



September 5, 2022

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001

Capital Markets - Listing
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex, Bandra (E),
Mumbai 400051

Dear Sir,

Sub: Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Pursuant to the provisions of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report for the Financial Year 2021-22.

This is for your record and information.

Thanking you,

Yours faithfully,
For **Prime Securities Limited**

Ajay Shah
Company Secretary
(ACS-14359)

Consolidation and Creativity





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Consolidation and Creativity

The world is passing through an unprecedented convergence of challenges.

These challenges comprise the unflagging nature of the pandemic, sharp commodity inflation, sustained armed conflict in Europe, tightening economies, collapse in select countries and geopolitical polarization.

These realities are deepening the rationale of existence of a company like Prime Securities. The circumstances are warranting the consolidation of our business and creative solutions in response to new developments.



Consolidation.

Aggregate the power of our networks.

Build on the respect we enjoy across our clients.

Deepen our people experience and competencies.

Grow our business through more client engagements.

Graduate one-off engagements into annuity revenues.



Creativity.

Embrace challenging mandates;
respond with creative solutions.

Customise solutions that address the
precise needs of our clients.

Fuse diverse experiences into unique
solutions.

Respond with untried and unique
solutions.

Graduate solutions into sectoral
benchmarks.



ETHOS

Vision: To be recognised as a group founded by knowledge, guided by integrity, nurtured by experience and driven by our passion to provide bespoke solutions in investment banking and corporate advisory services.

Mission: To achieve our objectives in an environment of fairness and equity towards our

clients, employees, shareholders and society at large

Core values

- To be a knowledge-driven business and encourage creativity.
- To maintain the highest possible standards of ethics and integrity in corporate governance.
- To inculcate a meritocratic work

environment with respect for individuals, fostering teamwork and collaborative effort.

- To inspire a sense of ownership and commitment among all team members and cultivate a corporate culture of excellence.
- To ensure that client interest is of paramount importance.

Offerings

Prime Securities is engaged in providing services that address the apex of the consulting pyramid in terms of organizational criticality, fees and repeat engagement possibilities.

The Company also offers value-added advice to clients on complex strategic and financial decisions as well as transactions focused around fundraising, mergers and acquisitions, private equity and debt placements, initial public offerings, corporate advisory and capital restructuring.

The Company's team engages in due diligence, negotiating and closing financial terms to cater to client needs and capital market demands.

People

The Company comprises a small focused team of 14 (as on March 31, 2022) with key executives involved in every transaction without the people-intensity and overheads of large organisations. Prime's agility is reflected in an agile, nimble, market-driven team constantly responding to market stimuli and at the time when client needed.

Customers

The Company enjoys longstanding relationships with several domestic and international clients, including corporations, foreign institutional investors, financial institutions, banks, mutual funds, insurance companies and high net worth individuals.

Listing

Since 1994, the Company has been listed on the NSE and the BSE. The Company enjoyed a market capitalization of ₹284.95 cr as on March 31, 2022.

Management

Employee-driven, Board-managed Company

N. Jayakumar
(Managing Director and Group CEO)

S. R. Sharma
(Managing Director & Chief Financial Officer)

Akshay Gupta
(Managing Director and CEO, Prime Research & Advisory Limited)

The Company is headquartered in Mumbai, India's financial capital.

THIS IS WHAT WE WERE ENGAGED IN

- Addressing the business challenges of listed companies
- Specialisation in financial restructuring
- Financial restructuring related to loan repricing and repayment
- Restructuring also comprising net worth mobilisation

THIS IS WHAT WE EXTENDED OUR COVERAGE TO

We extended to advising the start-up universe in India

Engagement comprising fee income and option to invest in their equity

Growing focus on non-traditional funding pools (like family offices) and international investors who have had no presence in India

Graduating one-off assignments to annuity engagements

WHY THE OVERALL SCENARIO IS BECOMING BETTER

India's capital appetite is growing, warranting the specialised role of intermediaries

India's start-up environment is one of the most active in the world

There is a wider space for M&As today than ever

The equity and debt markets are broadening and deepening

WHY OUR BUSINESS HAS A FUTURE

Clients need a single-stop solution (advice, funding and financial restructuring)

Large net worth of family offices with low explored space outside mainstream investing

Start-up promoters seek handholding by a friend-philosopher-guide

These promoters and companies seek an 'intermediary-plus'

HOW WE ARE CONSOLIDATING OUR BUSINESS

We are adding to our middle management strength

We are broadbasing our leadership, building growth platforms

We are deepening our brand around specific capabilities, making us a 'turn-to' partner

We possess cash and equivalents of ₹82.14 cr on our books, a war chest for the next growth round

HOW WE HAVE PERFORMED ACROSS THE YEARS

Revenues

(₹ cr)



2021-22	41.54
2020-21	40.69
2019-20	73.66
2018-19	45.86
2017-18	23.11

EBITDA

(₹ cr)



2021-22	16.06
2020-21	9.52
2019-20	30.84
2018-19	17.23
2017-18	15.36

Cash Profit

(₹ cr)



2021-22	17.86
2020-21	9.50
2019-20	8.88
2018-19	12.92
2017-18	14.45

Profit before tax

(₹ cr)



2021-22	21.42
2020-21	10.65
2019-20	10.74
2018-19	16.47
2017-18	17.15

Balance Sheet ratios

Ratios	2017-18	2018-19	2019-20	2020-21	2021-22
Earnings per share	5.39	4.76	2.97	3.09	5.45
Book Value per share	3.82	12.69	17.08	21.57	35.75

Profitability ratios

Margins	2017-18	2018-19	2019-20	2020-21	2021-22
EBITDA margin (%)	66.46	37.57	41.87	23.40	38.66
Net profit margin (%)	61.89	27.54	10.71	20.16	40.89
Return on assets (%)	64.87	35.96	14.30	11.47	16.01
Return on capital employed (%)	98.99	60.97	71.74	15.94	17.45
Return on equity (%)	493.10	57.73	19.98	16.01	20.14

Liquidity and solvency ratios

Ratios	2017-18	2018-19	2019-20	2020-21	2021-22
Debt-equity ratio (including working capital)	0.79	0.11	0.01	0.01	0.05
Debt-equity ratio (only long-term debt)	0.21	0.03	0.01	0.01	0.00
Interest cover	813.42	97.45	137.71	21.38	35.17

284.95Market capitalisation,
March 31, 2022 (₹ cr)**180.18**Enterprise value,
March 31, 2022 (₹ cr)



CHAIRMAN'S LETTER TO SHAREHOLDERS

Pradip Dubhashi, Chairman

Dear shareholders,

Two years ago in my letter to you, I had shared two fond wishes. One, that we get a Covid vaccine soon. And second that the source be an Indian company. Both wishes were granted. Today as I sit down to write this letter, newspaper headlines announce that we have administered 200 cr vaccine doses. A marvellous achievement. The *Indian Express* in its celebratory editorial said:

"If there is one thing that puts the significance of India's 2 Bn Covid jobs landmark in perspective, it is: Social and economic life,

by all accounts, returned to pre-pandemic normalcy."

Indeed it has. The economy has had a 'V' shaped recovery last year. The GDP grew at 8.6% in real terms, something not many expected. The unexpected war in Ukraine, however, is an unpleasant surprise. You must be disappointed as I am that geopolitical factors beyond our control have queered the pitch for the immediate future. Western economies are facing recession. Capital markets are facing volatility with an estimated value destruction of USD 20 Trn, according to a report by Gavekal Research. The same goes for the currency,

commodity and energy markets. The silver lining is that the Indian economy has weathered the shocks better than most others. It is still expected to grow at 7% plus.

Company performance

Our performance this year reminds me once again of the Eric Hoffer quote that said, 'In times of change, learners inherit the earth'. Your Company has stayed true to its credo by being a quick learner. It has quickly 'pivoted' to also serve the fast growing start-up ecosystem. It earned on stand-alone basis a little over 50% of its revenues from fees received for services rendered to start-ups. On a consolidated basis, it was about 38% of the total. In fact, the amount of equity raised for clients was double of what was raised last year!

On a stand-alone basis, the Company earned revenues of ₹31.15 cr. This was an increase of a little over 11% over the last year; at a consolidated level, the revenue increase was a modest 2.8%. Given that the Indian economy grew at about 14% in nominal terms, the revenue growth may be a bit disappointing to you as it was to us in the Company. But this was more than made up by nippy growth in margins. Consolidated net profit doubled to ₹16.98 cr. On a stand-alone basis, the rise was more

impressive; the after-tax profit more than doubled to ₹14.20 cr. The total comprehensive income on a consolidated basis more than tripled to ₹23.89 cr. The margin growth, I hope, compensated for the tempered growth in revenues.

Indian start-up ecosystem

The Indian start-up economy has been growing fast. In terms of size, it now ranks third behind that of the US and China. But in growth the Indian start-up economy beats both by some distance. The latest report from Bain Capital's India office ('India Venture Capital Report 2022') states that, in 2021, VC investments in India grew 3.8 times compared to the previous year. This growth rate was double that in the USA and triple that of China over the same period. Investment deal volume in CY21 was 1545 deals compared to 809 previously.

While the Government of India's Start-Up India scheme has given a solid push, the interest of the VC funds is hot. Several reputed VC funds from India and abroad, like Sequoia, Accel Partners, Matrix and Lightspeed Ventures, to name a few, are setting up large focused funds for seed and early stage funding. HNIs are stepping up in a major way; they are expected to invest USD 30

Bn by 2025. UHNIs with collective wealth of USD 700 Bn are investing in early stage tech firms too, through over 140 family offices.

In CY 2021, India's share of global VC funding doubled to 5.6% compared to the previous year. If one were to go by Malcom Gladwell's definition of 'crossing 5%' as the 'tipping point', India's VC funding has now crossed that threshold! The Bain Capital report has a more graphic description for the Indian VC activity. It said, "India's start-up economy has reached 'escape velocity' with a robust value creation flywheel."

The Company enters the start-up space

During the year under review, your Company entered the start-up fast lane I just described. Given the Company's capacity to learn on the fly, its ability to tailor its services to the needs of clients and work the legendary network of the management for client benefits, the Company hit the start-up ground running. It executed nearly one mandate a month. Those of you familiar with the VC deals would appreciate the pace

achieved. The mandates included all 'hot' areas such as gaming, edutech, health tech and B2B commerce. Some like the one in gaming were even taken through a follow-up round in near succession.

The Company has been able to 'pivot' into the start-up space with nearly the same team that also continued to serve the traditional segments of the services market. However, the start-up space can work up a perfect storm of advanced scientific knowledge, fast-paced technology, business model innovations and sometimes uncontrolled velocity. These possibilities would warrant expansion and diversity in the team for continued customer acquisition and for nurturing current ones through successful later rounds. Your management is working to suitably expand the team to become a truly 'Fast Company'.

Rewards and risks

The start-up mandates have earned the Company a little over 50% of the revenues in the year on a stand-alone basis. The management has chosen to take a significant portion of those fees as shares of the start-ups



On a consolidated basis, it was about 38% of the total. In fact, the amount of equity raised for clients was double of what was raised last year!

served. This is both smart and risky. 'Smart' because the Company gets better fees when in the form of shares. 'Risky' because the monetisation would only occur when the Company gets a profitable exit. Now we know that by its very definition the start-ups have an exciting future. But we also know that it is something that can never be guaranteed. To that extent there is attendant risk. This has to be frequently evaluated, mitigated and managed through a careful nursing of the investments and exiting at the right time. Your Board will be working with the management to put a supervisory system in place to handle investment and exit decisions so that the stakeholder interests are served.

Preferential allotment

With your prior approval, the Company issued shares on a preferential basis to select marquee investors. The monies so raised will be utilised for the purpose of taking some part of Company's business onto a digital platform. This is the objective for which the preferential allotment has been made. The investors so on-boarded are known for their acumen, expanse of knowledge and impeccable judgement on matters business. I assure you that they will bring impeccable value through their association.

Governance

During the year the six-member Board had four Independents, of them three were women of distinction. Such representation by women on a company Board is a rarity. They brought gravitas, intellectual acuity and intuition that is generic to the gender. In the year under review, the Board worked closely with the Management to attend to the business issues in addition to normal duties. The intensity of engagement can be gauged from the fact that in addition to four quarterly meetings, the Board met additionally seven times for business meetings for presentations by the Management. In response to the issues that came up, the Independent Directors chose to meet a number of times as against once that is statutorily mandated. Thus, the Independent Directors during the year under review attended 24 meetings, including Committee meetings. I thank the Management for enabling such participation and my colleagues for such an unprecedented commitment to Board work.

During the year, the Nomination & Remuneration Committee put in place a Managerial Evaluation and Reward system. The Audit Committee members initiated a change in the Internal Auditors to

respond to the increasing complexities in the Company's business.

In March this year, Ms Alpana Parida decided to quit the Board to pursue her interests in the start-up space. She will be missed by all her colleagues on the Board. During the year, the Company continued to support CSR initiatives in the area of child health (autism and cancer), child education and women's empowerment.

Dividend

Last, and most importantly, your Board and the Management are committed to reward you, the shareholders, who have been steadfast in supporting through thick and thin. The Board has recommended payment of dividend of ₹2.25 per share of face value ₹5, an increase of 50% on the 'regular' dividend paid last year. I sincerely thank all of you for your continued support and encouragement.

With best wishes for the unfolding FY 2022-23!

Sincerely,

Pradip Dubhashi
Chairman

A SMALL CONTRIBUTION TO OUR COMMUNITY

We continue to do our bit to support our community and make a difference in people's lives





Initiative

ASSISTING AZAD FOUNDATION IN EMPOWERING WOMEN

An institution that enhances women's livelihood opportunities

Women's livelihood creation is a critical society building engagement that does not just make women financially independent but empowers them emotionally as well.

The rationale for supporting women's livelihood interventions goes deep. In India, women's workforce participation has declined, characterised by a substantial proportion of young women who are not in employment, education or training (NEET). Besides, 95% women are employed in the informal sector with no social security net. In India, the proportion of women who work has steadily declined from 36% to 18% in a decade as per the Economic Survey – half the global average

of 48% and closer to that of the Arab world average of 21%. Covid has further pushed women to the margins as the urban women work rate further plummeted in 2021 to alarmingly low at 6.9% as per Centre for Economic Data and Analysis Ashoka University report came out in January 2022

(source: <https://ceda.ashoka.edu.in/ceda-cmie-indias-shrinking-female-workforce/#-:text=Average%20female%20employment%20in%20urban,0.1%20per>)

Azad engages with the community to ensure women have access to information and support to engage in remunerative non-traditional livelihoods like driving. Azad organises, facilitates and manages a transformative capacity building

programme that trains resource poor women to become professional drivers. Azad influences the community through action research, advocacy with civil society, government (transport department), corporate and other policy makers towards a more gender sensitive ecosystem.

The Foundation's Women with Wheels project expands women's economic opportunities so that resource-poor women can exercise control

over their lives, enjoy full citizenship, earn a livelihood with dignity and generate wealth cum value. The programme women with low economic and social capital are trained to become professional drivers. Besides, the project undertakes action research, advocates and influences stakeholders to create a favourable ecosystem for women in non-traditional livelihoods.

In FY 2020-21, nearly two-thirds of the women Azad worked with were from

disadvantaged caste groups and 12% from minority religious groups and 86% below the poverty line (as per World Bank norms). The Women with Wheels enrolment data suggests that 70% women who come to Azad Foundation for support have faced some form of gender-based violence. The project also engages with the family and communities (especially young men) in which these women reside, helping create an enabling environment.



Our organisation reconciles economic and social empowerment where we focus on 'livelihood with dignity' for a troop of empowered women. Majorly, women work forces are found in the unorganised sector, earn a marginal income and subjected to undignified working conditions. What we promote is 'non-traditional livelihoods' aimed at empowering women - not only in terms of the work rate participation of women or employment but in protecting their rights to be self-reliant and independent with decision-making capabilities. Prime Securities has been an important and reliable partner. There are donors who contribute for specific purposes; Prime Securities provides resources that we can deploy in various ways without restriction - no strings attached. Prime's encouragement, acknowledgement and understanding has empowered us to empower others. There are few impeccable donors of this kind.

Shrinivas Rao, *Azad Foundation*

26

% return on investment in training women drivers

3,200+

Women trained

1,600+

Women engaged as professional drivers

9,14,88,000

₹ cumulative annual remuneration of 400 women drivers engaged with Sakha

Initiative

SUPPORTING AUTISM RESEARCH & TRAINING CENTRE

Supporting a relatively under-funded area

Autism Research & Training Centre was launched to provide training and behavioural learning to autistic individuals in a residential environment. The institution made a provision to provide free training for marginalised individuals. About 1 in 100 individuals in India under age 10 has autism, and nearly one in 8 has at least one neuro developmental condition. The estimate for neuro developmental conditions is about 10 times higher than the 1.3% reported in India's 2011 census. What has made this institution different is that training

extends to family members of the affected individuals who are immediate caregivers. The Centre represents a nucleus of research so that therapies are communicated through published works, training and workshops.

The prime movers behind the Centre comprise Support of All-Abled Differently (SaaD), Rotary Club of Khadki (RCK) in Pune and parents of autistic individuals. The institution is now a residential centre supported by RCK. Given the paucity of skilled persons, SaaD

trained trainers, helped create a body of shareable knowledge, developed the 'home school' concept, provided course content and collaborated with experts (national and international).

RCK comprises doctors, finance experts and corporate professionals

who collaborated to make the project viable.

The ARC (Autism Training and Research Centre) is a huge project that satisfies a never-looked-at community need. The Financial for the same are large but the benefit it will deliver over the years is massive. To say the least despite support from multiples sources we

will need continued support for its completion and sustenance in the formative years. The attempt of course is to make it self-sufficient as soon as possible .

Plans over the next four months

Completion of the construction phase and commencement; hopefully completion of interiors and finishing

Staff selection and fictionalization of day-to-day operations

City arm is already functional



Autism Research & Training Centre is being set up to provide training and behavioural learning to autistic individuals in a residential environment. A significant number of individuals are from marginalised sections, provided care for free. Our training extends to family members who are the immediate care givers and most affected through dependency. The Centre's programme trains the trainers (parents of those individuals). The Centre will be a nucleus of learning and research so that the methods and therapies continue to be researched and communicated through published work, training seminars and workshops, among others. Prime Securities is our second largest contributor after the Tata Group and helped set up a training centre in Pune.

Dr Alok Patel
Autism Research & Training Centre, Pune



Initiative

SUPPORTING VICTORIA MEMORIAL SCHOOL FOR EDUCATION OF VISUALLY IMPAIRED CHILDRENS

An institution that runs a residential school for the visually impaired

About the organisation

The Victoria Memorial School for the Blind (VMSB) – established in 1902 – has helped thousands of visually impaired children grow into confident, successful and self-reliant adults. Over the last 120 years, VMSB continues to be in the forefront of education and development for the visually challenged. Almost all our students come from a low socio-economic background and their families are unable to support their education. The school provides free education, nutritious food, comfortable accommodation, sports facilities, skills training and career guidance to all students with visual impairment. Over the decades, VMSB has helped thousands of visually impaired children grow into confident, successful and self-reliant adults.

Residential School for the Visually Impaired: Free education (Marathi Medium), lodging & boarding is provided for students up to the 8th standard. Lodging and boarding facilities are provided to students who have shifted to mainstream schools from standard IX to standard X. The Victoria Memorial School under its umbrella runs a computer centre, library and information resource centre, massage therapy training centre, music centre, abacus and vedic mathematics, competitive coaching classes, spoken English class, cricket coaching, multiple disability and visual impairment (MDVI) section, early intervention section and Vijay Merchant Therapy Centre for Lifeskills and Development.

Prime Securities Ltd. provided a corpus in FY 2020-21 and FY 2021-22; the interest accrued from the funds is helping provide quality education to students

OUR BOARD OF DIRECTORS



Mr. Pradip Dubhashi

Chairman and Independent Director, Prime Securities

Mr. Pradip Dubhashi holds a BE in Electrical Engineering and a post graduate diploma in Management from XLRI, Jamshedpur. He held senior executive positions in SICOM, Mahindra Group and Venky Group. He has in-depth knowledge of various industries such as engineering, cement, specialty chemicals, biotechnology and software. He was also nominated on the Boards of Directors of various companies including as a nominee director of financial institutions. He has consulted for various Indian and foreign companies. He has attended several courses conducted by IIM Ahmedabad, IEEE, NCST, ASCI, among others, in advanced management, technology and finance areas.



Mr. N. Jayakumar

Managing Director and Group CEO, Prime Securities, Director, Prime Research & Advisory

Mr. N. Jayakumar joined Prime Securities in 1993. He holds a B. Tech in Mechanical Engineering from IIT Delhi (1978-83) and an MBA from IIM Ahmedabad (1983-85). Before joining Prime, he was the head of Investment Banking Group at Citibank, earlier spent several years in money markets and securities trading. He is a recognised face on various business TV channels for wealth management, private equity, wealth restructuring, equity research, stock markets and Indian economy.



