Merger (as Part 2 of the Scheme)

<p>a) Name of the entity(ies), forming part of the amalgamation details in brief such as size, turnover etc.;</p>	<p>1. Prime Securities Limited / Transferee Company</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Amount in Crores - Standalone</th> </tr> <tr> <th>As on September 30, 2019</th> <th>As on March 31, 2019</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>81.16</td> <td>79.29</td> </tr> <tr> <td>Networth</td> <td>76.59</td> <td>72.69</td> </tr> <tr> <td>Total Income</td> <td>13.22</td> <td>11.11</td> </tr> </tbody> </table> <p>2. Primesec Investments Limited / Transferor Company 1</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Amount in Crores</th> </tr> <tr> <th>As on September 30, 2019</th> <th>As on March 31, 2019</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>14.65</td> <td>18.12</td> </tr> <tr> <td>Networth</td> <td>(25.95)</td> <td>(29.28)</td> </tr> <tr> <td>Total Income</td> <td>11.95</td> <td>21.00</td> </tr> </tbody> </table> <p>3. Prime Commodities Broking (India) Limited / Transferor Company 2</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Amount in Crores</th> </tr> <tr> <th>As on September 30, 2019</th> <th>As on March 31, 2019</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>8.61</td> <td>3.57</td> </tr> <tr> <td>Networth</td> <td>0.94</td> <td>0.86</td> </tr> <tr> <td>Total Income</td> <td>0.11</td> <td>0.40</td> </tr> </tbody> </table>	Particulars	Amount in Crores - Standalone		As on September 30, 2019	As on March 31, 2019	Total Assets	81.16	79.29	Networth	76.59	72.69	Total Income	13.22	11.11	Particulars	Amount in Crores		As on September 30, 2019	As on March 31, 2019	Total Assets	14.65	18.12	Networth	(25.95)	(29.28)	Total Income	11.95	21.00	Particulars	Amount in Crores		As on September 30, 2019	As on March 31, 2019	Total Assets	8.61	3.57	Networth	0.94	0.86	Total Income	0.11	0.40
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<p>b) Whether the transaction would fall within related party transaction? If yes, whether the same is done at “arms’ length”.</p>	<p>It is envisaged to merge the Transferor Company 1 and Transferor Company 2 (both wholly owned subsidiaries) with and into the Transferee Company, hence, the same would fall under the ambit of related party transaction.</p> <p>Upon merger becoming effective, the Transferee Company would not issue any consideration as entire share capital of Transferor Company 1 and Transferor Company 2 is held by the Transferee Company.</p>																																										
<p>c) Area of the business of the entity(ies)</p>	<p>1. Primesec Investments Limited / Transferor Company 1 The Transferor Company 1 is engaged in the business activities that includes restructuring advisory services which includes refinancing of debt, advisory assignments relating to insolvencies under the IBC cases, etc.</p> <p>2. Prime Commodities Broking (India) Limited / Transferor Company 2 The Transferor Company 2 is engaged in the business of</p>																																										



	<p>providing services auxiliary to financial intermediation, except insurance and pension funding.</p> <p>3. Prime Securities Limited / Transferee Company The Transferee Company is registered as Category I Merchant banker that focuses on all regulated activities including primary issuances of debt and equity, managing buybacks and open offers, QIPs, preferential offers, etc.</p>
d) Rationale for Scheme	<ol style="list-style-type: none"> 1. The Transferee Company owns the entire share capital in the Transferor Company 1 and Transferor Company 2; 2. Integration of the business of the Transferee Company and Transferor Company 1 and Transferor Company 2 can provide benefits to the shareholders / stakeholders as under: <ol style="list-style-type: none"> a. Reduction in the management overlaps due to operation of the multiple entities and more focused leadership; b. Reduction in multiplicity of legal and regulatory compliances, reduction in overheads, including administrative, managerial and other costs amongst all; c. Synergy benefits, such as, competitive edge, consolidation of businesses to combine growth opportunities to capitalize on future growth potential which would in-turn significantly help in efficient utilization of financial and operational resources; and d. Consolidation and simplification of the Group structure and reduction of administrative costs at the Group level.
e) In case of cash consideration - amount or otherwise share exchange ratio	<p>The Scheme does not involve payment of any cash consideration. Also, there is no issuance of shares by the Transferee Company.</p>
f) Brief details of change in shareholding of listed entity	<p>Upon the merger coming into effect, there will not be any change in shareholding pattern of the Transferee Company as the Scheme does not envisage issuance of shares.</p>



Annexure II – Reduction of Share Capital and Re-organisation of Reserves of the Company (as Part 3 of the Scheme)

a) Brief details and reasons for the Reduction of Share Capital and Re-organisation of Reserves of the Company	Upon effecting of Part 2 of the Scheme, Reduction of Capital and Re-organisation of Reserves of the Company under the provisions of Section 66 read with section 52 of the Companies Act, 2013, shall take effect as under: 1. Set-off of debit balance in Profit and Loss Account against balance in Capital Reserve, Capital Redemption Reserve, Share Forfeiture Account and balance (if any) against Securities Premium; 2. Re-classification of General Reserve to Profit and Loss Account.
b) Rationale for the Scheme	Reduction of Capital and Re-organisation of Reserves of the Company in the manner set out in this Scheme can provide benefits to the shareholders / stakeholders as under: i) Under this Scheme, if approved, the Company will represent its true and fair financial position; ii) The Scheme will enable the Company to explore opportunities for the benefit of the shareholders of the Company including in the form of dividend payment as per the applicable provisions of the Companies Act, 2013; iii) The Scheme would not have any impact on the shareholding pattern and the capital structure of the Company; iv) The Scheme will enable the Company to use the amount lying in the Capital Reserve, Securities Premium and General Reserves of the Company; v) The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Company to meet its obligations / commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Company.
c) Quantitative and Qualitative effect of Part 3 of the Scheme	There is no cash outflow on account of the Part 3 of the Scheme, from the Company. The proposed Part 3 of the Scheme will not have any adverse effect on the interest of the Shareholders / Creditors of the Company.
d) Details of benefits, if any, to the promoter / promoter group / group companies from Part 3 of the Scheme	No additional benefits are being derived by the promoters / promoter group / group companies from Part 3 of the Scheme.
e) Brief details of change in shareholding pattern (if any) of the Company	Upon Part 3 of the Scheme coming into effect, there will not be any change in shareholding pattern of the Company as it does not envisage issuance of shares by the Company and / or cancellation of any part of the share capital of the Company.