Ms. Smita Affinwalla

Independent Director, Prime Securities

Ms. Smita Affinwalla, is a Founder and Managing Director of Illuminos Consulting Private Limited, a consulting firm focused on the areas of leadership evaluation and development, talent management, succession and strategic HR. Illuminos is also the business associate of Cerebyte Inc. in India and the Middle East. Over 30 years she has been divided her career between the financial services industry and HR. During her financial services career, she set up and grew businesses in the retail and wholesale sectors. She has also been a consultant in this space, helping her clients structure and raise capital, through debt and equity instruments. Ms. Smita Affinwalla is a seasoned HR professional and has helped leading organisations build their human capital as a consultant and leading the HR function in major organisations. Prior to founding Illuminos, she was Head of Consulting for Development Dimensions International (DDI) India, the Group Director HR for Motilal Oswal Financial Services Group.

She serves on the Board of HDB Financial Services Limited and had earlier served on the Board of SICOM Limited. She has done her graduation from the University of Bombay with a BA in Economics and the Jamnalal Bajaj Institute of Management, Mumbai, from where she received an MBA in Finance.



Ms. Namrata Kaul

Independent Director, Prime Securities and Prime Research & Advisory

Over 30 years, Ms. Namrata Kaul is having experience in banking and finance, spanning across corporate and investment banking, global markets and treasury functions. She has served as the Managing Director, Corporate and Investment Banking at Deutsche Bank AG, responsible for business management and client coverage. Earlier, she was the Head of Asia Business for Deutsche Bank based out of London, engaged in a multi-country interface. She has been involved in developing the strategy roadmap for Deutsche Bank India as part of the India Board and was instrumental in defining and executing the Asia Focus strategy for the EMEA business.

Earlier, she had worked with ANZ Grindlays Bank in various leadership roles across treasury, corporate banking, debt capital market and corporate finance. Namrata is a member of the supervisory board of CARE International, Switzerland and serves as an Independent Director on the Board of Vivriti Capital and Bhopal Smart City Corporation. Namrata is a post graduate from the Indian Institute of Management, Ahmedabad and completed a Chevening scholarship on Leadership from London School of Economics.



Mr. Akshay Gupta

Managing Director & CEO, Prime Research & Advisory and Director, Prime Securities

Mr. Akshay Gupta holds a B.E Electronics and Communication degree from University of Delhi and Marketing and Finance degree from FMS Delhi. He has more than 22 years of experience in banking, asset management and capital markets with the last 14 years of experience in the Asset Management Industry in India. Before joining Prime, he was working with India bulls as the Group Executive Head & CEO-Asset Management and other fee income businesses. For more than six years, he was associated with Peerless Asset Management as MD & CEO, wherein he led the initiative to setup a new AMC and made it one of the fastest growing new AMCs in India. He worked with ICICI Prudential Asset Management Company from 2002-2007 as a Business Head and was part of the Senior Management team that made it the largest and most successful AMC at that time. Prior to joining the AMC industry, Mr. Akshay Gupta was a banker, having worked in ABN AMRO Bank and HSBC working in capital markets and assets. He has also written and published thought leadership papers and articles on capital markets and asset management. Prior to joining the AMC industry, Mr. Akshay Gupta was a banker, having worked in ABN AMRO Bank and HSBC working in capital markets and assets. He has also written and published thought leadership papers and articles on capital markets and asset management.

MANAGEMENT TEAM

Mr. S. R. Sharma

Managing Director and
Chief Financial Officer

Mr. S. R. Sharma graduated from IIT Delhi as a Chemical Engineer and received his post graduate diploma in management from IIM Ahmedabad. He has a wide experience across multiple sectors including industrial, specialty chemicals, financial services and FMCG. He was based in Japan for nine years where he worked for Shinsei Bank. He has specialised in the transformation of customer facing business processes and post-transaction operations by leveraging the use of IT.

Mr. Ajay Shah

Executive Director, Legal
and Company Secretary

Mr. Ajay Shah joined Prime Securities Limited as a Company Secretary and Compliance Officer and is presently the Vice President – Legal & Company Secretary in July 2001. He has experience for more than 20 years in the streams of legal, corporate secretarial compliance. In addition to compliances under corporate laws with a specific impetus on secretarial compliance and corporate governance, he is also responsible for compliances with rules and regulations applicable to stock brokers, portfolio managers and depository activities as well as for drafting legal agreements and contracts, reporting to the management, statutory bodies and stakeholders of Prime Group. He is a qualified Company Secretary affiliated to the Institute of Company Secretaries of India. Before joining Prime, he was associated with the Asian Star Company Limited as Company Secretary.

Arun Shah

Managing Director,
Restructuring & Corporate
Advisory

Mr. Arun Shah is a Chartered Accountant by profession and a graduate with Chemistry as major. Over four decades of experience have taken him to the fields of Foreign exchange risk management, financial restructuring, innovative funding evaluation, corporate laws, direct and indirect taxes. He has been actively involved as an Executive and Non-Executive Chairman and Vice Chairman of large listed business group, his experience covers FMCG, EPC, software and services and lifestyle business establishments. The depth and variety of his experience makes him a useful member for critical assignments undertaken by the Company.

Mr. Ganesh Agarwal

Managing Director, Mergers
& Acquisitions / Private
Equity

Mr. Ganesh Agarwal, is a Chartered Accountant with almost 16 years' experience in Investment Banking. He has diverse experience across products including private equity, mergers and acquisitions, IPOs, QIPs, valuations and corporate advisory services. He has been associated with several successful transactions across infrastructure, lifesciences, financial services, consumer and industrials. Previously, he worked with well-established Investment Banks such as Axis Capital (erstwhile ENAM Securities) and Anand Rathi Advisors.

Mr. Apurva Doshi

Senior Vice President,
Equity Capital Markets

Mr. Apurva Doshi joined Prime Securities in 2007. He has over 13 years of experience, principally as an investment banker. His skill lies in financial and business analysis, negotiations, valuation, business planning and financial advisory. Before joining Prime Securities, Apurva worked with CRISIL Research & Information Services Limited, an S&P company, as a research analyst for around two years, tracking the automobile sector. He started his career at Stratcap Securities, as an equity research analyst and tracked the automobile and cement sectors. He has a post graduate diploma in Business Administration (PGDBA) in Finance from Chetana's Institute of Management & Research and Masters in Commerce (M. Com.) from Mumbai University.

Mr. Nischay Saraf

Senior Vice President, Early
Stage Financing

Mr. Nischay Saraf a Chartered Accountant has an experience of over 13 years, worked with global professional firms (PwC and KPMG) in the audit and consulting services, in the finance verticals of multinational companies (Wipro and HP) and with a Vietnamese conglomerate (Masan Group). He has experience in operational financials including accounting & reporting and strategic finance including fund raising and corporate restructuring.

Mr. Ranen Gandhi

Managing Director, Debt
Capital Markets

Mr. Ranen Gandhi, is a Certified Financial Planner and has worked in mutual fund, life insurance and stock broking segments over the last 25 years. The significant part of his career has been with ICICI Prudential Mutual Fund, in retail sales & investments. During his last role, he was heading emerging markets and agency. He has also been a part of AMFI sub-committee for Investor Connect. His life Insurance exposure has been with Star Union Dai-Ichi Life Insurance where he was responsible for retail sales to start with and later moved to managing the P & L of Central Zone.

Rajat Chopra

Executive Director,
Insurance Products

Mr. Rajat Chopra, is a self-driven, result oriented senior executive with over 20 years of experience in insurance, retirement solutions and investments across BFSI sector. He has held various senior positions and worked for companies like Aviva, MetLife Edelweiss and ICICI Prudential AMC. He has been a part of various committees and represents organisations at various forums like FICCI, CII, Insurance Council, IRDA. He brings with him a successful track record of setting up new businesses with an eye to detail and innovative solutions to drive business efficiency and proven P & L management skills. He was associated with Star Union Dai-Ichi as Vice president where he was heading strategic alliances across the country and Zonal Business Head for North Zone with P & L responsibility in his last role. He has done an MBA and pursued CFA Level 2.

Mr. Deepak Dubey

Vice President, Debt
Syndication

Mr. Deepak Dubey has an experience of corporate banking for 13 years with HDFC Bank, RBL Bank and Yes Bank. He has done his post-graduation from IRMA Anand and has a BE in textile technology, diverse experience across industry segments and in banking compliances and documentation. Successfully sourced and executed complex debt structuring, project finance, term loans, ECBs, overseas acquisition funding and working capital transactions across logistics, pharmaceutical, food processing, education and services industry.

Rachit Goel

Vice President, Equity
Capital Markets & Early
Stage Financing

Mr. Rachit Goel has a multi-sector experience of over 13 years focused towards mergers & acquisitions, corporate restructuring, private equity and capital markets. Earlier, he has worked with HSBC as an Associate Director for more than 8 years as part of their Investment Banking and Equity Capital Markets team. He has done an MBA (Finance) and holds a Bachelors in Commerce (Hons.) from University of Delhi.

Mr. Rahul Tadimalla

Executive Director,
Distribution - Private Equity
and Venture Capital Funds

Mr. Rahul has over 17 years' work experience, of which the last 11.5 years have been spent as the Founding Partner - RSVP Capital Advisors, a boutique corporate finance advisory firm in Bangalore, where he advised start-ups and SMEs on raising Angel, VC/PE funding & debt syndication and on domestic/cross-border M&A, largely on the sell-side. He has advised large family businesses on their inorganic growth strategy and start-up investments on the buy-side. He won the '40 under 40 Alternative Investment Professionals in India' Award, 2019 and his pre-investment banking career was spent with Kotak and Birla Wealth Management, ICICI Bank – Bangalore & Singapore, and KPMG.

Rahul is an MBA from NUS Business School, Singapore with an exchange program from Melbourne Business School, Australia. During his free time, he plays the keyboard & sings with his Blues-Rock 'n' Roll band, and enjoys playing Tennis & TT.

CORPORATE INFORMATION

REGISTERED OFFICE

1109/1110, Maker Chambers V,
Nariman Point, Mumbai 400021
Tel: +91-22-61842525
Fax: +91-22-24970777
E-mail: prime@primesec.com

CORPORATE IDENTITY NUMBER

L67120MH1982PLC026724

ISIN / LISTING OF EQUITY SHARES

ISIN: INE032B01021
Scrip Code: NSE (PRIMESECU)
BSE (500337)

BANKERS

IndusInd Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
Bank of India

STATUTORY AUDITORS

Walker Chandiok & Co. LLP
Chartered Accountants

INTERNAL AUDITORS

K.V.S. & Company
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai, 400083
Tel: +91-22-49186270,
Fax: +91-22-49186060
E-mail: rnt.helodesk@linkintime.co.in
Website: www.linkintime.co.in

39TH ANNUAL GENERAL MEETING

Tuesday, September 27, 2022 at 3:30 p.m.
via two-way Video Conferencing facility or
other audio visual means"

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **39th Annual General Meeting** of the Members of Prime Securities Limited ("the Company") will be held on **Tuesday, September 27, 2022 at 3:30 p.m.** IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon:

To receive, consider and adopt the financial statements, namely:

- a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022 together with the Reports of the Board of Directors and Independent Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 together with the Reports of the Independent Auditors thereon.

2. Declaration of Dividend:

To declare a Dividend of ₹ 2.25 (45%) per Equity Shares of ₹ 5/- each for the Financial Year ended March 31, 2022.

3. Re-appointment of Director:

To appoint a Director in place of Mr. Akshay Gupta (DIN: 01272080), a Non-Executive and Non-Independent Director, who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Remuneration to Non-Executive & Independent Directors:

To consider and, if thought fit, to pass with

or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of all the earlier resolutions passed for payment of remuneration to Non-Executive & Independent Directors and pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Schedule V of the Act and the rules made thereunder, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or enactment thereof, for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to pay remuneration by way of Commission or otherwise to the Non-Executive & Independent Directors of the Company for the period of Three Years viz., from Financial Year 2021-22 to 2023-24, such sum, not exceeding 1% or such other percentage of the Net Profits of the Company for each Financial Year, upto ₹ 25 Lakhs (Rupees Twenty Five Lakhs only) per Non-Executive & Independent Directors, as computed in the manner laid down under Section 198 of the Act and the said remuneration shall be in addition to the payment of sitting fees and/or reimbursement of expenses for attending the Meetings of the Board and/or Committees, if any, thereof.

RESOLVED FURTHER THAT the Board of Directors (which expression shall also include a duly constituted Committee thereof) be and is hereby authorised to decide, from time to time, the maximum remuneration payable to Non-Executive and Independent Directors subject to the above ceiling of 1% or such other percentage of the Net Profits of the Company and shall also decide from time to time, the quantum and manner of distribution of the

remuneration to one or more Non-Executive and Independent Directors within the limit prescribed.

RESOLVED FURTHER THAT the terms as set out in the Explanatory Statement of this resolution shall be deemed to form part hereof and keeping in view the financial year performance of the Company or in the Financial Year where the Company has no profits or inadequate profits, the Board of Directors be and is hereby authorised to fix, approve and pay remuneration to the Non-

Executive and Independent Directors within the overall limits prescribed in Section 197 and Schedule V of the Act.

RESOLVED FURTHER THAT any one of Mr. N. Jayakumar, Managing Director and Group CEO or Mr. Ajay Shah, Company Secretary of the Company, be and is hereby severally authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

Registered Office:

1109/1110, Maker Chambers V,
Nariman Point, Mumbai 400021
CIN: L67120MH1982PLC026724
Email: prime@primesec.com
Website: www.primesec.com
Mumbai, May 24, 2022

By Order of the Board of Directors
For **Prime Securities Limited**

Ajay Shah
Executive Director, Legal
& Company Secretary
(ACS-14359)

NOTES:

1. In view of the continuing COVID-19 pandemic, the General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 respectively, issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as "MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, January 15, 2021 and May 12, 2022 respectively, issued by the Securities and Exchange Board of India ("SEBI") (collectively referred to as "SEBI Circulars"), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the members at a common venue and also provided relaxation from dispatching of physical copies of notice of AGM and financial statements to the members. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, MCA Circulars and SEBI Circulars, this AGM of the Company is being held through VC / OAVM, which does not require physical presence of members at a common venue. The proceedings of this AGM will be deemed to be conducted at the Registered Office of the Company, which shall be the deemed venue of this AGM.

2. Normally pursuant to the provisions of the Act, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Since this AGM is being held through VC / OAVM pursuant to MCA and SEBI Circulars, the requirement of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map for this AGM venue are not annexed to this notice.

3. In accordance with the Secretarial Standard 2 on General Meetings issued by the ICSI read with clarification / guidance on applicability of Secretarial Standards 1 and 2 issued by the ICSI, the proceedings of the AGM through VC / OAVM shall be deemed to be conducted at the Registered Office of the Company at 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021.
4. Institutional / Corporate members (i.e. other than individuals / HUF, NRI, etc.) are requested to send a scanned copy (PDF / JPG Format) of its board or governing body resolution / authorisation etc. authorizing its representatives to attend this AGM through VC / OAVM on its behalf and to vote through remote e-Voting. The said resolution / authorisation shall be sent by email, from their registered email address to the Scrutinizer by e-mail at saurabhshah361@gmail.com with a copy marked to evoting@nsdl.co.in.
5. Explanatory statement setting out the material facts, pursuant to Section 102 of the Act, in respect of item no. 4 of the notice set out above, is annexed hereto.
6. Details of the Directors along with their brief profile, as required under Regulation 36(3) of SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI"), in respect of the persons seeking appointment / re-appointment as Directors at this AGM, is also annexed hereto and forms part of this Notice.
7. At the 36th AGM held on September 27, 2019, members have approved the appointment of M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as Statutory Auditors of the Company, on the remuneration to be determined by the Board of Directors, to hold the office for a period of 5 (Five) consecutive years from the conclusion of 36th AGM till the conclusion of the 41st AGM. Since, the requirement of ratification of appointment of Statutory Auditors by members at every AGM has been done away by the Companies (Amendment) Act, 2017, with effect from May 7, 2018, no resolution is being proposed for ratification of appointment of Statutory Auditors at this AGM.
8. The Register of Members and Transfer Books of the Company in respect of the Equity Shares of the Company will remain closed from Wednesday, September 21, 2022 to Tuesday, September 27, 2022 (both days inclusive) for the purpose of 39th AGM and dividend.
9. If the dividend, as recommended by the Board, is approved at the AGM, payment of such dividend, subject to deduction of tax at source, will be made on and from Friday, September 30, 2022 as under:
 - a) To all beneficial owners in respect of equity shares held in dematerialized form as per the data as may be made available by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"), as at the end of the day on Tuesday, September 20, 2022; and
 - b) To all members in respect of equity shares held in physical form after giving effect to valid transmission and transposition requests lodged with the Company as of the close of business hours on Wednesday, September 21, 2022.
10. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of members w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from the dividend paid to members at the prescribed rates in the Income Tax Act, 1961 ("IT Act"). For the prescribed rates for various categories, members are requested to refer to the Finance Act, 2020 and amendments thereof. In general, to enable compliance with TDS requirements, members are requested to complete and / or update their residential status, permanent account number ("PAN"), category as per IT Act, etc. with their Depository Participants ("DPs") or in case shares are held in physical form, with the Company's RTA by sending documents by Tuesday, September 20, 2022.

A resident individual member with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, by e-mail to prime@primesec.com or rnt.helpdesk@linkintime.co.in by 11.59 p.m. IST on Tuesday, September 20, 2022. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident members can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents, i.e. no permanent establishment and beneficial ownership declaration, tax residency certificate, form 10F, any other document which may be required to avail the tax treaty benefits by sending an e-mail to prime@primesec.com or rnt.helpdesk@linkintime.co.in by 11.59 p.m. IST on Tuesday, September 20, 2022.

11. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to members electronically. Members are requested to note the following process for registration of e-mail address for obtaining Annual Report and updation of bank account mandate for receipt of dividend:

For members holding shares in physical form:

- Send a request to RTA providing folio no., name of member, scanned copy of the share certificate (front and back), PAN card (self-attested scanned copy), Aadhar card (self-attested scanned copy) for registering e-mail address.
- Send signed Form ISR-1 along with supporting documents.
- Following details and documents need to be sent along with duly signed letter to RTA in case of updating bank account details:
 - a) Name and branch of the Bank in which you wish to receive the dividend,
 - b) Bank account type,
 - c) Bank account number allotted by their

banks after implementation of core banking solutions

- d) 9-digit MICR code number
- e) 11-digit IFSC code; and
- f) Original cancelled cheque bearing the name of the first holder.

For members holding shares in electronic form:

- Please contact your DP and register your e-mail address and bank account details in your demat account, as per the process advised by your DP.

12. Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the dividend, which remains unpaid or unclaimed for a period of seven (7) years from the date of its transfer to the unpaid dividend account of the Company, would be transferred to Investor Education and Protection Fund ("IEPF") of the Central Government. Accordingly, the Company has transferred to the IEPF all Unclaimed Dividend upto Final Dividend 2007-08. Members, who have not encashed their dividend warrant(s) for the financial year ended March 31, 2021 are requested to claim such amount from the Company's RTA and the unclaimed dividend amount for the financial year ended March 31, 2021 shall be transferred to IEPF in during the month of September 2028. The details of the unclaimed dividends are available on the IEPF authority's website at www.iepf.gov.in.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with IEPF Rules, the Company is required to transfer all equity shares in respect of which dividend has not been paid or claimed for a period of seven consecutive years to the demat account of the IEPF Authority, in such manner as may be prescribed under the IEPF Rules. Members may please note that the Company shall transfer the concerned shares held by them in physical or demat form to the demat account of the IEPF Authority by the due date, as may be applicable, as per the procedure prescribed

under the IEPF Rules. Members / claimants whose shares, unclaimed dividend have been transferred to the IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. Please contact the Registrar and Transfer Agent, M/s. Link Intime India Private Limited ("RTA") of the Company for the procedure to claim refund under IEPF Rules and other IEPF related information. Post making the online application the member shall send the duly signed Form IEPF-5 along with the requisite documents to the Company at its registered office for verification of the claim and payment / transfer of shares by IEPF Authority. All corporate benefits on such shares viz. bonus shares, split of shares etc. including dividend shall be credited to the demat account of the IEPF Authority. The voting rights on such shares shall remain frozen until the rightful owner claims the shares.

13. The Company pursuant to Regulation 39 read with Schedule VI of the SEBI Listing Regulations has already sent a reminder to the shareholders to claim unexchanged / undelivered share certificates lying with the Company failing which the unclaimed share certificates lying in physical form shall be transferred to Unclaimed Suspense Account and dematerialized and held in Unclaimed Suspense Account.
14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of the listed companies can only be transferred in dematerialized form with effect from April 1, 2019, barring instances for transmission or transposition of securities. For the transfer deeds lodged prior to April 1, 2019 and rejected / returned due to deficiency in the documents, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of physical share transfer requests and such transferred shares were permitted to be issued only in demat mode. Members holding shares in physical form are

advised to convert their shares in electronic form. Members are requested to contact the Company's RTA at rnt.helpdesk@linkintime.co.in for assistance in this regard.

Further, Members may please note that SEBI vide its Circular dated January 25, 2022 mandated listed companies to issue securities in demat form only while processing any service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; renewal / exchange of securities certificate; endorsement; subdivision / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the website of the Company's RTA.

15. SEBI has mandated the submission of PAN by every participant in securities market. The submission of PAN is mandatory for (i) deletion of name of the deceased member(s) (ii) transmission of shares to the legal heir(s) and (iii) transposition of shares. Members holding shares in electronic form are requested to submit their PAN to DPs and members holding shares in physical form should submit their PAN to the Company's RTA.
16. Members holding shares in the physical form are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, PAN, registering of nomination, power of attorney registration, bank mandate details, etc. to the Company's RTA. in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/55 dated 3 November, 2021. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.

SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January, 2022, has mandated the Listed Companies to issue securities in demat form only while processing service requests,

- viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the website of the Company's RTA. It may be noted that any service request can be processed only after the folio is KYC compliant.
17. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, the facility for making nomination is available for the individual members in respect of the shares held by them. Members who have not yet registered their nomination or wish to register a fresh nomination, are requested to submit Form No. SH-13 with RTA of the Company. If a member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form No. ISR-3 or Form No. SH-14. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to RTA in case the shares are held in physical form.
18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send the details of their folios to RTA along with the share certificates, so as to enable the Company to consolidate their holdings into one folio.
19. Pursuant to MCA Circulars and SEBI Circulars, this notice of AGM along with Annual Report 2020-21 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / DPs. This notice and Annual Report has been uploaded on the website of the Company at www.primesec.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited (www.bseindia.com), National Stock Exchange of India Limited (www.nseindia.com) and on the website of NSDL at www.evoting.nsdl.com.

Members please note that pursuant to Sections 101 and 136 of the Act read with the Rules framed thereunder, this notice and Annual Report were being sent by electronic mode to those members whose e-mail addresses are registered with the DPs or the Company, unless members have requested for a physical copy of the same.

20. Members seeking any information with regard to the accounts, any matter to be placed at the AGM, the registers or the relevant documents, referred to in this notice and in the explanatory statement setting out the material facts, if any, are requested to write to the Company at www.primesec.com by mentioning their DP ID & client ID / folio number. The same will be replied by the Company suitably.
21. The Company has designated an exclusive e-mail id (prime@primesec.com) for redressal of investor complaints / grievances. In case you have any queries / complaints or grievances, then please write to us at this email id.
22. Attendance of members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of Tuesday, September 20, 2022.

23. E-voting and AGM through VC / OAVM:

Instructions for remote e-Voting:

- a) In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide to members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM, by electronic means and the business may be transacted through e-Voting Services. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the

authorized agency. The facility of casting the votes by members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") as well as venue voting on the date of AGM will be provided by NSDL.

- b) Members who have cast their vote by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.
- c) The remote e-voting period commences on Saturday, September 24, 2022 at 9.00 a.m. (IST) and ends on Monday, September 26, 2022 at 5.00 p.m. (IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, September 20, 2022, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Those members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the

resolutions by remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

- d) Voting electronically using NSDL e-Voting system:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system:

- i) Login method for e-Voting and joining virtual meeting for individual members holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by listed companies, individual members holding securities in demat mode are allowed to vote through their demat account maintained with depositories and depository participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for individual members holding securities in demat mode is given below:

Type of members	Login method
Individual members holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com . Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

Type of members	Login method
	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'shareholder/member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4) Members can also download NSDL Mobile App "NSDL Speed-e" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
Individual members holding securities in demat mode with CDSL	<p>1) Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>2) After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Members (holding securities in demat mode) login through their DPs	You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and forget password option available at abovementioned website.

Helpdesk for individual members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Individual members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

ii) Login method for e-voting and joining virtual meeting for members other than individual members holding securities in demat mode and members holding securities in physical mode:

How to Log-in to NSDL e-Voting website:

- 1) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- 2) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'shareholder/member' section.
- 3) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- 4) Your User ID details are given below:

Manner of holding i.e. Demat (NSDL/CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID. For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- 5) Password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the "initial password" which was communicated to you. Once

you retrieve your "initial password", you need to enter the "initial password" and the system will force you to change your password.

- c) How to retrieve your "initial password"?
 - i) If your email ID is registered in your demat account or with the company,

your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your "User ID" and your "Initial Password".

- ii) If your email ID is not registered, please follow steps mentioned below in process for those members whose email ids are not registered.
- 6) If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
 - a) Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL/CDSL) option available on www.evoting.nsdl.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- 7) After entering your password, tick on Agree to "Terms and Conditions"

by selecting on the check box.

- 8) Now, you will have to click on "Login" button.
- 9) After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically / join AGM on NSDL e-Voting system:

- 1) After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and AGM is in active status.
- 2) Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the AGM. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- 3) Now you are ready for e-Voting as the Voting page opens.
- 4) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 5) Upon confirmation, the message "Vote cast successfully" will be displayed.
- 6) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 7) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for members:

- a) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- b) In case of any queries, you may refer the frequently asked Questions ("FAQs") for members and e-voting user manual for members available at the download

section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 and 1800-22-44-30.

- c) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to saurabhshah361@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

Process for those members whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

- 1) In case shares are held in physical mode please provide folio no., name of member, scanned copy of the share certificate (front and back), PAN (self-attested), AADHAR (self-attested) by email to rnt.helpdesk@linkintime.co.in.
- 2) In case shares are held in demat mode, please provide DPID-Client ID (16-digit DPID + Client ID or 16-digit beneficiary ID), name, client master or copy of consolidated account statement, PAN (self-attested), AADHAR (self-attested) to rnt.helpdesk@linkintime.co.in. If you are an individual member holding shares in demat mode, you are requested to refer to the login method explained at Step 1(i) i.e. login method for e-Voting and joining virtual meeting for individual members holding securities in demat mode.
- 3) Alternatively members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- 4) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by listed companies, individual members holding securities in demat mode are allowed to vote through their demat

account maintained with depositories and DPs. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Instructions for e-Voting on the day of AGM:

- 1) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 2) Only those members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- 3) Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- 4) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

Instructions for attending AGM through VC / OAVM:

- 1) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join AGM menu. The link for VC/OAVM will be available in shareholder/member login where the EVEN of Company will be displayed. Please note that members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- 2) Members are encouraged to join the meeting through laptops for better experience.
- 3) Members will be required to allow camera and use internet with a good speed to avoid

- any disturbance during the meeting.
- 4) Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.
 - 5) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at prime@primesec.com before 3.00 p.m. on Saturday, September 24, 2022. Those members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
 - 6) Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-1020-990/1800-224-430 or contact Mr. Amit Vishal, Senior Manager – NSDL or Ms. Pallavi Mhatre, Manager – NSDL.
 - 7) The facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for members on first-come first-served basis.
24. Any person holding shares in physical form and non-individual members, who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday, September 20, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-Voting then you can use your existing User ID and password for casting the vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 224 430. In case of individual members holding securities in demat mode and who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday, September 20, 2022 may follow steps mentioned below under "Access to NSDL e-Voting system".
25. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through VC/OAVM.
 26. Mr. Pramod S. Shah of M/s. Pramod S. Shah & Associates (CP No. 334), Practising Company Secretaries (Membership No. FCS 3804), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 27. The Chairperson of AGM shall, at AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the scrutinizier, by use of "e-voting" for all those members who attend / participate in AGM but have not cast their votes by availing the remote e-voting facility.
 28. The Scrutinizer shall, after the conclusion of voting at the AGM, unblock and count the votes cast during the AGM and votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit a consolidated Scrutinizer's Report not later than 48 hours from the conclusion of the AGM of the total votes cast in favour or against, if any, to the Chairperson of AGM or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 29. The results declared along with the Report of the Scrutinizer shall be placed on the website of the Company (www.primesec.com) and on the website of NSDL (evoting@nsdl.co.in) immediately after the result is declared by Chairman or a person authorised by him in writing and the same shall be communicated to the Stock Exchanges where shares of the Company are listed. Due to the prevailing situation amid COVID-19 pandemic, the results shall not be displayed on the notice board of the Company at its registered office.

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all the material facts relating to the business proposed to be transacted under item no. 4 of the accompanying notice.

Item No. 4

The Members of the Company at their 38th Annual General Meeting held on August 17, 2021 had approved, by way of a special resolution, the payment of remuneration by way of Commission to Independent & Non-Executive Directors, not exceeding 1% of the Net Profits of the Company, calculated in accordance with the provisions of Section 198 of the Act. The Companies (Amendment) Act, 2017, permits payment of remuneration to Non-Executive & Independent Directors, in excess of 1% of the Net Profits in terms of provision of Schedule V of the Act, subject to approval of the Members by means of a Special Resolution.

The Company's Non-Executive & Independent Directors are leading professionals with high level of expertise and rich experience in functional areas such as business strategy, financial governance, corporate governance, etc. The Company's Non-Executive & Independent Directors have been making invaluable contributions towards the Company's market strategies, monitoring of risk management and compliances. They have always devoted a substantial amount of time to the Business and regulatory affairs of the company to serve the interests of all stakeholders in general and minority shareholders in particular.

Accordingly, based on the recommendations made by the Nomination and Remuneration Committee and the Board of Directors of the Company at their Meetings held on May 24, 2022, a proposal in terms of Sections 197, 198 and Schedule V of the Act, for the payment of remuneration to Non-Executive & Independent Directors of the Company, by way of Commission or otherwise not exceeding 1% or such other percentage of the Net Profits of the Company, upto ₹ 25 Lakhs (Rupees Twenty Five Lakhs only) per Non-Executive &

Independent Directors, computed in accordance with the provisions of Section 198 of the Act, as may be decided by the Board of Directors, effective from the Financial Year 2021-22 is being placed for the approval of the Members. The payment of such remuneration shall be in addition to the sitting fees and/or reimbursement of expenses for attending board / committee meetings. The remuneration will be distributed amongst the Non-Executive and Independent Directors in accordance with the directions by the Board.

In the event of inadequacy of profits calculated as per Section 198 of the Act in any financial year, the Non-Executive and Independent Directors shall be entitled to a remuneration by way of a commission otherwise in accordance with the provisions of Schedule V and other applicable provisions of the Act.

The Company has not defaulted in repayment of any debts or interest payable thereon.

The additional information as required under para (iv) of the second proviso after paragraph B of Section II of Part II of Schedule V of the Act, is given below:

1) General Information:

a) Nature of Industry:

The Company is in the business of Corporate Advisory and Investment Banking and is a SEBI registered Category-I Merchant Banker.

b) Date or expected date of commencement of commercial production:

Not applicable as the Company is an existing Company and is in operations since 1982.

c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.

d) Financial performance based on given indicators:

Standalone audited financial results for the Year ended March 31, 2022: (₹ in Lakhs)

Particulars	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Income from Operations and other Income	3,413	2,997
Operating Profit (before interest, depreciation & tax)	1,603	930
Profit before Tax	1,764	827
Profit after Tax (Total Comprehensive Income)	2,119	665

Consolidated audited financial results for the Year ended March 31, 2022: (₹ in Lakhs)

Particulars	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Income from Operations and other Income	4,571	4,528
Operating Profit (before interest, depreciation & tax)	1,995	1,233
Profit before Tax	2,142	1,065
Profit after Tax (Total Comprehensive Income)	2,389	823

- e) Foreign investments or collaborations, if any:
Not applicable.

2) Information about the Appointee:

a) Background details:

The appointees are the Independent Directors appointed on the Board of Directors.

b) Past Remuneration:

Independent Directors were paid remuneration not exceeding 1% of the Net Profits of the Company during the earlier financial years.

In 2021, an amendment was made to Section 197 Section V to enhance the remuneration paid to the Independent Directors where companies were either in loss or had inadequate profits. The amendment was made in recognition of the fact that the remuneration allowable under the Act prior to the amendment did not adequately recognise the substantial responsibilities being placed on the Independent directors. The said change was also intended, inter alia, to attract and retain Independent Directors with right talent and background. This underlying thinking is reflected in the proposed resolution.

c) Recognition or Awards:

Not applicable.

d) Job profile and his suitability:

Independent Directors on the Board of Directors.

e) Remuneration proposed:

As stated in the explanatory statement at item no. 4 of this notice.

f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The remuneration proposed is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and its group and complex nature of its business. In fact, Prime Securities being a promoterless Company, the Independent Directors of Prime have a much larger role to play in the Governance of the Company and bear enormous responsibility compared to other companies in a similar Business. This is reflected in the large amount of time spent by the Directors on matters of

strategic and regulatory importance for the the Company. The Independent Directors of the Company attended 17 Board and Committee meetings in FY 2021-22 apart from 7 other meetings held on urgent matters.

g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed and the sitting fees and/or reimbursement of expenses, the Independent Directors do not have any pecuniary relationship with the Company.

3) Other Information:

a) Reasons for loss or inadequate profits:

The Company is mainly involved in the Corporate Advisory and Investment Banking. The business of the Company and its performance is linked to capital market conditions and successful closure of deals.

b) Steps taken or proposed to be taken for improvement:

The Company has been continuously enhancing its client list. The Company has made significant strides in establishing stronger client relationships. The Company is focusing on providing innovative business solutions to its clients in the area of fund raising and merger and acquisitions.

c) Expected increase in productivity and profits in measurable terms:

With better capital market conditions and increased client relationships, the Company is expected to step up the revenues and profits substantially in future.

4) Disclosures:

a) Remuneration package of the managerial person:

As stated in the explanatory statement at item no. 4 of this notice.

b) Disclosures in the Board of Director's Report included in Annual Report 2021-22:

The requisite details of remuneration etc. of Directors are included in the Financial Statement, forming part of the Annual Report of Financial Year 2021-22 of the Company.

Non-Executive & Independent Directors along with their relatives are deemed to be concerned or interested in this resolution to the extent of remuneration or fees that may be received by them. None of the other Directors, Key Managerial Personnels and their relatives are deemed to be concerned or interested, financially or otherwise, in this resolution.

The Board of Directors recommends this resolution for approval by the members of the Company by a Special Resolution.

Registered Office:

1109/1110, Maker Chambers V,
Nariman Point, Mumbai 400021
CIN: L67120MH1982PLC026724
Email: prime@primesec.com
Website: www.primesec.com
Mumbai, May 24, 2022

By Order of the Board of Directors
For **Prime Securities Limited**

Ajay Shah
Executive Director, Legal
& Company Secretary
(ACS-14359)

Additional Information of Directors seeking Appointment / Re-appointment at 39th Annual General Meeting

[Pursuant to the Regulation 36 of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015 and
Clause 1.2.5 of Secretarial Standards - 2 on General Meetings]

Name and Designation of Director	Mr. Akshay Gupta (Non-Executive and Non-Independent Director)
Director Identification Number (DIN)	01272080
Date of Birth	October 17, 1974
Date of Appointment	August 14, 2019
Qualifications	B.E Electronics and Communication from University of Delhi and MBA Finance from FMS Delhi
Expertise in Specific Functional Area	Banking, Asset Management and Capital Markets
Experience (Brief Profile)	Mr. Akshay Gupta has more than 23 years of experience in Banking, Asset Management and Capital Markets with last 15 years of experience in the Asset Management Industry in India. Prior to Prime, he was working with Indiabulls as the Group Executive Head & CEO - Asset Management and other fee income businesses. He was associated with Peerless Asset Management as MD & CEO for more than 6 years, wherein he led the initiative to setup a new AMC and made it one of the fastest growing new AMC's in India. He worked with ICICI Prudential Asset Management Company from 2002- 2007 as a Business Head and was part of the Senior Management team that made it the largest and most successful AMC at that time. Prior to joining the AMC industry, he was a Banker having worked in ABN AMRO Bank and HSBC working in capital markets and assets. He has also written and published thought leadership papers and articles on capital markets and asset management.
Directorship held in other Companies in India	1) Prime Research & Advisory Limited 2) Prime Funds Management Limited
Chairmanships / Memberships of Committees held in other Companies in India	None
Relationship with other Directors and Key Managerial Personnel	None
Number of Equity shares held in the Company	4,71,258 Equity Shares representing 1.50% of the total shareholding.

Note:

For other details, such as Number of Board / Committee Meetings attended during Financial Year 2021-22, Number of Equity Shares held in the Company and Remuneration drawn by the above Directors, please refer to the Report on Corporate Governance, which forms an integral part of this Annual Report.

DIRECTORS' REPORT

Dear Members,

The Board of Directors are pleased to present the Company's 39th Annual Report on the business and operations along with the Audited Financial Statements for the Financial Year ended March 31, 2022.

FINANCIAL PERFORMANCE

(₹ lakhs)

Particulars	Consolidated		Standalone	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenues from Operations	4,556	4,363	3,401	2,995
Other Income	15	165	12	2
Total Income	4,571	4,528	3,413	2,997
Total Expenses	2,706	3,463	1,926	2,170
Profit before Exceptional Items and Tax	1,865	1,065	1,487	827
Extraordinary Items	277	Nil	277	Nil
Profit before Tax	2,142	1,065	1,764	827
Tax Expenses	444	244	344	165
Profit after Tax	1,698	821	1,420	662
Other Comprehensive Income (Net of Tax)	691	2	699	3
Total Comprehensive Income	2,389	823	2,119	665

OVERVIEW OF COMPANY'S FINANCIAL & OPERATIONAL PERFORMANCE

Despite the multiple lockdowns and sharp economic slowdown, we recorded healthy revenues and profits. We saw a significant addition to our cash balances, driven by repeat and referral business that signified customer satisfaction. We added a number of industry-leading names to our client list. Our team remained committed and worked effectively during this period. Customers were attracted by our ability to craft unique solutions through our 'intellectual property' and the strength of our 'network'.

New Opportunities With Start-Ups

India is in the midst of a start-up revolution, with a large number of new enterprises exploiting new ideas, and technologies creating new businesses and opportunities. We are witnessing a confluence of young energetic entrepreneurs and investors seeking new investment avenues. Several start-ups and early-stage companies are attracting large amounts as equity funding. Unicorns, enterprises with a valuation over a billion dollars are emerging with a fair regularity. Even as availability of funding gets restricted new investors are emerging to fund viable projects.

This is an opportunity for wealth creation for Promoters, Investors and Advisors and we are taking advantage of this opportunity. We have advised a number of early stage clients where we had the option of investment in the equity. We have invested a total of ₹ 16.36 Cr. in 10 such start-ups.

Inflation, driven in part by the sharp rise in the price of crude has increased significantly. RBI has signalled that will continue with an easy monetary policy. Steps taken by the RBI and Government to alleviate the stress on corporate Balance Sheets worked.

Consolidated income was ₹ 4,571 lakhs for the Year ended March 31, 2022 compared to ₹ 4,528 lakhs in the previous financial year. Consolidated Profit after Tax including Comprehensive Income for the Year ended March 31, 2022 was ₹ 2,389 lakhs as compared to ₹ 823 lakhs during the previous financial year.

Standalone income was ₹ 3,413 lakhs for the Year ended March 31, 2022 compared to ₹ 2,997 lakhs in the previous financial year. Standalone Profit after Tax including Comprehensive Income for

the Year ended March 31, 2022 was ₹ 2,119 lakhs compared to ₹ 665 lakhs during the previous financial year.

Financial statements are prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) notified under Section 133 and other applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, as amended from time to time.

COVID-19 PANDEMIC

With the reduction in cases of Covid 19 in Mumbai and Maharashtra, and consequent relaxation of guidelines by the Government, we have started partial work from our offices. Staff come to office as needed. They continue to work partially from home (WFH). We had put in place the infrastructure for WFH at the start of the pandemic and largely continue to operate in a virtual mode.

In view of the WFH situation all possible digital controls were put in place to ensure a secure operating environment. Our internal reporting and control processes leverage the full capability offered by digital tools. We possess dual controls for all key approvals based on the authority matrix approved by the Board of Directors. All banking operations comprise dual controls.

Work from home did not come in the way of our business and we reported a strong year as far as revenues are concerned, given the overall impact of the pandemic on the economy. More importantly, the year saw the addition of a number of new customers. The Company continues to grow its new areas of operation, advisory mandates for foreign exchange, treasury management and investment advisory.

We continue our policy of being financially prudent and look to maintaining liquidity to cover expenses for at least 18 to 24 months.

As we write this, we are in the midst of a mild uptick in infection rates. China with its severe lockdowns demonstrates the risk the continuing pandemic presents. The key difference this time is that vaccination has covered a large segment of the population and now includes the provision of a booster dose as well as approvals for children.

The economy is rebounding and the IMF expects India to be the fastest growing large economy

in the world. We are cautiously optimistic on the trajectory of economic activity and expect a robust demand for our services.

SCHEME OF ARRANGEMENT

Pursuant to an Order dated May 13, 2021, the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) sanctioned the Scheme of Arrangement between the Company, Primesec Investments Limited and Prime Commodities Broking (India) Limited and respective Members & Creditors, involving:

- (i) Merger of Primesec Investments Limited and Prime Commodities Broking (India) Limited (both wholly owned subsidiaries of the Company) with and into the Company; and
- (ii) Reduction of Capital and Re-organisation of Reserves of the Company, by setting-off of debit balance in Profit & Loss Account against balance in Capital Reserve Capital Redemption Reserve, Share Forfeiture Account and the balance against Securities Premium and re-classification of General Reserve to Profit and Loss Account, under the provisions of Sections 230 to 232 read with Section 52, 66 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder. Since, both PIL and PCBIL were wholly-owned subsidiaries of the Company, no Equity Shares have been issued by the Company as consideration for the merger.

Scheme of Arrangement, NCLT Order and other relevant documents are available on the website of the Company at www.primesec.com.

DIVIDEND AND RESERVES

The Board of Directors recommend a dividend of ₹ 2.25 per Equity Share of face value of ₹ 5/- each for the FY 2021-22, subject to the approval of the Members at the 39th Annual General Meeting. In the previous year, the Company had declared dividend of ₹ 4.50 per Equity Share.

During the year under review, no amount from the Profit was transferred to Reserves.

EQUITY SHARE CAPITAL AND EQUITY SHARE WARRANTS

Paid-up Equity Share Capital of the Company as of March 31, 2022 was ₹ 1,559 lakhs. The outstanding Equity Shares remained the same at 3,11,75,825

Equity Shares of face value of ₹ 5/- each.

During the year under review, 45,50,000 Equity Shares were allotted to select investors on a Preferential basis pursuant to approval granted by the Members at their Extraordinary General Meeting held on November 10, 2021.

During the year under review, 1,10,500 Equity Shares were allotted to employees of the Company / Subsidiaries pursuant to the exercise of Option granted under Employee Stock Option Scheme 2018.

PREFERENTIAL ISSUE OF EQUITY SHARES

During the year under review, 45,50,000 Equity Shares were allotted to select investors on a Preferential basis pursuant to approval granted by the Members at their Extraordinary General Meeting held on November 10, 2021. The issue proceeds of ₹ 4,038 lakhs received on allotment of Equity Shares have been invested in the fixed deposits till deployment of funds for the purpose for which the funds were raised.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the provisions of the Regulation 34 of the SEBI Listing Regulations, the Management Discussion and Analysis Report giving a detailed account of the operations and the state of affairs of the Company is annexed as Annexure "1" to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Akshay Gupta, Non-Executive and Non-Independent Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Appropriate resolution for re-appointment of Mr. Akshay Gupta, who retires by rotation, is being placed before you for your approval at the ensuing Annual General Meeting. The information on the particulars of Director seeking appointment / re-appointment, as required under SEBI Listing Regulations, is given in the Notice of the Annual General

Meeting, forming part of this Annual Report. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Ms. Alpana Parida resigned as an Independent Director of the Company w.e.f. March 31, 2022 due to her other pre-occupation and commitments. The Directors place on record their appreciation for the services rendered by her during her tenure as an Independent Director.

The Company received declaration, under Section 149(7) of the Companies Act, 2013, from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and that their names have been included in the Databank of Independent Directors as prescribed under the Companies Act, 2013. In the opinion of the Board, the Independent Directors of the Company possess necessary expertise, integrity and experience.

Mr. N. Jayakumar, Managing Director & Group CEO, Mr. S. R. Sharma, Chief Financial Officer and Mr. Ajay Shah, Company Secretary were the key managerial personnel of the Company as on date of this report.

NUMBER OF MEETINGS OF THE BOARD & ITS COMMITTEES

During the year under review, Eleven Board meetings were convened and held, the details of which are given in the Report on Corporate Governance, which forms a part of the Annual Report.

The Board of Directors constituted Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee, established in compliance with the requirements of the relevant provisions of applicable laws and regulations. The details with respect to the composition, terms of reference, number of meetings held, etc. of these Committees are included in the Report on Corporate Governance, which forms a part of the Annual Report.

The intervening gap between the Board and Committee Meetings were within the period prescribed under the Companies Act, 2013 and SEBI Listing Regulations. The Company has complied with the applicable Secretarial Standards 1 (SS-1) on Board Meetings, issued by the Institute of Company Secretaries of India.

BOARD EVALUATION

Annual performance evaluation of the Board of Directors, its committees and all the Directors individually were done in accordance with the performance evaluation framework adopted by the Company and a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The performance evaluation framework sets out the performance parameters as well as the process of the performance evaluation. Pursuant to the provisions of the Companies Act, 2013, a separate Meeting of Independent Directors was held during the year to review (i) performance of the Non-Independent Directors and the Board of Directors as a whole (ii) performance of the Board Committees (iii) performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors (iv) assess the quality, quantity and timeliness of flow of information between the Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform its duties. The Board of Directors expressed satisfaction with the evaluation process.

POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION, ETC

The Remuneration Policy of the Company for appointment and remuneration of the Directors, Key Managerial Personnel and other employees of the Company along with other related matters have been explained in the Corporate Governance Report forming part of this Annual Report. Depending on the need to appoint / re-appoint Director, the Nomination and Remuneration Committee (NRC Committee) of the Company determines the criteria based on the specific requirements. NRC Committee, while recommending candidature to the Board, takes into consideration the qualification, attributes, experience and independence of the candidate.

CORPORATE GOVERNANCE AND CODE OF CONDUCT

Pursuant to Regulation 34(3) read with Schedule V(C) of the SEBI Listing Regulations, a separate report on Corporate Governance practices followed by the Company together with the Certificate required under Schedule V(E) of the SEBI Listing Regulations from M/s. Pramod S. Shah & Associates, Practising Company Secretaries, confirming compliance by the Company of the conditions of Corporate Governance is annexed as Annexure "2" to this Report.

Certificate of Non-Disqualification of Directors, pursuant to Regulation 34(3) and Schedule V(C) clause (10)(i) of SEBI Listing Regulations, 2015, from M/s. Pramod S. Shah & Associates, Practising Company Secretaries, forms part of the Report on Corporate Governance.

Pursuant to the provisions of Regulation 17(5)(a) of the SEBI Listing Regulations, your Company has also laid down a Code of Conduct for its Board Members and Senior Management Personnel. All the Directors and the Senior Management Personnel have affirmed compliance with the said Code of Conduct. A declaration by the Managing Director & Group CEO confirming the compliance by Board Members and Senior Management Personnel with the Code of Conduct for the year ended March 31, 2022 forms a part of the Report on Corporate Governance.

CONSOLIDATED FINANCIAL STATEMENT

The Audited Consolidated Financial Statements was prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) notified under Section 133 and other applicable provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable and shows the financial information of the Company and its Subsidiaries as a single entity, after elimination of minority interest, if any. As required under provisions of the Companies Act, 2013, as applicable, the Audited Consolidated Financial Statements of the Company and all its Subsidiaries together with Auditor's Report thereon forms a part of this Annual Report.

Consolidated Revenues for the Year were ₹ 4,571 lakhs compared to ₹ 4,528 lakhs in the previous

year, which comprises Investment Banking and Advisory Fees of ₹ 3,115 lakhs, Restructuring Advisory Fees of ₹ 1,035 lakhs, Income from Commission on Insurance of ₹ 4 lakhs, Gain on Sale of Investment of ₹ 16 lakhs, Income from Dividend, Interest & Other Income of ₹ 357 lakhs and Net gain on investment measured as fair value of ₹ 44 lakhs. Consolidated Net Profit after Tax including Comprehensive Income for the Year under review was ₹ 2,389 lakhs as compared to ₹ 823 lakhs in the previous year.

SUBSIDIARY COMPANIES / JOINT VENTURES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the Audited Financial Statements of the Subsidiaries / Associate Companies for the year ended March 31, 2022 is given in Form AOC-1 as an annexure to the Consolidated Financial Statements of the Company forming part of this Annual Report.

The policy for Determining Material Subsidiaries has been placed on the website of the Company (www.primesec.com). Separate Audited Financial Statements of each of the Subsidiaries are available on the website of the Company (www.primesec.com) and the same will also be made available to the shareholders seeking such information at any point of time.

The summary of the state of affairs and performance of the subsidiaries is given below:

Primesec Investments Limited and Prime Commodities Broking (India) Limited

Primesec Investments Limited and Prime Commodities Broking Company (India) Limited, both wholly owned subsidiaries of Prime Securities Limited, were merged into Prime Securities Limited as of April 1, 2020 (Appointed Date), pursuant to an Order dated May 13, 2021 of NCLT, under the Scheme of Arrangement between the Company, Primesec Investments Limited and Prime Commodities Broking (India) Limited and respective Members & Creditors.

Prime Research & Advisory Limited

Prime Research & Advisory Limited (PRAL) operates in the segment of financial services business comprising value-added intermediation

services in wealth management and investment advisory, assisting banks and institutional investors in risk assessment, portfolio analysis and portfolio rebalancing through execution of specific strategies. PRAL's target clients include corporate treasuries, fund management companies and family offices among others. PRAL through its network of investors substantially enhances our capability to execute mandates.

During the year under review, PRAL earned revenues of ₹ 1,169 lakhs as compared to ₹ 1,545 lakhs in the previous year. This includes Advisory Fees of ₹ 1,039 lakhs, Income from Dividend, Interest & Other Income of ₹ 124 lakhs and Gain on Sale of Investment of ₹ 6 lakhs. During the year, PRAL earned Net Profit after Tax including Comprehensive Income of ₹ 270 lakhs as compared to ₹ 172 lakhs in the previous year.

Prime Funds Management Limited

Prime Funds Management Limited (PFML) was incorporated in 2018 as a 100% subsidiary of the Company to carry on Portfolio Management and setting up Alternative Investments Funds. PFML is yet to commence business.

The Company has not entered into any joint ventures.

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return of the Company is uploaded on the website of the Company (www.primesec.com).

RELATED PARTY CONTRACTS & ARRANGEMENTS

In accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions and a copy of the same is available on the website of the Company (www.primesec.com). The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions with related parties and also deals with material related party transactions.

All related party transactions are placed before the Audit Committee for necessary review and approval. Prior omnibus approval of the Audit Committee is obtained for transactions with related parties, which are repetitive in nature and

/ or are entered into in the ordinary course of business and are on an arm's length basis. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except remuneration and sitting fees.

All transactions entered into by the Company with the related parties during the financial year were in ordinary course of business and are on an arm's length basis. Disclosure pursuant to the Accounting Standards on related party transaction has been made in the notes to the Audited Financial Statements. No material related party transactions were entered into during the year by the Company and accordingly, the disclosure of contracts or arrangements with related parties in accordance with the provisions of Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

DEPOSITS

Your Company did not accept any Fixed Deposits under Chapter V of Companies Act, 2013, during this financial year and no amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2022. The Company had no Deposit which was not in compliance with the provisions of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors made the following statements in terms of Section 134(3)(c) and 134(5) of the Companies Act, 2013 that:

- (a) In the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable Accounting Standards read with the requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same.
- (b) They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profits of the Company for the year ended on that date.

- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) They have prepared the annual accounts on a going concern basis.
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted Corporate Social Responsibility ("CSR") Committee. The Members of the Committee are (i) Ms. Namrata Kaul, Independent Director (ii) Mr. Pradip Dubhashi, Independent Director and (iii) Mr. N. Jayakumar, Managing Director & Group CEO. The Company has also formulated CSR Policy and the same is available on the website of the Company (www.primsec.com). Detailed report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure "3" to this Report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of Loans, Guarantees and Investments made by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Audited Financial Statements forming part of this Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company established a Vigil Mechanism / Whistle Blower Policy for Directors and Employees to report genuine concerns or grievances about

unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct, which provides for adequate safeguards against victimisation of persons who avail of such a mechanism. A copy of the Whistle Blower Policy is available on the website of the Company (www.primesec.com).

AUDITORS AND AUDITORS' REPORT

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Walker Chandiook & Co. LLP, (Firm Registration No. 001076N/N500013) Chartered Accountants, were appointed as Statutory Auditors of the Company for a term of 5 years, to hold office from the conclusion of 36th Annual General Meeting held on September 27, 2019 until the conclusion of 41st Annual General Meeting.

The Report issued by the Statutory Auditor on the Audited Financial Statements of the Company for Financial Year 2021-22 forms part of this Annual Report and does not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors has appointed M/s. Pramod Shah & Associates, Company Secretaries (C.P. No. 3804), to undertake the Secretarial Audit for the year ended March 31, 2022. The Secretarial Report given by the Secretarial Auditor is annexed as Annexure "4" to this Report. Your directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India have been duly complied with.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Except as disclosed elsewhere in this Report, no material changes and commitments affecting the financial position of the Company occurred

between the end of the Financial Year to which this Financial Statements relate and the date of this Report.

EMPLOYEES

The disclosures with respect to the remuneration of Directors and Employees as required under Section 197(12) of the Companies Act, 2013 and the Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure "5" to this Report.

The information on Employee particulars as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) is annexed as Annexure "6" to this Report. In terms of Section 136 of the Companies Act, 2013, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the aforesaid Annexure. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

None of the Employee of the Company is a Relative of any Director of the Company.

EMPLOYEE STOCK OPTION SCHEMES

The Company implemented Employee Stock Option Scheme viz Employee Stock Option Scheme 2018 (ESOS 2018). The Nomination and Remuneration Committee of the Board of Directors has granted, to eligible Employees / Directors of the Company and Subsidiary Companies pursuant to ESOS 2018 and 35,24,500 Options are outstanding as at March 31, 2022.

The disclosures in accordance with the provisions of the Section 62(1)(b) of Companies Act, 2013 read with the Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 (as amended from time to time) and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are set out as Annexure "7" to this Report. The shares arising out of exercise of the Options will be allotted in the name of the respective Employees and accordingly, the provisions relating to disclosure of voting rights not exercised directly by the employees are not applicable.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. As required under law, an Internal Complaints Committee was constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the workplace. During the year under review, no complaint of sexual harassment was received and there was no complaint of sexual harassment pending as at the date of this report.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of nature of business activities of the Company, the particulars regarding conservation of energy and technology absorption, as prescribed under Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are not given. However, the Company has taken various measures for conservation of energy, like switching from conventional lighting systems to LED lights, etc.

During the year under review, the Company's earnings of foreign exchange of USD 58,445 and expenditure of foreign exchange were USD 26,250.

LISTING & LISTING FEES

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and the Listing Fees for the year 2022-23 have been duly paid.

GENERAL DISCLOSURES

Your Directors state that during the year under review:

- (a) The Business Responsibility Reporting as required pursuant to the provisions of Regulation 34(2) of the SEBI Listing Regulations is not applicable to your Company.
- (b) No Equity Shares with Differential Rights, as to Dividend, Voting or otherwise, were issued.
- (c) Except allotment of 45,50,000 Equity Shares on a Preferential basis and 1,10,500 Equity Shares to employees of the Company / Subsidiaries under Employee Stock Option Scheme 2018, no other Equity Shares (including Sweat Equity Shares) were issued by the Company under any scheme.
- (d) The Company did not resort to any buyback of Equity Shares during the Year under review.
- (e) Managing Director of the Company did not receive any Remuneration or Commission from any of its Subsidiaries.
- (f) There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.
- (g) No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the Going Concern status and Company's operations in future.

ACKNOWLEDGEMENTS

The Board wishes to place on record its sincere appreciation for the hard work put in by the Company's employees at all levels in this difficult environment. The Board of Directors also wish to thank the Company's members, bankers and business associates for their unstinted support during the year.

For and on behalf of the Board of Directors

Mumbai
May 24, 2022

Pradip Dubhashi
Chairman

N. Jayakumar
Managing Director & Group CEO

Annexure 1 to Director's Report

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENTS

Prime Securities is part of the financial services sector that includes Non-Banking Finance Services, Insurance, and Capital Markets. We are a Category-1 Merchant Banker licensed by the Securities and Exchange Board of India (SEBI). In addition, our subsidiary Prime Research and Advisory Limited is a Corporate Insurance Agent licensed by the Insurance Regulatory and Development Authority ("IRDA").

2021-22 A ROBUST YEAR FOR CAPITAL MARKETS

Our business is closely linked to the Capital Markets and the year gone by was a robust year. For 2021-22 fiscal, the BSE Sensex jumped 9,059.36 points or 18.29 per cent while the Nifty rallied 2,774.05 points or 18.88 per cent.

Corporate results too were excellent. Sales of listed private non-financial companies increased (y-o-y) by 25.3 per cent in Q3:2021-22 as compared with 31.8 per cent in the previous quarter and 4.0 per cent in the corresponding quarter a year ago. Aggregate sales of 1,701 listed manufacturing companies recorded steady growth (y-o-y) of 27.3 per cent, aided by high sales growth in petroleum, non-ferrous metals, iron and steel, chemicals and textiles industries. Maintaining their growth momentum, information technology companies recorded 20.7 per cent increase (y-o-y) in sales during Q3:2021-22. Corporates faced cost pressures with increases in raw material and staff costs.

IPOs: A total of 52 Indian corporates raised an all-time high ₹ 1.11 lakh crore through main board IPOs in the financial year 2021-22. The IPO fund raising in 2021-22 was over 3.5 times ₹ 31,268 crore raised through 30 IPOs in 2020-21.

Retail investors are increasingly participating in the stock markets. The number of active depository accounts has nearly doubled from about 36 million as of March 2019 to about 70 million in September 2021. At the same time the government's stake in listed companies has fallen by 3.11 percentage points from 9.08 per cent as of March 2019 to 6.86 per cent. This is largely a result of the disinvestment program, Global Supply chains

were severely disrupted in early 2020, because of pandemic related factors, the lockdowns slowing down port operations but then were followed by the impact of the US- China trade dispute, the imposition of tariffs and other factors. The re-emergence of Covid in China and its zero- Covid policy have meant severe lockdowns in Shanghai and a few other locations. This has created a traffic jam of ships waiting to unload and load and are expected to exacerbate supply problems. The shortage of electronic chips continues, and India plans a long-term investment plan in fabs, the chip manufacturing facility. India remains vulnerable in its pharmaceutical sector, with nearly 68% of the Active Pharmaceutical Ingredients (APIs) being imported. The bulk of reagents used in most pharma R&D work the world over (including in the US) come from China. China dominates the market for rare earths, so critical in modern day electronics. The potential diversification and shift in global supply chains is a major opportunity. This will be a driver of deal flow.

A ROBUST START-UP ECOSYSTEM

Indian startups are fast turning into unicorns. The number of startups in India has now grown to 70,000. 50% of startups are from Tier-2 & 3 cities. They are associated with more than 50 industries, giving solutions to real-world problems. To improve the ease of bringing startup products to the market, the Government e-Marketplace (GeM) portal was established. More than 13,000 startups are registered on the GeM Portal and have done business worth INR 6,500 Cr on the portal. More than 800 Indian startups are involved in the emerging and vibrant sports sector alone. Digital India, the expansion of the availability of internet driven by the adoption of new technologies and now 5G networks continues to offer a major push for the development of startups and the opening of new markets.

Government support for start-ups was ramped up. Start-up India Seed Fund Scheme was launched. A grant of ₹ 945 crore has been approved for a period of 4 years starting from 2021-22 under the scheme. As on December 31, 2021, ₹ 232.75 crore has been approved as grant to 58 incubators, and 146 start-ups have been funded by these

incubators. Start-ups raised \$42 billion in 2021, up from \$11.5 billion in the previous year.

Start-ups are an engine of future growth. They span new technologies like Electric Vehicles (EV) and target new business segments like gaming. Your company has also been active in advising start-ups for their fund raising.

OPPORTUNITIES

We have a very robust deal flow and pipeline. Our execution capability pivots on our skills at deal structuring and our ability to leverage our network for execution. We are constantly seeking alliances and partnerships to enhance this capability. Customers come to us for solutions for the efficient raising of equity or debt capital and our proven ability to execute. Our pipeline is full, and we expect to see this continue.

THREATS

While we are confident of global growth trending to pre-pandemic levels rapidly, but there are heightened risks of rampant inflation and the US Federal Reserve rapidly tightening with rate increases. A 50-bps increase is expected at their next meeting. This could impact capital flows adversely. We are constantly seeking out new alliances and funding sources and will be the partner of choice for corporates raising debt and equity. The Russia-Ukraine war is driving an increase in oil prices and many analysts expect crude prices to trend sharply higher as Russian supply is restricted. Disruptions to trade, stress on logistics and sharp increases in shipping costs, hang a shadow on recovery. This could have a knock-on effect on deal flow and our ability to complete transactions.

RISKS

Given that we are debt free we do not have the usual risks that debt on the balance sheet represents. As our business model is only advisory and does not require any risk to capital to be taken, we see minimal risks to our continuing operations. Our substantial cash reserves will help tide over any disruptions. We have now stabilized our operations in working from home and we see no disruptions in our ability to deliver on our assignments. We remain vigilant to opportunities and will not hesitate to exploit them provided we can do so by eliminating any risk to our capital.

OVERVIEW OF OPERATIONS

Despite the limitations placed on us by the pandemic, we had a year of robust revenues but more importantly a strong flow of deals that sets us up well for FY 2022-23. As with the previous year, it was driven by repeat and referral business signifying a high level of customer satisfaction. We have been noticed for our ideation, our "Intellectual Property"- the ability to ideate and craft unique solutions, coupled with our "Network" that has underpinned our execution capabilities and drives robust deal flow. We will make additions to our team opportunistically, our current team very capably servicing our customer base. As a pure fee based, knowledge driven firm, we remain ideally placed to be a one-stop source of solutions for our customers, and this is underscored by our deal flow.

DISCUSSION ON FINANCIAL PERFORMANCE

The Consolidated Revenues of the Company were ₹ 4,571 lakhs for the financial year under review as against previous year ₹ 4,528 lakhs. Consolidated Profit after Tax including Comprehensive Income was at ₹ 2,389 lakhs as compared to ₹ 823 lakhs. Operating profit margins improved from 23.40% to 38.66%. At the same time, cash and cash equivalents, including investments having maturities in excess of three months, have increased from ₹ 6,076 lakhs to ₹ 10,980 lakhs, reflecting an improved operational performance.

We make suitable provisions for any receivable outstanding for more than 60 days. Debtors amounts to only ₹ 55 lakhs, 1.2% of revenues for the year, of which majority receivables have been subsequently collected.

Return on average net worth (RONW) for the year under review is at 20.14% as compared to 16.02% for the previous year.

In the year under review, we advised over 10 start-ups for fund raising. These represent new age businesses like Electric Vehicles (EV) and new consumer segments like gaming. In many of these assignments we have negotiated to receive our fees in shares of the company. Being start-ups, they don't have the ability to pay high fees and these investments have the potential to deliver very high returns in future.

Your Company operates in only one segment,

financial advisory services. We are debt free and have no interest expense.

COVID-19

Covid has largely been benign and infection rates have remained on the lower side with many states relaxing restrictions. India has been one of the major suppliers of the Covid vaccine and our domestic coverage has increased rapidly with over 60% being fully vaccinated. Booster shots are now being offered to vulnerable segments. At the time of writing India is experiencing a slight increase of infections, which may necessitate further restrictions.

We had started "working from home" (WFH) in March 2020 and largely continue to do so. Our offices have opened and staff divide their time between WFH and visits to the office. Our experience with this has been very positive with improved productivity and no slowdown in our service to customers. We will continue a hybrid model of working.

EQUITY SHARE CAPITAL AND EQUITY SHARE WARRANTS

Paid-up Equity Share Capital of the Company as of March 31, 2022 was ₹ 1,559 lakhs. The outstanding Equity Shares remained the same at 3,11,75,825 Equity Shares of face value of ₹ 5/- each.

During the year under review, 45,50,000 Equity Shares were allotted to select investors on a Preferential basis pursuant to approval granted by the Members at their Extraordinary General Meeting held on November 10, 2021. The object of the issue was for making investments in one or more digitally powered platforms or marketplaces, either by building from scratch or acquiring one or more existing enterprises with the above characterized assets or any other digitally enabled business that could enhance the Prime services offering.

During the year under review, 1,10,500 Equity Shares were allotted to employees of the Company / Subsidiaries pursuant to the exercise of Option granted under Employee Stock Option Scheme 2018.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company's Internal Control System and procedures were reviewed during the year and systems and procedures were corrected wherever found to be inadequate to the Company's size, the nature of its business and the business environment. The internal control systems lay down the policies, authorisation and approval procedures.

We have enhanced controls over management of funds, cash and operations for conducting operations on a work from home (WFH) basis. All transactions are done on a dual control basis that assures greater safety to our operations. We have also strengthened the scope of internal audit to specifically focus on transaction tracking. We are leveraging all available digital tools to run our operations securely.

The adequacy of the internal control systems has been reported by the auditors under the Companies (Auditor's Report) Order, 2003.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

We continue to grow our pipeline of transactions in the corporate advisory business and add people as needed. We believe our team is optimally staffed at this time.

CAUTIONARY STATEMENT

Statements in this Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic developments in the country and improvement in the state of capital markets, changes in the Government regulations, tax laws and other status and other incidental factors.

For and on behalf of the Board of Directors

Mumbai
May 24, 2022

Pradip Dubhashi
Chairman

N. Jayakumar
Managing Director & Group CEO

Annexure 2 to Director's Report

CORPORATE GOVERNANCE REPORT

MANDATORY REQUIREMENTS

1. Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance is aimed at ensuring that the objectives of the Company are well defined along with timely measurement and monitoring of the performance against those objectives. It envisages attainment of a high level of transparency & accountability in the functioning of the Company and helps the Management in the efficient conduct of the Company's affairs and in protecting the interest of various participants like Shareholders, Employees, Lenders, Clients, etc and at the same time places due emphasis on compliance of various statutory laws.

2. Board of Directors:

The Board of Directors ("the Board") consists of Five Directors, comprising of Three Non-Executive & Independent Directors ("NED-I"), One Non-Executive & Non-Independent Director ("NED") and One Executive Director ("ED"), which complies with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Chairperson is Non-Executive & Independent Director and is not related to Managing Director or Chief Executive Officer. Two out of Three Non-Executive & Independent Directors are Women Directors.

Non-Executive & Independent Directors

and Executive Director are appointed for a term of upto Five years, not liable to retire by rotation. Non-Executive & Non-Independent Director is liable to retire by rotation. Pursuant to the Resolutions passed at the 37th Annual General Meeting held on September 22, 2020, the Members have appointed (i) Mr. Pradip Dubhashi as an Non-Executive & Independent Director for a Second term commencing from February 29, 2020 until the conclusion of the 40th Annual General Meeting of the Company to be held in the year 2023, (ii) Ms. Alpana Parida as a Non-Executive & Independent Director for a Second term of Five consecutive years from March 27, 2020 to March 26, 2025 and (iii) Mr. N. Jayakumar as Managing Director & Group CEO for a term of Five years from February 11, 2021 to February 10, 2026. Pursuant to the Resolutions passed at the 36th Annual General Meeting held on September 27, 2019, the Members have appointed Ms. Namrata Kaul and Ms. Smita Cawas Affinwalla as an Independent Directors for First term of Five consecutive years from February 14, 2019 to February 13, 2024. Ms. Alpana Parida resigned as an Independent Director of the Company w.e.f. March 31, 2022 due to her other pre-occupancy and commitments.

There is no relationship between the Directors inter-se during the period under review. None of the Directors are related to each other within the meaning of the term "Relative" as per Section 2(77) of the Companies Act, 2013.

Composition & Category of Directors, Number of Meetings Held & Attended, Directorship & Committee Chairmanship / Membership in other Companies as on March 31, 2022:

Director Name (DIN)	Category (\$)	Board Meetings during 2021-22		Attendance at last Annual General Meeting held on August 17, 2021	Other Directorships in India (@)	Committee positions in Other Companies in India (**)	
		Held	Attended			Member	Chairman
Mr. Pradip Dubhashi (01445030)	NED-I	11	11	Yes	4	2	1
Mr. N. Jayakumar (00046048)	MD	11	10	Yes	5	Nil	Nil

Director Name (DIN)	Category (\$)	Board Meetings during 2021-22		Attendance at last Annual General Meeting held on August 17, 2021	Other Directorships in India (@)	Committee positions in Other Companies in India (**)	
		Held	Attended			Member	Chairman
Ms. Alpana Parida (06796621) #	NED-I	11	11	Yes	NA	NA	NA
Ms. Namrata Kaul (00994532)	NED-I	11	10	Yes	13	2	0
Ms. Smita Affinwalla (07106628)	NED-I	11	11	Yes	4	2	NIL
Mr. Akshay Gupta (01272080)	NED	11	10	Yes	2	NIL	NIL

\$ NED-I means Non-Executive & Independent Director, NED means Non-Executive & Non-Independent Director, MD means Managing Director & Group CEO.

@ Includes Directorships in Private Limited / Section 8 / Foreign Companies and interest in Firms / other bodies.

** Includes Memberships of only Audit and Stakeholders Relationship Committee of Public Limited Companies.

Resigned as an Independent Director of the Company w.e.f. March 31, 2022.

None of the Director of the Company holds Directorships in more than Seven listed companies and serving as an Independent Director in more than Seven listed companies. None of the Director of the Company is a Member in more than Ten Committees and Chairperson of more than Five Committees across all the listed companies in which he / she is a Director. Managing Director & Group CEO of the Company is not serving as an Independent Director in more than Three listed entities. All Independent Directors fulfill the requirements stipulated in Regulation 25(1) of SEBI Listing Regulations. All Directors of the Company have furnished the necessary disclosure regarding their Directorship and Committee Membership / Chairmanship in other Companies.

The Independent Directors are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields, which is relevant as well as of considerable value for the Company's business. The Independent Directors have provided declarations as required under the Companies Act, 2013 and SEBI Listing Regulations. The Board has noted the said declarations and are of the opinion that all Independent Directors fulfil the conditions of independence and are independent of the management of the Company.

Other Directorships / Category of Directorship and Chairpersonship / Membership of Committees in Other Companies:

Director	Other Directorships and Category of Directorship	Chairpersonship / Membership of Committees in Other Companies
Mr. Pradip Dubhashi	<p>Listed Companies: None</p> <p>Other Companies: a) Roop Automotives Limited (Director) b) Divigi Torqtransfer Systems Limited (Additional Director) c) Microline (India) Private Limited (Director) d) Unmanned & Autonomous Vehicles Association (Director)</p>	<p>Chairperson: a) Audit Committee of Divigi Torqtransfer Systems Limited b) Nomination and Remuneration Committee of Divigi Torqtransfer Systems Limited c) Risk Management Committee of Divigi Torqtransfer Systems Limited</p> <p>Member: a) Audit Committee of The Roop Automotives Limited b) Corporate Social Responsibilities Committee of Roop Automotives Limited c) Stakeholder Relationship Committee of Divigi Torqtransfer Systems Limited d) IPO Committee of Divigi Torqtransfer Systems Limited</p>
Mr. N. Jayakumar	<p>Listed Companies: None</p> <p>Other Companies: a) Prime Research & Advisory Limited (Director) b) Judith Investments Private Limited (Director) c) Gateway Entertainment Limited (Director) d) Primary Cuisine Private Limited (Director) e) Statin Enterprise LLP (Designated Partner)</p>	<p>Chairperson: None</p> <p>Member: None</p>
Ms. Alpana Parida #	<p>Listed Companies: None</p>	<p>NA</p>
Ms. Namrata Kaul	<p>Listed Companies: a) Havells India Limited (Independent Director) b) Schneider Electric Infrastructure Limited (Independent Director)</p> <p>Other Companies: a) Prime Research & Advisory Limited (Independent Director) b) Synergetics Management & Engineering Consultants Private Limited (Director)</p>	<p>Chairperson: a) Audit Committee of Vivriti Capital Private Limited b) Audit Committee of Fusion Micro Finance Private Limited</p> <p>Member: a) Nomination and Remuneration Committee of Schneider Electric Infrastructure Limited b) Audit and Finance Committee of Schneider Electric Infrastructure Limited c) Nomination and Remuneration of Havells India Limited d) Audit and Finance of Care International e) Audit and Finance of Care India Solutions for Sustainable Development</p>

Director	Other Directorships and Category of Directorship	Chairpersonship / Membership of Committees in Other Companies
Ms. Smita Affinwalla	<p>c) Bhopal Smart City Development Corporation Limited (Director)</p> <p>d) Vivriti Capital Private Limited (Director)</p> <p>e) Vivriti Asset Management Private Limited (Director)</p> <p>f) Fusion Micro Finance Private Limited (Director)</p> <p>g) Padup Ventures Services Limited (Individual Partner)</p> <p>h) Care India Solutions for Sustainable Development (Director)</p> <p>i) Healthium Medtech Limited (Director)</p> <p>j) Healthium OEM Private Limited (Additional Director)</p> <p>k) Quality Needles Private Limited (Additional Director)</p> <p>Listed Companies: None</p> <p>Other Companies: a) HDB Financial Services Limited (Director) b) Avameh Consulting Private Limited (Director) c) Iluminos Consulting Private Limited (Director) d) Micro Units Development & Refinance Agency Limited (Director)</p>	<p>f) Audit Committee of Havells India Limited</p> <p>g) Nomination and Remuneration Committee of Vivriti Capital Private Limited</p> <p>h) Audit Committee of Healthium Medtech Limited</p> <p>i) Nomination and Remuneration Committee of Healthium Medtech Limited</p> <p>j) Nomination and Remuneration Committee of Fusion Micro Finance Private Limited</p> <p>Chairperson: None</p> <p>Member: a) Corporate Social Responsibilities Committee of HDB Financial Services Limited b) Audit Committee of HDB Financial Services Limited c) IT Strategy Committee of HDB Financial Services Limited d) Executive Committee of Micro Units Development & Refinance Agency Limited e) Nomination and Remuneration Committee of Micro Units Development & Refinance Agency Limited f) Corporate Social Responsibilities Committee of Micro Units Development & Refinance Agency Limited g) Audit Committee of Micro Units Development & Refinance Agency Limited</p>
Mr. Akshay Gupta	<p>Listed Companies: None</p> <p>Other Companies: a) Prime Research & Advisory Limited (Director, CEO & CIO) b) Prime Funds Management Limited (Director)</p>	<p>Chairperson: None</p> <p>Member: None</p>

Resigned as an Independent Director of the Company w.e.f. March 31, 2022.

Board's Core Skills / Expertise / Competencies:

The Board comprises of highly qualified people from diverse fields, possessing the appropriate knowledge, skills, experience, expertise, diversity and independence, covering business, governance & accounting and human resources area. Table given below shows various skills / expertise / competencies of Directors:

Director & Designation	Areas of skills / expertise / competencies		
	Business	Governance / Accounting	Human Resources
Mr. Pradip Dubhashi, Chairperson & Independent Director	√	√	
Mr. N. Jayakumar, Managing Director & Group CEO	√	√	
Ms. Alpana Parida, Independent Director #	√	√	
Ms. Namrata Kaul, Independent Director	√	√	
Ms. Smita Affinwalla, Independent Director		√	√
Mr. Akshay Gupta, Non-Executive & Non-Independent Director	√		

Resigned as an Independent Director of the Company w.e.f. March 31, 2022.

Board Meetings:

During the Financial Year 2021-22, Eleven Board Meetings were held on May 18, 2021, May 19, 2021, June 24, 2021, July 23, 2021, October 13, 2021, November 9, 2021, November 10, 2021, January 28, 2022, February 8, 2022, February 19, 2022 and March 29, 2022. The gap between two Board Meetings did not exceed 120 days and all the Board Meeting had necessary quorum, being higher of one-third of its total strength or 3 (Three) Directors, including at least one Independent Director. Further, the Company has adhered to the Secretarial Standards on Board Meetings (SS-1) prescribed by the Institute of Company Secretaries of India ("ICSI") as approved by the Central Government.

Agenda papers containing the necessary information / documents are made available to the Board / Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as a part of Agenda Papers, the same are tabled at the meeting or / and the presentations are made by the concerned managers to the Board / Committee Members, subject to compliance with legal requirements. Considerable time is spent by the Directors on discussions and

deliberations at the Board / Committee Meetings.

The information as specified in Part A of Schedule II of LODR is regularly made available to the Board, whenever applicable, for discussion and consideration. The Board periodically reviews compliance reports pertaining to all laws applicable to the Company as well as steps taken to rectify instances of any non-compliances.

Number of Shares and Convertible Instruments held by Non-Executive & Independent Directors:

None of the Non-Executive & Independent Director is holding any Equity Shares or Convertible Instruments of the Company. Mr. Akshay Gupta, Non-Executive and Non-Independent Director is holding 4,71,258 Equity Shares and 12,00,000 Employee Stock Options of the Company.

Familiarization Programme for Directors:

At the time of appointing a Director, a formal letter of appointment is given, which inter alia explains the role, function, duties and responsibilities expected of him / her as a Director. The Director is also explained in detail the compliance required from him / her under the applicable acts, rules and regulations and affirmation is obtained.

Managing Director also interacts with the Independent Directors regularly to familiarize them with the Company's operations. Also, on an ongoing basis as a part of Agenda of Board and Committee Meetings, the Company makes detailed presentation to the Directors about the operations of the Company and its subsidiaries. The detail of the familiarization programme for Directors is available on the website of the Company (www.primesec.com).

3. Committees of Directors:

a) Audit Committee:

Terms of Reference:

The Audit Committee has been given the powers to deal with matters specified under Regulation 18(3) read with Part C of Schedule II of SEBI Listing Regulations as well as Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are briefly described below:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - b) Recommending to the Board, the appointment, re-appointment, replacement or removal of Statutory Auditors, fixation of their remuneration.
 - c) Reviewing and monitoring the independence and performance of Statutory Auditors and effectiveness of audit process.
 - d) Approving the payment to Statutory Auditors for any other services rendered by them.
 - e) Reviewing, with the management, the annual / quarterly financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of the Companies Act, 2013.
 - ii) Changes, if any, in accounting policies and practices and reasons for the same.
 - f) Reviewing, with the management, the statement of uses / application of funds raised through an issue / funds utilized for purposes other than those stated in the offer document, the report of the agency monitoring the utilisation of proceeds and recommending the board to take up necessary steps.
 - g) Approving or any subsequent modification of transactions of the Company with Related Parties.
 - h) Scrutiny of Inter-Corporate Loans and Investments.
 - i) Reviewing guidelines for investing surplus funds of the Company.
 - j) Reviewing Investment proposal before submission to the Board.
 - k) To review proposal for mergers, demergers, acquisitions, carve-outs, sale, transfer of business / real estate and its valuation report and fairness opinion, if any, thereof.
 - l) Valuation of Undertakings or Assets of the Company.
 - m) Evaluating internal financial controls and risk management systems.
 - n) Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- iii) Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv) Significant adjustments made in the financial statements arising out of audit findings.
 - v) Compliance with listing and other legal requirements relating to financial statements.
 - vi) Disclosure of any related party transactions
 - vii) Qualifications in the draft audit report.

- o) Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and frequency of Internal Audit and the performance of Internal Auditors.
- p) Discussing with Internal Auditors of any significant findings and follow up there on.
- q) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- r) Discussing with Statutory Auditors the nature and scope of audit before the audit commences as well as post-audit discussion to ascertain any area of concern.
- s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- t) Reviewing the functioning of the Whistle Blower mechanism.
- u) Approval of appointment of CFO after assessing the qualifications, experience and background of the candidate.
- v) To appoint valuers for the valuation of any property, stocks, shares, debentures, securities or goodwill or any other Assets or net worth of a Company or liability of the Company under the provision of the Companies Act, 2013.
- w) To ensure proper system of storage, retrieval, display, or printout of the electronic records.
- x) Such other functions as is mentioned in the terms of reference of the Audit Committee.
- y) Review the following information:
 - i) Management discussion and analysis of financial condition and results of operations.
 - ii) Statement of significant related party transactions, (as defined by the Audit Committee), submitted by management.
 - iii) Management letters / letters of internal control weaknesses issued by the statutory auditors.
 - iv) Internal audit reports relating to internal control weaknesses.
 - v) The appointment, removal and terms of remuneration of the chief internal auditor and
 - vi) The financial statements, in particular, the investments made by unlisted subsidiary companies.

Composition & Meetings:

As of the year ended March 31, 2022, Audit Committee comprises of Three Members, all of which are Non-Executive & Independent Directors. All Members are financially literate and having accounting and related financial management expertise.

During the Financial Year 2021-22, the Members of Audit Committee met 4 (Four) times on June 24, 2021, July 22, 2021, November 9, 2021 and January 28, 2022. The gap between two Audit Committee Meetings did not exceed the prescribed limit and all the Audit Committee Meeting had necessary quorum, being higher of 2 (Two) Members or one-third of total strength. The details of composition and attendance of each Member at the Audit Committee Meeting is given below:

Name	Category (*)	Designation	No. of Meetings Attended	
			Held	Attended
Mr. Pradip Dubhashi	NED-I	Chairperson	4	4
Ms. Alpana Parida #	NED-I	Member	4	4
Ms. Namrata Kaul	NED-I	Member	4	4
Ms. Smita Affinwalla	NED-I	Member	4	4

* NED-I means Non-Executive & Independent Director.

Resigned as an Independent Director of the Company w.e.f. March 31, 2022.

The Committee invites the Chief Financial Officer, Managing Director of the Company, Internal & Statutory Auditors to participate in the Meeting. The Company Secretary acts as the Secretary to the Audit Committee Meetings. The Chairperson of the Committee was present at the last Annual General Meeting held on August 17, 2021.

Internal Auditors:

The Company has appointed M/s. K.V.S. & Company, Chartered Accountants, as Internal Auditors of the Company. The Report of the Internal Auditor along with their suggestions is submitted on a quarterly basis before the Audit Committee for its consideration.

b) Nomination and Remuneration

Committee:

Terms of Reference:

Nomination and Remuneration Committee has been given the powers to deal with matters specified under Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations as well as Section 178 of the Companies Act, 2013, which are as follows:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnels and other Employees.

- b) Formulation of criteria for Evaluation of Independent Directors and the Board.
- c) Devising a policy on Board diversity.
- d) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- e) Recommending extending or continuing the term of appointment of Independent Director, on the basis of the report of their performance evaluation.

Composition & Meetings:

As of the year ended March 31, 2022, Nomination and Remuneration Committee comprises of 3 (Three) Members, all of whom are Non-Executive & Independent Directors. The Chairperson of the Company is not a Member of Nomination and Remuneration Committee.

During the Financial Year 2021-22, the Members of Nomination and Remuneration Committee met 3 (Three) times on June 11, 2021, July 23, 2021 and March 29, 2022. Nomination and Remuneration Committee Meeting had necessary quorum, being higher of 2 (Two) Members or one-third of total strength, including at least one Independent Director. The details of composition and attendance of each Member at the Nomination and Remuneration Committee Meetings is given below:

Name	Category (*)	Designation	No. of Meetings Attended	
			Held	Attended
Ms. Alpana Parida #	NED-I	Chairperson	3	3
Ms. Namrata Kaul	NED-I	Member	3	3
Ms. Smita Affinwalla **	NED-I	Chairperson	3	3
Mr. Pradip Dubhashi @	NED-I	Member	2	2

* NED-I means Non-Executive & Independent Director.

Resigned as an Independent Director of the Company w.e.f. March 31, 2022.

** Designated as Chairperson w.e.f. March 31, 2022.

@ Appointed as a Member w.e.f. July 23, 2021.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Meeting. The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting held on August 17, 2021.

Remuneration Policy:

The Remuneration Policy of the Company is performance driven and is structured to motivate employees by rewarding their performance, recognizing their merits & achievement and promoting excellence in their performance as well as attracting and retaining high caliber talent. The Remuneration Policy of Company is displayed on the website of the Company (www.primesec.com).

Managing / Whole-time Director and Key Managerial Personnel are paid remuneration in form of salary, perquisites and allowances, performance bonus and contributions to provident and other retirement benefit funds. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company.

Annual increments and performance bonus are linked to the performance and are approved by the Board based on the recommendation of the Nomination and Remuneration Committee.

Non-Executive & Independent Directors are paid Sitting Fees for attending Board & Committee Meetings and also Commission within the ceiling of 1% per annum of the Net Profits of the Company (computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and the Rules framed thereunder from time to time), as approved by the Members of the Company at their 38th Annual General Meeting held on August 17, 2021. Non-Executive & Non-Independent Directors are neither paid any Sitting Fees nor paid any Commission.

Employees / Directors are also rewarded through Employee Stock Option Scheme in terms of the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014. Independent Directors are not entitled to receive Stock Options under Employee Stock Option Scheme.

Remuneration paid to Directors:

Name	Salary & Perquisites (#) (₹ lakh)	Commission (*) (₹ lakh)	Sitting Fees (₹ lakh)	Stock Options (Numbers Lakhs)
Mr. Pradip Dubhashi	Nil	4.00	17.00	Nil
Mr. N. Jayakumar (S)	446.14	Nil	Nil	Nil
Ms. Alpana Parida (**)	Nil	4.00	13.60	Nil
Ms. Namrata Kaul	Nil	Nil	13.00	Nil
Ms. Smita Affinwalla	Nil	3.00	14.40	Nil
Mr. Akshay Gupta	Nil	Nil	Nil	12.00

Includes performance bonus for FY 2020-21, paid in FY 2021-22.

* Commission for FY 2020-21, paid in FY 2021-22.

§ The Contract with the Managing Director and Whole-time Directors are for a period of Five years or the normal retirement date, whichever is earlier. The appointment of Managing Director and Whole-time Director is terminable by giving Three Months' notice of either party. Severance fee, if any, payable to the Managing Director on termination of the agreement will be decided by the Board.

** Resigned as an Independent Director of the Company w.e.f. March 31, 2022.

As of the year ended March 31, 2022, Mr. N. Jayakumar, Managing Director & Group CEO, along with persons acting in concert with him, is holding 56,82,480 Equity Shares of the Company representing 18.23% of the total Shareholding of the Company, Mr. Akshay Gupta, Non-Executive & Non-Independent Director is holding 4,71,258 Equity Shares of the Company representing 1.50% of the total Shareholding of the Company, Mr. S. R. Sharma, Chief Financial Officer, is holding 6,000 Equity Shares of the Company representing 0.02% of the total shareholding of the Company and is granted 5,00,000 Stock Options. None of the other Directors of the Company holds any Equity Shares in the Company.

None of the Non-executive & Independent Directors have any other pecuniary interest in the Company, except as disclosed to the Company.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulation, the Board has carried out the annual evaluation of its own performance, its committees and Independent Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of composition of the Board and its committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Managing Director was carried out by the Independent Directors.

c) Stakeholders Relationship Committee: Terms of Reference:

Stakeholders Relationship Committee has been given the powers to deal with matters specified under the Part D of Schedule II of SEBI Listing Regulations as well as Section 178 of the Companies Act, 2013 and specifically looks into various aspects of interest of shareholders such as approving share transfers, transmissions, etc. and other related matters and reviews the redressal of Member complaints like non-transfer of shares, non-receipt of annual reports etc. The powers to approve transfer of shares and redressal of Member's complaints have been designated to the Managing Director or the Company Secretary. Any shareholder's complaints, which cannot be settled by the Managing Director or the Company Secretary, are placed before the Stakeholders Relationship Committee for their decision. Details of share transfer / transmission and summary of shareholder queries / complaints are placed at the Meeting of Members of Stakeholders Relationship Committee.

Composition & Meetings:

As of the year ended March 31, 2022, Stakeholders Relationship Committee comprises of 3 (Three) Members, all of which are Non-Executive & Independent Directors.

During the Financial Year 2021-22, the Members of Stakeholders Relationship Committee met 1 (One) time on March 29, 2022. The details of composition and attendance of each Member at the Stakeholders Relationship Committee Meeting is given below:

Name	Category (*)	Designation	No. of Meetings Attended	
			Held	Attended
Ms. Smita Affinwalla	NED-I	Chairperson	1	1
Ms. Alpana Parida #	NED-I	Member	1	1
Ms. Namrata Kaul	NED-I	Member	1	1
Mr. Pradip Dubhashi @	NED-I	Member	N.A.	N.A.

* NED-I means Non-Executive & Independent Director.

Resigned as an Independent Director of the Company w.e.f. March 31, 2022.

@ Appointed as a Member w.e.f. March 31, 2022.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee Meeting. The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting held on August 17, 2021 to answer queries of the security holders. Mr. Ajay Shah, Sr. Vice President, Legal & Company Secretary, has been designated as the Compliance Officer.

Summary of Shareholder's queries / complaints received and replied during the year are as follows:

Particulars	Queries / Complaints received	Queries / Complaints Replied to
Transfer Related	168	168
KYC Updation	199	199
Dividend Related	210	210
Change of Address	139	139
Unclaimed Share Certificates	132	132
Correction of Data	88	88
Demat / Remat	10	10
Registration of Nominee	7	7
SEBI Complaints	1	1
Total	953	953

d) Corporate Social Responsibility Committee:

Terms of Reference:

Corporate Social Responsibility Committee has been constituted pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, to recommend and supervise the implementation of corporate social responsibility commitments and has been given the following powers:

- Formulate and recommend to the Board, Corporate Social Responsibility Policy ("CSR Policy") and the activities to be undertaken.
- Recommend the amount of expenditure to be incurred on the activities under CSR Policy.
- Monitor implementation of the activities

undertaken as per the CSR Policy.

The Company has formulated CSR Policy, which is uploaded on the website of the Company (www.primesec.com).

Composition & Meetings:

As of the year ended March 31, 2022, Corporate Social Responsibility Committee comprises of 3 Members, out of which 2 (Two) Members including the Chairperson are Non-Executive & Independent Directors and 1 (One) Member is Executive Director.

During the Financial Year 2021-22, the Members of Corporate Social Responsibility Committee met 1 (One) time on March 29, 2022. The details of composition and attendance of each Member at the Corporate Social Responsibility Meeting is given below:

Name	Category (#)	Designation	No. of Meetings Attended	
			Held	Attended
Ms. Namrata Kaul	NED-I	Chairperson	1	1
Mr. Pradip Dubhashi	NED-I	Member	1	1
Mr. N. Jayakumar	ED	Member	1	1

NED-I means Non-Executive & Independent Director and ED means Executive Director.

The Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee Meeting.

e) Risk Management Committee:

Terms of Reference:

The Board has constituted a Risk Management Committee pursuant to the provisions of SEBI Listing Regulations, for framing, implementing and monitoring the risk management framework for the Company.

Composition & Meetings:

As of the year ended March 31, 2022, Risk Management Committee comprises of 4 (Four) Members, of which 2 (Two) Members including the Chairperson are Non-Executive & Independent Directors, 1 (One) Member is Non-Non-Executive & Independent Director and 1 (One) Member is a Chief Financial Officer.

During the Financial Year 2021-22, no Risk Management Committee meeting were held.

The Company Secretary acts as the Secretary to the Risk Management Committee Meeting. The Chairperson of the Risk Management Committee was present at the last Annual General Meeting held on August 17, 2021 to answer queries of the security holders.

4. Meeting of Independent Directors:

The Independent Directors on the Board of

Directors of Company met 2 (Two) times on May 22, 2021 and January 23, 2022 inter-alia for the following:

- a) Review the performance of the Non-Independent Director and the Board of Directors as a whole.
- b) Review the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors.
- c) Assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

5. Managing Director (MD) and Chief Financial Officer (CFO) certification:

Pursuant to the provisions of Regulation 17 read with Part B of Schedule II of the Listing Regulations, the MD and CFO certification on the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting has been obtained from Mr. N. Jayakumar, Managing Director & Group CEO and Mr. S. R. Sharma, Chief Financial Officer. The said certificate is annexed as Annexure "A" to this report.

6. General Body Meetings:

(a) Location and Time, where the last Three Annual General Meetings were held:

Financial Year	Date	Location of the Meeting	Time
2020-2021	August 17, 2021	Two-way Video Conferencing and Other Audio- Visual Means from Registered Office	3.30 p.m.
2019-2020	September 22, 2020	Two-way Video Conferencing and Other Audio- Visual Means from Registered Office	11.00 a.m.
2018-2019	September 27, 2019	Victoria Memorial School for the Blind, Mumbai 400034	10.00 a.m.

(b) Extraordinary General Meeting:

During the financial year under review, 1 (One) Extraordinary General Meeting was held on Wednesday, November 10, 2021.

(c) Whether any Special Resolutions passed in the previous Three Annual General Meetings:

The following Special Resolutions were

passed at the 38th Annual General Meeting held on August 17, 2021:

- i) Payment of Remuneration to Mr. N. Jayakumar as Managing Director & Group CEO.
- ii) Payment of Commission to Non-Executive Directors

The following Special Resolutions were

passed at the 37th Annual General Meeting held on September 22, 2020:

- i) Re-appointment of Mr. Pradip Dubhashi as an Independent Director.
- ii) Re-appointment of Ms. Alpana Parida Shah as an Independent Director.
- iii) Re-Appointment of Mr. N. Jayakumar as Managing Director & Group CEO and payment of remuneration.

The following Special Resolutions were passed at the 36th Annual General Meeting held on September 27, 2019:

- i) Revision in Remuneration to Mr. N. Jayakumar, Managing Director and Group CEO.

(a) Whether any Special Resolution passed last year through Postal Ballot and the person who conducted the Postal Ballot exercise:

During the year under review, no Special Resolutions were passed through the Postal Ballot.

(b) Whether any Special Resolution is proposed to be conducted through Postal Ballot and procedure for Postal Ballot:

No Special Resolutions are proposed to be passed through the Postal Ballot and any Special Resolutions proposed to be passed through Postal Ballot in the Current Year will be done in accordance with the provisions of the prescribed law.

7. Disclosures:

(a) Materially significant Related Party Transactions:

There was no materially significant related party transaction entered into during the financial year 2021-22 by the Company with its Directors or Management, Subsidiaries or Relatives that may have a potential conflict with the interests of the Company at large. All Related Party Transactions are at arm's length and in the ordinary course of business. Transactions with the Related Parties are disclosed in notes to the Audited Financial Statements forming part of this Annual Report. The Company has formulated a Policy of

dealing with Related Party Transactions, which is available on the website of the Company (www.primesec.com).

(b) Material Subsidiary:

The Company has formulated a policy for determining Material Subsidiaries, which is available on the website of the Company (www.primesec.com).

(c) Penalties, strictures for non-compliance:

During the last three years, there were no penalties, strictures imposed on the Company, by either the Stock Exchanges or SEBI or any other statutory authorities for non-compliance of any matter related to the Capital Markets.

(d) Whistle Blower Policy:

The Company has established a Vigil Mechanism (Whistle Blower Policy) for Directors and Employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct, leak of unpublished price sensitive information and related matters, which provides for adequate safeguards against victimization of persons who avails such mechanism. Whistle Blower Policy is available on the website of the Company (www.primesec.com). No personnel of the Company have been denied access to the Audit Committee.

(e) Code of Conduct for Prohibition of Insider Trading:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading duly approved by the Board of Directors of the Company and the Company Secretary has been appointed as the Compliance Officer for the purpose of ensuring compliance with the Code of Conduct. Code of Conduct is available on the website of the Company (www.primesec.com).

(f) Commodity Price Risk / Foreign Exchange Risk and Hedging activities:

The Company has no exposure to

Commodities and Foreign Exchange and accordingly, no hedging activities are carried out.

(g) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):

The funds raised through Preferential Allotment is not yet deployed and have been invested in fixed deposits.

(h) Compliance with mandatory and non-mandatory requirements:

The Company has complied with all the mandatory requirements of this clause except as stated otherwise in this report. The extent of adoption of non-mandatory requirements has been stated separately in this report.

(i) Recommendations by various Committees:

The Board has accepted all recommendations made during the year by its various Committees.

(j) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm / network entity, of which the statutory auditor is a part:

The payment made by the Company and its subsidiaries to the Statutory Auditors for the year ended March 31, 2022 is given below. No payments have been made to any network firms / network entities, of which the statutory auditor is a part.

(₹ Lakhs)

Particulars	Company	Subsidiaries	Total
Statutory Audit fees	26.67	3.00	29.67
Other services	1.83	1.00	2.83
Reimbursement of expenses	Nil	Nil	Nil

(k) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

(a) Number of complaints filed during the financial year	Nil
(b) Number of complaints disposed of during the financial year	N.A.
(c) Number of complaints pending as on end of the financial year	Nil

8. Code of Conduct:

The Board of Directors has adopted the Code of Conduct for all Board Members and Senior Management of the Company. The said Code of Conduct has been communicated to all Board Members and Senior Management and they have confirmed the annual compliance with the Code of Conduct. A declaration to that extent signed by Managing Director and Group CEO is annexed as Annexure "B" to this report. The Code of Conduct is available on the website of the Company (www.primesec.com).

9. Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the

Board / Ministry of Corporate Affairs or any such statutory authority:

Pursuant to the provisions of Regulation 34(3) and Schedule V, Para C, clause (10)(i) of the SEBI Listing Regulations, a Certificate by M/s. Pramod S. Shah & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board / Ministry of Corporate Affairs or any such statutory authority, is annexed as Annexure "C" to this report.

10. Unclaimed Suspense Account:

Pursuant to the Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company's Registrar & Share Transfer Agents

have already sent three reminders to those shareholders whose share certificates were returned undelivered and remain unclaimed so far, for transfer of the said unclaimed shares to one folio in the name of "Prime Securities Limited - Unclaimed Suspense Account", and the freezing of the voting rights thereon till the shares are claimed by the rightful owners. Details are given below:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil

Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil

Number of shareholders to whom shares were transferred from suspense account during the year: Nil

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil

11. Means of Communication:

- a) Quarterly, Half-yearly and Yearly Financial Results of the Company, as approved by the Board of Directors of the Company, are communicated to all the Stock Exchanges, where the shares of the Company are listed and published in the Mumbai edition of Free Press Journal & Navshakti within the stipulated time. The same are not sent individually to each Shareholder.
- b) The Company's Financial Results and other official news release are displayed on the Company's website (www.primesec.com).
- c) At present, no formal presentations are made to analysts.

12. General Shareholder Information:

* AGM Date, Time and Venue	Tuesday, September 27, 2022 at 3:30 p.m. via two-way Video Conferencing ("VC") facility or other audio-visual means ("OAVM")
* Financial Year and Indicative Calendar	Financial Year - April 1, 2022 to March 31, 2023 i) First Quarter ending June 30, 2022 – on or before August 14, 2022 ii) Second Quarter & Half-year ending September 30, 2022 – on or before November 14, 2022 iii) Third Quarter & Nine Months ended December 31, 2022 – on or before February 14, 2023 iv) Fourth Quarter and Year ended March 31, 2023 - during April 2023 to May 2023
* Date of Book Closure	Wednesday, September 21, 2022 to Tuesday, September 27, 2022 (both days inclusive)
* Dividend payment date	On or after Friday, September 30, 2022
* Listing on Stock Exchanges	The Bombay Stock Exchange Limited ("BSE") and The National Stock Exchange of India (NSE). The Company has paid the Listing Fees for the Financial Year 2022-2023
* Stock Code of Equity Shares	BSE: 500337 / NSE: PRIMESECU
* Demat ISIN number for NSDL and CDSL	INE032B01021
* CIN	L67120MH1982PLC026724
* Market price data: high, low during each month in last FY	As per Annexure "I"
* Performance in comparison to broad-based indices such as BSE Sensex or Nifty 50	As per Annexure "II"

* Securities suspended from trading, if any	Not Applicable
* Address for correspondence	Prime Securities Limited 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 Tel: +91-22-61842525, Fax: +91-22-24970777 Email: prime@primesec.com Website: www.primesec.com
* Registrar and Transfer Agent	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083 Tel: +91-22- 49186000, Fax: +91-22- 49186060 Email: rnt.helpdesk@linkintime.co.in Website: https://linkintime.co.in/
* Share Transfer System	As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Hence, the Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice. The request for transmission, transposition of shares is being processed by the Registrar and Share Transfer Agents. The Company Secretary or the Managing Director of the Company are authorised to approve the requests and the same are generally processed within 15 days of receipt, provided the documents are clear in all aspects. The said transfers are then noted at the subsequent stakeholder's relationship committee meeting.
* Distribution of Shareholding	As per Annexure "III"
* Shareholding Pattern	As per Annexure "IV"
* Top 10 Shareholders	As per Annexure "V"
* Dematerialisation of Shares and liquidity	95.98% of the total shareholding has been dematerialized as on March 31, 2022
* Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact of equity	None except 35,24,500 Employee Stock Options granted to Employees / Directors of the Company and its Subsidiaries.
* Plant Locations	Not Applicable
* Credit Ratings	The Company does not have any debt instrument and hence not obtained any credit rating.

NON-MANDATORY REQUIREMENTS:

1. The Board:

The Company has a Non-Executive Chairman. The Chairman is not entitled to maintain an office at the Company's expenses. However, the Company reimburses expenses, if any, incurred by him in the performance of his duties.

2. Shareholders' Rights:

Quarterly and Half-yearly Results are published in the newspapers in terms of the provisions of

Regulation 47 of the SEBI Listing Regulations and are also available on the website of the Company (www.primesec.com). The Company is not sending Quarterly and Half-yearly Results to Individual Shareholder.

3. Audit Qualification:

The Auditors' opinion on the Financial Statement is unmodified.

4. Separate post of Chairman and CEO:

The posts of Chairman and Managing Director are separate.

5. Reporting of Internal Auditor:

The Company has appointed M/s. K. V. S. & Company, Chartered Accountant, as an Internal Auditor pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The Internal Audit plan is approved by the Audit Committee and the Internal Auditor presents their Internal Audit Report directly to the Audit Committee.

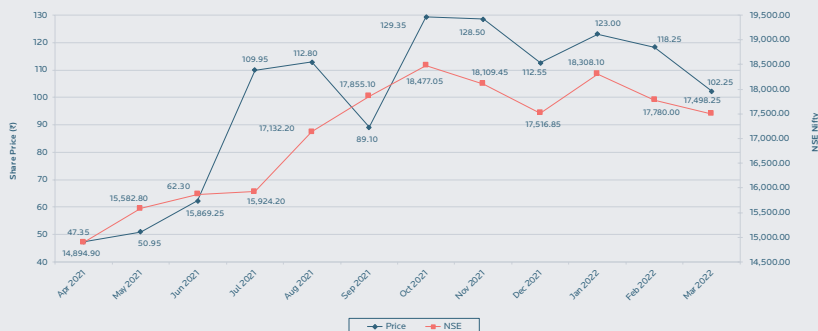
Annexure I to Report on Corporate Governance

Market Price Data: High / Low from April 2021 to March 2022

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr-21	46.60	41.50	1,62,164	47.35	42.10	1,22,817
May-21	50.80	40.80	1,33,215	50.95	40.05	6,22,161
Jun-21	62.40	51.85	1,60,953	62.30	51.65	11,41,483
Jul-21	110.45	64.95	3,07,441	109.95	65.15	24,14,986
Aug-21	112.40	80.05	2,27,037	112.80	79.80	19,03,463
Sep-21	88.90	80.15	1,68,155	89.10	81.00	4,21,400
Oct-21	128.85	83.80	1,43,952	129.35	83.00	14,15,159
Nov-21	127.35	106.75	1,42,716	128.50	105.90	10,78,816
Dec-21	113.30	98.05	1,70,116	112.55	98.10	8,36,029
Jan-22	123.20	108.90	1,47,081	123.00	108.85	10,37,389
Feb-22	117.25	85.05	74,748	118.25	85.75	6,75,841
Mar-22	102.40	89.40	3,30,383	102.25	90.30	6,05,874

Annexure II to Report on Corporate Governance

Comparison of Share Price & NSE Nifty - (Monthly High)



Annexure III to Report on Corporate Governance
Distribution of Shareholding (As on March 31, 2022)

Number of Equity Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares Held	Percentage of Shareholdings
Upto 500	18,292	92.38	22,30,149	7.15
501 – 1,000	675	3.41	5,57,970	1.79
1,001 – 2,000	323	1.63	4,96,127	1.59
2,001 – 3,000	136	0.69	3,46,677	1.11
3,001 – 4,000	54	0.27	1,93,186	0.62
4,001 – 5,000	64	0.32	3,00,680	0.96
5,001 – 10,000	114	0.58	8,70,877	2.79
Above 10,000	143	0.72	2,61,80,159	83.98
Total	19,801	100.00	3,11,75,825	100.00

Annexure IV to Report on Corporate Governance
Shareholding Pattern of the Company (As on March 31, 2022)

Category	Number of Shares	% of Share Capital
A Shareholding of Promoter and Promoter Group		
1) Indian	Nil	Nil
2) Foreign	Nil	Nil
Sub-Total	Nil	Nil
B Public Shareholding		
1) Institutions		
a) Mutual Funds & UTI	10,400	0.03
b) Foreign Institutional Investors / Foreign Portfolio Investors	13,94,520	4.47
c) Financial Institutions / Banks	3,202	0.01
d) Any Other (Foreign Banks)	900	0.00
Sub-Total	1409,022	4.51
2) Non-Institutions		
a) i) Individual Shareholders holding nominal share capital upto ₹2 lakh	55,84,372	17.91
ii) Individual Shareholders holding nominal share capital in excess of ₹2 lakh	91,20,485	29.25
b) NBFCs	200	0.00
c) Bodies Corporate	82,04,953	26.32
d) Bodies Corporate – LLP	31,71,060	10.17
e) Clearing Members	5,725	0.02
f) Hindu Undivided Family	2,66,017	0.85
g) Non-Resident Indians	14,85,291	4.76
h) Overseas Bodies Corporate	28,600	0.09
i) Trusts	19,00,100	6.09
Sub-Total	2,97,66,803	95.46
Grand Total	3,11,75,825	100.00

Annexure V to Report on Corporate Governance
Top 10 Shareholders of the Company (As on March 31, 2022)

Sr. No.	Name of Shareholder	Category	Number of Shares held	% of Total Equity Share Capital
1.	GKK Capital Markets Private Limited	Public	35,50,000	11.39
2.	Statin Enterprise LLP	Public	31,48,059	10.10
3.	Siddarth Pai	Public	19,00,000	6.09
4.	Judith Investments Private Limited	Public	17,83,497	5.72
5.	Mahendra J. Shah	Public	14,37,597	4.61
6.	Saint Capital Fund	Public	12,20,828	3.92
7.	Anand Jaikumar Jain	Public	12,00,000	3.85
8.	Kishore Hemandas Mulani	Public	8,63,464	2.77
9.	Koppara Sajeeve Thomas	Public	7,50,000	2.41
10.	Himanshi Kela	Public	5,50,000	1.76
	Total		1,64,03,445	52.62

For and on behalf of the Board of Directors

Mumbai
May 24, 2022

Pradip Dubhashi
Chairman

N. Jayakumar
Managing Director & Group CEO

Annexure "A"

CEO / CFO CERTIFICATION

[Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

The Board of Directors
Prime Securities Limited
Mumbai

Dear Sir / Madam,

This is to certify that:

- (a) We have reviewed the Audited Financial Statements and the Cash Flow Statement for the Year ended March 31, 2022 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Year ended March 31, 2022, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, the deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that:
 - (i) There are no significant changes in internal controls during the Year ended March 31, 2022.
 - (ii) There are no significant changes in Accounting Policies during the Year ended March 31, 2022; and
 - (iii) We have not become aware of any instances of significant fraud, having the involvement of the Management or an Employee, having a significant role in the Company's internal control system over financial reporting.

Yours faithfully,
For **Prime Securities Limited**

Mumbai
May 24, 2022

N. Jayakumar
Managing Director & Group CEO
DIN: 00046048

S. R. Sharma
Chief Financial Officer

Annexure “B”
**DECLARATION REGARDING COMPLIANCE OF CODE
OF CONDUCT BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL**

[Regulation 34(3) read with Part D of Schedule V of SEBI (Listing Obligations and Disclosures)
Regulations, 2015]

The Board of Directors
Prime Securities Limited
Mumbai

Dear Sir / Madam,

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and all Senior Management Personnel. The Code of Conduct is posted on the Company's website.

I confirm that the Company has, in respect of the Financial Year ended March 31, 2022, received a declaration of Compliance with the Code of Conduct from all the Members of the Board and Senior Management Personnel.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Board of Directors as on March 31, 2022.

Yours faithfully,
For **Prime Securities Limited**

Name: **N. Jayakumar**
DIN: 00046048
Designation: Managing Director & Group CEO

Mumbai
May 24, 2022

Annexure “C”

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligation and Disclosure Requirements) Regulations, 2015)

To
The Members,
Prime Securities Limited
1109/1110, Maker Chambers V,
Nariman Point, Mumbai City MH 400021 IN

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Prime Securities Limited having CIN L67120MH1982PLC026724 and having registered office at 1109/1110, Maker Chambers V, Nariman Point, Mumbai City MH 400021 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Jayakumar Narayanswami	00046048	12/02/2011
2	Namrata Kaul	00994532	14/02/2019
3	Akshay Gupta	01272080	14/08/2019
4	Pradip Vasant Dubhashi	01445030	29/01/2004
5	Smita Cawas Affinwalla	07106628	14/02/2019

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pramod S. Shah & Associates
Practising Company Secretaries

Pramod S. Shah
Partner
Membership No.: FCS 334
COP No.: 3804

Date: May 24, 2022
Place: Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate on compliance with the conditions of Corporate Governance as per the provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Prime Securities Limited

We have examined the compliance of conditions of corporate governance by Prime Securities Limited for the year ended on March 31, 2022 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the corporate governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the provisions as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which management has conducted the affairs of the Company.

For Pramod S. Shah & Associates
Practising Company Secretaries

Pramod S. Shah
Partner
Membership No.: FCS 334
COP No.: 3804

Date: May 24, 2022
Place: Mumbai

Annexure 3 to Director's Report

ANNUAL REPORT ON THE CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Corporate Social Responsibility ("CSR") forms an important part of the Prime Securities Limited's overall philosophy of giving back to the society. Prime Securities Limited ("the Company") is committed to bring about positive changes in the environment it operates. The guiding principles of the Company's CSR policy provide the businesses of the Company various means of achieving social integration.

The focus areas of our CSR initiatives are eradication of hunger, preventive healthcare, environment sustainability, women empowerment, girl education, child development and enhancing vocational skills. The CSR Policy of Prime Securities Limited is available on the Company's website (www.primesec.com).

The activities and funding are monitored internally by the Company.

2. The Composition of the CSR Committee:

The Board of Directors of your Company has constituted the CSR Committee of Directors. CSR Committee is formed as per the applicable laws of the Companies Act, 2013 and the Committee is responsible for the implementation / monitoring and review of the policy and various projects / activities undertaken under the policy.

The Members of the Committee are:

- Ms. Namrata Kaul – Chairperson (Independent Director)
- Mr. Pradip Dubhashi – Member (Independent Director)
- Mr. N. Jayakumar – Member (Managing Director & Group CEO)

3. Average Net Profit of the Company for last Three Financial Years:

The Average Net Profit of the Company, as per Section 198 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 ("CSR Rules"), for last Three Financial Years is ₹ 887.62 lakhs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

₹ 17.75 lakhs

5. Details of CSR Spent during the Financial Year:

- a. Total amount to be spent for the Financial Year: ₹ 17.75 lakhs;
- b. Amount unspent: ₹ 45 lakhs;

c. Manner in which the amount was spent during the Financial Year 2021-22: (₹ in lakh)

Sr. No.	CSR Project / Program	Sector Covered	District and State where Project / Program was Under-taken	Amount Outlay (Budget)	Amount Spent	Cumulative Expenditure upto the reporting period	Amount spent - Direct / Through implementing agency
1.	Promoting gender equality, empowering women	Skill Development	Delhi	15.00	15.00	15.00	Through Implementation Agency
2.	Child Development	Education	Pune, Maharashtra	15.00	15.00	15.00	Through Implementation Agency
3.	Covid-19 relief measures	Healthcare	Across India	10.00	10.00	10.00	Through Implementation Agency
4.	Education for Blind Children	Child development and enhancing vocational skills	Mumbai	5.00	5.00	5.00	Through Implementation Agency

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

The Company has spent the two percent of the average net profit of the latest three financial years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, it is hereby confirmed that the Corporate Social Responsibility Committee of the Board of Directors of Prime Securities Limited has implemented and monitored the CSR initiatives of Prime Securities Limited in line with CSR Objectives and Policy of the Company.

For and on behalf of the Board of Directors

Namrata Kaul
Chairman of CSR Committee

N. Jayakumar
Managing Director & Group CEO

Mumbai
May 24, 2022

Contents of CSR Policy

(Approved by the Board of Directors of Prime Securities Limited at their meeting held on May 27, 2015)

Our aim is to be one of the most respected Companies in India delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities.

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

The Company's commitment to CSR projects and programs will be by investing resources into any of the following areas:

- Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;
- Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently unable & livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;
- Employment enhancing vocational skills
- Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- Measures for the benefit of armed forces veterans, war widows & their dependents;
- Training to promote rural sports, nationally recognized sports, sports & Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
- Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- Rural development projects, etc.
- Slum area development.

Annexure 4 to Director's Report
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Prime Securities Limited,
1109/1110, Maker Chambers V, Nariman
Point, Mumbai 400021, Maharashtra, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Prime Securities Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - (e) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and amendments made from time to time;
 - (f) The Securities and Exchange Board of

- India (Issue of Capital and Disclosures Requirements) Regulation, 2009;
- (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 **(Not Applicable during the Audit Period)**;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 **(Not Applicable during the Audit Period)**; and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998 **(Not Applicable during the Audit Period)**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS-2)
- (ii) The Securities and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and adequate compliance as required under Companies Act, 2013 and Secretarial Standards is adopted for Board Meetings in which detailed notice and agenda could not be sent at least 7 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period, all the decisions in the Board Meetings were passed with requisite majority.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that during the audit period there were no specific events/ actions having a major bearing on the Company's affairs other than as following.

For example:

1. During the review period National Company Law Tribunal, Mumbai bench approved the arrangement between Primesec Investments Limited (PIL), transferor Company and Prime Commodities Broking (India) Limited (PCBIL), transferor Company and Prime Securities Limited (PSL) transferee Company on 14th May, 2021.
2. Preferential Issue of Equity Shares of 45,50,000 for amount of ₹ 40,38,12,500/- (Rupees Forty Crores Thirty Eight Lakhs Twelve Thousand Five Hundred only) approved by Shareholders of the Company at their duly convened Extra- Ordinary General Meeting on 10th November, 2021.

For Pramod S. Shah & Associates
Practising Company Secretaries

Pramod S. Shah
Partner

Membership No.: FCS 334

COP No.: 3804

Date: May 24, 2022

Place: Mumbai

UDIN:F000334D000383607

Annexure 5 to Director's Report

DISCLOSURE IN DIRECTOR'S REPORT

Pursuant to section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014

Sr. No.	Requirements	Disclosure	Ratio	
		Name of the Director		
1.	The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year	N. Jayakumar, Managing Director and Group CEO	19.80 X	
		Pradip Dubhashi, Chairman & Independent Director	N.A.	
		Alpana Parida, Independent Director	N.A.	
		Namrata Kaul, Independent Director	N.A.	
		Smita Affinwalla, Independent Director	N.A.	
		Akshay Gupta, Non-Executive & Non-Independent Director	N.A.	
		1. The Median Remuneration of Employees of the Company was ₹ 22.47 lakhs		
		2. Independent Directors are not paid any remuneration except Sitting Fees, which has not been considered as remuneration		
		3. Non-Executive & Non-Independent Directors are neither paid any remuneration nor any Sitting Fees		
		4. Figures have been rounded off wherever necessary		
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year	Name of the Director	%	
		N. Jayakumar, Managing Director and Group CEO	6.31	
		Pradip Dubhashi, Chairman & Independent Director	N.A.	
		Alpana Parida, Independent Director	N.A.	
		Namrata Kaul, Independent Director	N.A.	
		Smita Affinwalla, Independent Director	N.A.	
		Akshay Gupta, Non-Executive & Non-Independent Director	N.A.	
		S. R. Sharma, Chief Financial Officer	8.69	
		Ajay Shah, Company Secretary	25.66	
		1. Increase, if any, in remuneration is made as per appraisal system and Remuneration and Nomination Policy of the Company		
2. Independent Directors are not paid any remuneration except Sitting Fees, which has not been considered as remuneration				
3. Non-Executive & Non-Independent Directors are neither paid any remuneration nor any Sitting Fees				
3.	The percentage increase in the Median Remuneration of Employees in the Financial Year	During FY 2022, the percentage increase in the median remuneration of employees as compared to previous year was 26.95		

Sr. No.	Requirements	Disclosure	Ratio
		Name of the Director	
4.	The number of Permanent Employees on the rolls of Company	There were 19 employees as on March 31, 2022	
5.	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase / (decrease) in remuneration is 22.03% for employees other than managerial personnel and 8.46% for managerial personnel	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is confirmed	

For and on behalf of the Board of Directors

Pradip Dubhashi

Chairman

Mumbai

May 24, 2022

N. Jayakumar

Managing Director & Group CEO

Annexure 7 to Director's Report
EMPLOYEE STOCK OPTION SCHEME (ESOS)
Disclosure pursuant to the provisions of the Securities and Exchange Board of India
(Share Based Employee Benefits) Regulations, 2014

Particulars		ESOS 2018
a)	Options granted	46,17,000
b)	Pricing formula	₹ 34.70 per share for 18,87,000 Options ₹ 36.50 per share for 16,80,000 Options ₹ 27.40 per share for 10,50,000 Options (Fair value determined based on 10% discount to the three months average price, upto the Grant Date)"
c)	Options vested	31,10,000
d)	Options exercised	1,10,500
e)	The total number of shares arising as a result of exercise of option	1,10,500
f)	Options lapsed	9,82,000
g)	Variation of terms of options	Nil
h)	Money raised by exercise of options	36,70,100
i)	Total number of options in force	35,24,500
j)	Employee wise details of options granted	
	i) Senior managerial personnel	Total 19,50,000 Options granted to 3 senior managerial personnel (employees one level below the Board of Directors including employees of subsidiaries) (Only summary given due to sensitive nature of information)
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of the option granted during that year	No Options granted during the financial year 2021-22
	iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	No Options granted during the financial year 2021-22
k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard AS20 Earnings Per Share	₹ 4.67 per share of face value of ₹ 5/- each

Particulars		ESOS 2018
l)	i) Method of calculation of employee compensation cost	Fair value method
	ii) Difference between the employee compensation cost so computed at (i) above and cost that shall have been recognized if it had used the fair value of the options	Nil
	iii) The impact of this difference on profits and on EPS of the Company	The net profit is lower by ₹ 74 lakhs and basic & diluted EPS is lower by ₹ 0.25 per share
m)	Weighted average exercise price and weighted average fair value	Weighted average exercise price: ₹ 34.70 per Share (Grant Date 13-Nov-2018), ₹ 36.50 Per Share (Grant Date 18-May-2019), ₹ 27.40 Per Share (Grant Date 20-May-2020) Weighted average fair value – ₹ 27.80
n)	Fair value of options based on Black Scholes methodology - assumptions	
	Risk free rate	5.95% - 6.10%
	Expected life of options	6.5 years - 7.5 years
	Expected volatility	67.61% - 66.90%
	Expected dividends	-
	Closing market price of share on date of option grant	-

For and on behalf of the Board of Directors

Pradip Dubhashi
Chairman

N. Jayakumar
Managing Director & Group CEO

Mumbai
May 24, 2022

Standalone Financial Statements

Independent Auditor's Report

To
The Members of
Prime Securities Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Prime Securities Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
<p>Revenue Recognition</p> <p>We refer to the Company's significant accounting policies in note 2(b) and the revenue related disclosure in note 35 of the standalone financial statements.</p> <p>The Company's revenue from operations arises from merchant banking and advisory services, which mainly includes Corporate & Financial Advisory services, arranging long term finance and raising equity funds.</p> <p>Recognition of revenue is based upon the satisfaction of performance obligations upon transfer of control of promised services to customers in an amount that reflects the consideration the Company is contractually expected to receive in exchange for those services as set forth under the terms of engagement.</p> <p>Identification of the various performance obligations within the contract and allocation of consideration to these performance obligations, is complex and requires significant management judgement.</p> <p>Considering the materiality of amounts involved, significant judgements, this has been identified as a key audit matter in respect of standalone financial statements.</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of the Company's accounting policy for revenue recognition. • Evaluated the design and operating effectiveness of key controls over the revenue recognition process. <p>For the revenue contracts entered by the Company, the following procedures were performed:</p> <ul style="list-style-type: none"> • Obtained and inspected mandates, with respect to the key contractual terms entered by the Company with the customer and evaluated the appropriateness of the accounting treatment assessed by the management. • Evaluated whether the performance obligations and service delivery obligations as per the terms of the engagement appear to be satisfied by the Company to the extent of revenue recognised, by performing enquiry with the management and inspecting supporting documents evidencing completion of such work. • On a sample basis, tested invoices raised in relation to the advisory services and traced the receipt of money in respect of such invoices to the bank statements. Accounting of unbilled revenue was verified with invoices issued in subsequent period. • Performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation to assess whether the revenue was recognized in the correct period.

Key audit matters	How our audit addressed the key audit matters
<p>Valuation of unquoted investments carried at fair value</p> <p>Refer note 2(g) for significant accounting policies and note 7 of standalone financial statements</p> <p>As at 31 March 2022, the Company held unquoted investments carried at fair value amounting to ₹2,275 lakhs which represents 19 % of the total standalone assets of the Company as at 31 March 2022.</p> <p>The aforesaid investments are not traded in the active market. These investments are fair valued using Level 3 inputs. The fair valuation of these investments is determined by a management-appointed independent valuation specialist. The process of computation of fair valuation of investments includes use of unobservable inputs and management judgements and estimates which are complex.</p> <p>The key assumptions underpinning management's assessment of fair value of these investments, include application of liquidity discounts, calculation of discounting rates and the estimation of projections of revenues, projections of future cash flows and growth rates.</p> <p>The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the standalone financial statements due to the materiality of total value of investments to the standalone financial statements and the complexity involved in the valuation of these investments.</p>	<p>Our audit procedures in relation to valuation of unquoted investments with the involvement of our valuation experts included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of Company's business model and its assessment in accordance with Ind AS 109 for classification and valuation of investments; • Obtained a detailed understanding of the management's process and controls for determining the fair valuation of these investments. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Company including its valuation policy and discussion with those involved in the process of valuation; • Evaluated the design and tested the operational effectiveness of relevant key controls over the valuation process, including the Company's review and approval of the estimates and assumptions used for the valuation including independent price verification performed by the management expert and model governance. • Obtained the valuation reports of the management's expert and assessed the expert's competence, objectivity and independence in performing the valuation of these investments; • Performed a reasonableness test on the valuation reports provided by Management by carrying out following procedures: <ul style="list-style-type: none"> o Analysed financial performance of the investee companies from the date of investment till the valuation date. o Applied calibration to Price of Recent Investment methodology in assessing the impact if any on the valuation of investee company as on the valuation date. o Screened for comparable companies / comparable transactions (wherever transaction data was available) for each of the investee companies. • Ensured the appropriateness of the carrying value of these investments in the standalone financial statements and the gain or loss recognised in the standalone financial statements as a result of such fair valuation; • Ensured the appropriateness and sufficiency of the disclosures in accordance with the applicable accounting standards; and • Obtained written representations from the management whether they believe significant assumptions used in valuation of the investments are reasonable.

Key audit matters	How our audit addressed the key audit matters
<p>Assessment of Ongoing Litigations</p> <p>As disclosed in note 50 of standalone financial statements, the Company is involved in certain litigations including claims filed by other parties not acknowledged as debt for which final outcome cannot be easily predicted. Considering the underlying facts of the subject matter, the Company has assessed that the possibility of the ongoing litigations being decided against the Company is remote and accordingly there is no need to make a provision or to disclose a contingent liability in respect of the aforesaid litigations.</p> <p>The assessment of whether a liability is recognised as a provision or disclosed as a contingent liability in the financial statements or remote is inherently subjective and requires significant management judgement in determination of the cash outflows from the business, interpretation of applicable laws and regulations, and careful examination of pending assessments at various levels of legislative proceedings. Adverse outcomes could significantly impact the Company's reported profit and balance sheet position.</p> <p>The eventual outcome of the litigations is uncertain and estimation at balance sheet date involves significant management and auditor judgement including input from legal counsel due to complexity of each litigation.</p> <p>Considering the judgement involved in determining the need to make a provision or disclose as contingent liability, the matter is considered a key audit matter for the current year audit.</p>	<p>Our audit procedures in relation to assessment of ongoing litigations included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained understanding of the management process for - <ul style="list-style-type: none"> - identification of ongoing legal matters initiated against the Company, - assessment of accounting treatment for each such litigation identified under principles of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets. • Evaluated the design and tested the operating effectiveness of key controls around above process. • Inspected the summary of ongoing litigation matters and discussed key developments during the year with the Company's Legal and Finance personnel. <p>Test of details included, but were not limited to following:</p> <ul style="list-style-type: none"> • Obtained a list of litigations from the Company's in-house legal counsel and evaluated the Company's assessment thereof by: <ul style="list-style-type: none"> ♦ Obtaining an understanding of the nature of litigations pending against the Company and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Company; ♦ Verifying correspondence, orders and appeals in respect of open litigations; ♦ Assessing management's conclusions through discussions held with Company's external counsels involved, where applicable, in respect of material litigations; ♦ Assessing the Company's assumptions and estimates in respect of litigations, including the liabilities or provisions recognised or contingent liabilities disclosed in the standalone financial statements or remote. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts; ♦ Obtaining and evaluating responses in the independent confirmations from Company's external legal counsels for certain material ongoing litigations and considering the same in our assessment; and ♦ performing detailed inquiries with the senior management. • Evaluated the adequacy of provision, if any, and disclosures made in respect of matters under litigation

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. This report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting

frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures,

and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II, wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 28 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
 - iv. a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 48 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 48 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or

the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The final dividend declared by the Company during the year ended 31 March 2022 is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. However, the said dividend is not paid on the date of this audit report. The final dividend paid by the Company during

the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

For Walker Chandok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No.: 043334

UDIN: 22043334AJMDHF1175

Place: Mumbai

Date: May 24, 2022

Annexure I

Annexure I referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Prime Securities Limited on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified once in every three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i) (e) of the Order is not applicable to the Company.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii) (a) of the Order is not applicable to the Company.
- (b) The Company has a working capital limit in excess of Rs 5 crore, sanctioned by banks on the basis of security of current assets. However, pursuant to terms of the sanction letter, the Company is not required to file any quarterly return or statement with such banks or financial institutions.
- (iii) (a) During the year, the Company has not provided any advance in the nature of loans, or guarantee, or security to any other entity. The Company has provided loan to Subsidiary as per details given below:

(Amount in Lakhs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted during the year				
- Subsidiaries	-	-	4	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	-	-

(Amount in Lakhs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Balance outstanding as at balance sheet date in respect of above cases:				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	-	-

- (b) In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of loan are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or given any security or advances in the nature of loans during the year.
- (c) In respect of loan granted by the Company, the schedule of repayment of principal and payment of interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/receipts of principal and interest are regular.
- (d) In the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and

whether reasonable steps have been taken by the Company for recovery of such principal amounts and interest.

- (e) In respect of loan granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the loan has fallen due during the year and whether the same has been renewed or extended or fresh loans granted to settle the overdues of existing loan given to the same party.
- (f) The Company has not granted any advance in the nature of loan repayable on demand or without specifying any terms or period of repayment. The Company has not granted any loan repayable on demand. The Company has granted loan without specifying any terms or period of repayment, as per details below:

(Amount in Lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans/			
- Repayable on demand (A)	-	-	-
- Agreement does not specify any terms or period of repayment (B)	4	-	4
Total (A+B)	4	-	4
Percentage of loans to the total loans	100%	-	100%

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans and investments, as applicable. Further, the Company has not entered into any transaction covered under section 185 and 186 of the Act in respect of guarantees and security.

- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have

generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(Amount in Lakhs)

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act 1961	Income tax	175	-	Assessment Year 2017-18	Commissioner of Income Tax (Appeals)	None

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to

us, money raised by way of term loans were applied for the purposes for which these were obtained.

- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made preferential allotment of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the Rules framed thereunder with respect to the same. Further, the amounts so raised were unutilised as on 31 March 2022 and have been invested in readily realisable liquid investments.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state

that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone

financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No.: 043334

UDIN: 22043334AJMDHF1175

Place: Mumbai

Date: May 24, 2022

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Prime Securities Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent

applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to

the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No.: 043334

UDIN: 22043334AJMDHF1175

Place : Mumbai

Date : May 24, 2022

Balance Sheet as at March 31, 2022

(₹ in Lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2022	As at March 31, 2021
ASSETS			
I. Financial assets			
a) Cash and cash equivalents	3	778	2,088
b) Bank balance other than (a) above	4	4,502	1,453
c) Receivables	5		
(i) Trade receivables		7	78
(ii) Other receivables		393	393
d) Loans	6	-	62
e) Investments	7	4,856	2,133
f) Other financial assets	8	406	81
Sub total (I)		10,942	6,288
II. Non-financial assets			
a) Current tax assets (net)	9	598	787
b) Deferred tax assets (net)	10	-	52
c) Property, plant and equipment	11(a)	227	192
d) Capital work-in-progress	11(b)	65	-
e) Intangible assets	11(c)	0	1
f) Other non-financial assets	12	129	54
Sub total (II)		1,019	1,086
TOTAL ASSETS (I + II)		11,961	7,374
LIABILITIES AND EQUITY			
I. Financial liabilities			
a) Payables			
(i) Trade payables	13		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		18	227
b) Borrowings (Other than debt securities)	14	496	17
c) Other financial liabilities	15	733	520
Sub total (I)		1,247	764
II. Non-financial liabilities			
a) Provisions	16	132	94
b) Deferred tax liabilities (net)	10	187	-
c) Other non-financial liabilities	17	37	1,312
Sub total (II)		356	1,406
III. Equity			
a) Equity share capital	18	1,559	1,326
b) Other equity		8,799	3,878
Sub total (III)		10,358	5,204
TOTAL LIABILITIES AND EQUITY (I + II + III)		11,961	7,374

Summary of significant accounting policies and other explanatory information to the financial statements.

1-53

This is the Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP

For Prime Securities Limited

Chartered Accountants

Firm Registration Number : 001076N/N500013

N. Jayakumar
Managing Director & Group CEO
(DIN: 00046048)

Pradip Dubhashi
Chairman
(DIN: 01445030)

Murad D. Daruwalla
Partner
Membership No 043334

S. R. Sharma
Chief Financial Officer

Ajay Shah
Company Secretary
(ACS-14359)

Place : Mumbai
Date : May 24, 2022

Place : Mumbai
Date : May 24, 2022

Statement of Profit and Loss for the year ended March 31, 2022

(₹ in Lakhs, unless otherwise stated)

Particulars	Note no.	Year ended March 31, 2022	Year ended March 31, 2021
I. Revenue from operations			
i) Interest income	19	214	135
ii) Dividend on investments		10	-
iii) Fee and Commission income	20	3,115	2,794
iv) Net gain on fair value changes	21	52	43
v) Gain on sale / redemption of investments (net)	22	10	23
Total Revenue from operations (I)		3,401	2,995
II. Other Income			
i) Miscellaneous income		12	2
Total other income (II)		12	2
III. Total income (I + II)		3,413	2,997
IV. Expenses			
i) Finance costs	23	44	26
ii) Fees and commission expense		27	286
iii) Impairment on financial instruments	24	7	178
iv) Employee benefits expense	25	1,295	1,259
v) Depreciation and amortisation expense	11(a) & 11(b)	72	77
vi) Other expenses	26	481	344
Total expenses (IV)		1,926	2,170
V. Profit before exceptional items and tax		1,487	827
VI. Exceptional items (net gain)		277	-
VII. Profit before tax (V) + (VI)		1,764	827
VIII. Tax expense			
i) Current tax	40	307	138
ii) Earlier year tax	40	10	0
iii) Deferred tax	40	27	27
Total Tax expense (VIII)		344	165
IX. Profit / (loss) after tax (VII) - (VIII)		1,420	662
X. Other comprehensive income / (loss)			
Item that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) of the defined benefit plans		(15)	4
Remeasurement gain on fair valuation of investments		925	-
Deferred tax on remeasurement of gain on fair valuation		(215)	-
Deferred tax on remeasurement of the defined benefit plans		4	(1)
Other comprehensive income for the year (X)		699	3
XI. Total comprehensive income for the year (IX) - (X)		2,119	665
Earnings per equity share of nominal value of ₹5 each	27		
Basic (in ₹)		5.03	2.50
Diluted (in ₹)		4.67	2.43

Summary of significant accounting policies and other explanatory information to the financial statements.

1-53

This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandok & Co LLP

For Prime Securities Limited

Chartered Accountants

Firm Registration Number : 001076N/N500013

N. Jayakumar
Managing Director & Group CEO
(DIN: 00046048)

Pradip Dubhashi
Chairman
(DIN: 01445030)

Murad D. Daruwalla
Partner
Membership No 043334

S. R. Sharma
Chief Financial Officer

Ajay Shah
Company Secretary
(ACS-14359)

Place : Mumbai
Date : May 24, 2022

Place : Mumbai
Date : May 24, 2022

Statement of Cash Flows for the year ended March 31, 2022

(₹ in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities:		
Profit before tax	1,487	827
Adjustments for :		
Depreciation and amortisation expense	72	77
Changes in fair valuation of investment (net) through profit or loss	(52)	(43)
Gain on sale of investments (net)	(10)	(23)
Interest Expense	26	6
Interest income on deposits	(214)	(135)
Dividend income	(10)	-
Share issue expenses	2	-
Share based payment to employees	74	191
Impairment of financial assets	7	178
Operating profit before working capital changes	1,382	1,078
Adjustments for changes in working capital:		
Non current liabilities		
(Decrease) / Increase in provisions	27	(106)
Increase / (Decrease) in trade payables	(209)	222
Increase/ (Decrease) in other financial liabilities	213	(66)
Increase/ (Decrease) in other non-financial liabilities	(1,275)	1,025
(Increase)/ Decrease in other financial assets	(325)	1,284
(Increase)/ Decrease in other receivables	-	-
Decrease/ (Increase) in trade receivables	64	182
Decrease/ (Increase) in other non-financial assets	(75)	52
(Increase)/ Decrease in Loans	62	-
Total changes in working capital	(1,518)	2,594
Cash generated from / (used in) operations	(136)	3,672
Taxes paid, net of refunds	(128)	(442)
Net cash generated from (used in) operating activities (A)	(264)	3,229
Cash flow from investing activities:		
Purchase of property, plant and equipments including capital work-in-progress	(172)	(4)
Proceeds from sale / disposal of property, plant and equipments	-	18
Purchase of Investments	(1,465)	(7,435)
Proceeds form sale / redemption of investments	18	6,678
Decrease/ (Increase) in fixed deposits maturity more than 3 months	(3,048)	(1,453)
Interest income	214	135
Dividend received	10	-
Net cash (used in) investing activities (B)	(4,444)	(2,063)

Statement of Cash Flows for the year ended March 31, 2022

(₹ in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from financing activities:		
Proceeds from issuance of Share capital	4,140	-
Borrowings availed during the year	477	-
Borrowings availed during the year from related party	396	-
Borrowings repaid during the year	(394)	(6)
Share issue expenses	(2)	-
Interest paid	(26)	(6)
Final dividend (including dividend distribution tax) paid	(1,193)	-
Net cash generated from / (used in) financing activities (C)	3,398	(12)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(1,310)	1,155
Cash and cash equivalents at the beginning of the year	2,088	933
Cash and cash equivalents at the end of the year	778	2,088
Total	(1,310)	1,155

Notes:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1) Cash and cash equivalents comprise of		
Cash on hand	1	1
Balances with banks		
In current account	74	1,981
Term deposits with banks with maturity period less than 3 months	703	106
Cash and cash equivalents at the end of the year	778	2,088

Note:

- 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

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration Number : 001076N/N500013

Murad D. Daruwalla

Partner

Membership No 043334

Place : Mumbai

Date : May 24, 2022

For Prime Securities Limited

N. Jayakumar

Managing Director & Group CEO
(DIN: 00046048)

S. R. Sharma

Chief Financial Officer

Place : Mumbai

Date : May 24, 2022

Pradip Dubhashi

Chairman
(DIN: 01445030)

Ajay Shah

Company Secretary
(ACS-14359)

Statement of Changes in Equity for the year ended March 31, 2022

(₹ in Lakhs, unless otherwise stated)

Equity share capital

Particulars	Amount
Balance as at April 1, 2020	1,326
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	1,326
Changes in equity share capital during the year	-
Balance as at March 31, 2021	1,326
Balance as at April 1, 2021	1,326
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	1,326
Changes in equity share capital during the year	233
Balance as at March 31, 2022	1,559

Other equity

Particulars	Reserves and Surplus			Share application money pending allotment	Items of other Comprehensive Income		Total
	Securities Premium Reserve	Share Options outstanding account	Retained earnings		Remeasurement of defined benefit liability / assets	Fair value gain / loss on Financial assets carried at FVTOCI	
Opening balance as at April 1, 2020	-	461	2,453	-	(69)	-	2,845
Transactions during the year							
Profit after tax for the year	-	-	662	-	-	-	662
Other comprehensive income for the year (net of tax)	-	-	-	-	3	-	3
Share based compensation	-	369	-	-	-	-	369
Closing balance as at March 31, 2021	-	830	3,115	-	(67)	-	3,878
Transactions during the year							
Profit after tax for the year	-	-	1,420	-	-	-	1,420
Other comprehensive income/ (loss) for the year (net of tax)	-	-	-	-	(11)	710	699
Dividend Paid	-	-	(1,193)	-	-	-	(1,193)
Securities premium	3,874	-	-	-	-	-	3,874
Share Application during the Year	-	-	-	0	-	-	0
Share based compensation	-	121	-	-	-	-	121
Closing balance as at March 31, 2022	3,874	951	3,342	0	(77)	710	8,799

The accompanying notes 1 to 53 form an integral part of these financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration Number : 001076N/N500013

For Prime Securities Limited

N. Jayakumar

Managing Director & Group CEO
(DIN: 00046048)

S. R. Sharma

Chief Financial Officer

Pradip Dubhashi

Chairman
(DIN: 01445030)

Ajay Shah

Company Secretary
(ACS-14359)

Murad D. Daruwalla

Partner

Membership No 043334

Place : Mumbai

Date : May 24, 2022

Place : Mumbai

Date : May 24, 2022

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

1 Corporate Information

Prime Securities Limited ("PSL" or "the Company") is a public limited company and incorporated under the provisions of Companies Act, 1956. The Company is domiciled in India and the addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

PSL is a Leading provider of diversified, Investment Banking and Corporate Advisory services, licensed and regulated by the Securities and Exchange Board of India (SEBI), authorized to advise and arrange financial services under a Category 1 Merchant Banking License. The Company is a member of Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

PSL specializes in providing value added advice and services to its clients on complex strategic and financial decisions and transactions focused around Fund Raising, Mergers & Acquisitions, Equity & Debt Private Placements, Initial Public Offerings, Corporate Advisory, and Capital Restructuring.

The Financial statements were approved for issuance by the Company's Board of Director on May 24, 2022.

2 Significant Accounting Policies

a) Basis of preparation

i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, other relevant provisions of the Act and the guidelines issued by Securities Exchange Board of India to the extent applicable.

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value;
- Defined benefit plans – plan assets measured at fair value
- Share based payment measured at fair value on grant date.

iii) Preparation of financial statements

The Company is covered in the definition of non-banking financial company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company presents the Balance Sheet, the Statement of Profit and Loss and the statement of Changes in Equity in the order of liquidity as per the format prescribed under Division III of Schedule III to the Companies Act, 2013. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is prescribed in Note 43.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

iv) Use of Estimates and Judgements

The preparation of financial statements in accordance with Ind AS requires use of estimates, judgements and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. The actual amounts realised may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods.

Estimates and judgements are required in particular for:

- **Determination of the estimated useful lives of Property Plant and Equipments:**

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. Useful lives of Property Plant and Equipments are based on the life prescribed in Schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

- **Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of deferred tax assets / liabilities:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of provisions and contingencies:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions. Contingencies the likelihood of which is remote are not disclosed in the financial statements.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

- **Impairment of financial assets:**

The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

- **Fair valuation of employee share option**

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behaviour which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.

- **Determining whether an arrangement contains a lease:**

The Company determines lease term as a non-cancellable period of a lease, together with both the period covered by an option to extend the lease if the Company is reasonably certain to exercise lessee options. The determination of the incremental borrowing rate used to measure lease liabilities.

- **Fair valuation of unlisted equity shares**

Ind AS 109 requires all investment in equity instrument to be measured at FVTPL, the company at the initial recognition carries a proper assessment to make irrevocable election for FVTPL or FVTOCI of equity instrument held other than for trading purpose. The fair valuation of unlisted equity shares is based on the management (respective investee company) estimates of future earnings using prescribed technique of valuation.

a). Investment in equity instrument is valued at purchase cost at the time of initial recognition.

b). For subsequent measurement the company adopts the following process

- At any time or at each quarter end if there is any indicator trigger as per para B5.2.4 of Ind AS,
- Availability of sufficient information such as subsequent allotment of shares,
- 30th September and 31st March every year for investments held for more than six months, whichever is earlier.

b) Revenue Recognition

The Company derives revenues primarily from advisory services.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Company is contractually expected to receive in exchange for those services.

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or,
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or,
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied."

c) Recognition of Operating Income:

- i) Dividend income is recognised when the right to receive is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- ii) Interest income is recognised on accrual basis.
- iii) Gain or losses on sale of investments are recognized on trade dates by comparing the sales realization with the weighted average cost of such investment.
- iv) Rental income is recognised on accrual basis as per the terms of the rent agreement.
- v) Income from net gain on fair value changes on bonds and equity is recognised based on the principles as stated in Ind AS 109.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

d) Property, plant and equipment:

Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent cost relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are derecognised from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. Useful life of Property Plant and Equipment are reviewed at each balance sheet date and adjusted prospectively, if appropriate. The Company provides pro-rata depreciation from the date on which the asset is first put to use, till date the assets are sold or disposed.

Assets	Useful life
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	3 years
Vehicles	8 to 10 years

e) Intangible Assets:

Measurement at recognition

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

The Company amortizes intangible assets on a straight-line basis over the five years commencing from the date on which the asset is first put to use.

Assets	Useful life
Computer Software	5 years

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(₹ in Lakhs, unless otherwise stated)

Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

f) Capital Work-in-Progress

The Project assets or assets which are not ready for their intended use are shown as Capital Work-in-Progress.

Capital work-in-progress are measured at cost less accumulated impairment losses, if any.

g) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Fair value of financial instruments:

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair value measurement under Ind AS are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows.

- **Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1
- **Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

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(₹ in Lakhs, unless otherwise stated)

- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Financial Assets:

(i) Initial recognition and measurement:

All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Classification and subsequent measurement:

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

1. Financial assets carried at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. All investments in equity instruments classified under financial assets are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The

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Company makes such election on an instrument-by- instrument basis. Fair value changes on an equity instrument is recognised as revenue from operations in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI.

Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Revenue from operations' in the Statement of Profit and Loss.

3. Investments in mutual funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL)."

(iii) Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables - The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

(iv) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities:

(i) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

h) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Employee Benefits:

i) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.

ii) Post Employment / Retirement Benefits:

Defined contribution plan:

Contribution to Defined Contribution Plans such as Provident Fund, Employees' State Insurance Corporation, etc., are charged to the Statement of Profit and Loss as incurred.

Defined Benefit Plans:

The present value of the obligation under such plans, is determined based on an actuarial valuation by an independent actuary at the end of each year, using the Projected Unit Credit Method. In the case of gratuity, which is funded, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

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Remeasurement of net defined benefit liability, which comprises actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any excluding interest), are recognized immediately in other comprehensive income.

iii) Other Long Term Employee Benefits:

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

j) Share based payments

Employee stock option scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions. Information about the valuation techniques and inputs used in determining the fair value of options disclosed in note 29.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

k) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

l) Foreign Exchange Transactions:

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in statement of profit or loss. Non-monetary items that are measured based

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(₹ in Lakhs, unless otherwise stated)

on historical cost in a foreign currency are translated using the exchange rate as at the date of transaction.

m) Leases:

· Leases – As lessee:

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

· Measurement and recognition of leases as a lessee:

The Company has adopted Ind AS 116 "Leases" using the cumulative catch-up approach. Company has recognised Right of Use assets as at 1 April 2019 for leases previously classified as operating leases and measured at an amount equal to lease liability (adjusted for related prepayments/ accruals). The Company has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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(₹ in Lakhs, unless otherwise stated)

A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The discounted rate is generally based on incremental borrowing rate specific to the lease being evaluated.

n) Taxation:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in Statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

i) Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) MAT :

As per Section 115JB, if the tax on the book profit is higher than the computed tax, then company need to provide for tax on the basis of MAT, which is available for setoff in the subsequent years.

iii) Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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(₹ in Lakhs, unless otherwise stated)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of on temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

o) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p) Impairment of non-financial assets:

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

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(₹ in Lakhs, unless otherwise stated)

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

q) Provisions, Contingent Assets and Contingent Liabilities:

Contingent assets / liabilities:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

r) Dividend payable

Dividend declared to equity shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Board of Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders. The dividend payable is recognised as a liability with a corresponding amount recognised directly in equity.

s) Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

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(₹ in Lakhs, unless otherwise stated)

t) Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the Company and assess the performance of the operating segments of the Company.

u) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements.

v) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

w) Recent accounting developments

The following standards / amendments to standards have been issued and will be effective from April 1, 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- a) Indian Accounting Standard (Ind AS) 103 - Business Combinations: Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date. Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.
- b) Indian Accounting Standard (Ind AS) 109 - Financial Instruments: Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities.
- c) Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment: Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
- d) Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets: Modifications in application of recognition and measurement principles relating to onerous contracts.
- x) These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

3 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash on hand	1	1
Balances with banks		
In current accounts	74	1,981
Term deposits with banks with maturity period less than 3 months*	703	106
Total	778	2,088

* The term deposit is lien against the bank overdraft for the Current Year only.

4 Bank balances other than (3) above

	As at March 31, 2022	As at March 31, 2021
Others		
Term deposits with banks with maturity period more than 3 months	4,502	1,453
Total	4,502	1,453

5 Receivables

	As at March 31, 2022	As at March 31, 2021
Trade Receivable		
(i) Receivables considered good-secured	-	-
(ii) Receivables considered good-unsecured	-	78
(iii) Receivables which have significant increase in credit risk-unsecured	14	-
(iv) Receivables-credit impaired-unsecured	181	181
	195	259
Less: Allowances for impairment loss	(188)	(181)
	7	78
Other Receivable*	393	393
Total	400	471

* The other receivable is against advance for immovable property which is under dispute.

The trade receivables are non-interest bearing and recoverable within period of 3 to 12 months

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

5 Receivables (contd.)

Trade Receivable Aging Schedule

Particulars	As at March 31, 2022						
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	Unbilled Revenue (Refer note 8)
(i) Undisputed Trade receivables / unbilled revenue - considered good	-	-	-	-	-	-	294
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	14	-	-	-	14	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	181	-	181	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	14	-	181	-	195	294

Note: Ageing of the trade receivables is determined from the date of transaction till the reporting date.

Particulars	As at March 31, 2021						
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	Unbilled Revenue (Refer note 8)
(i) Undisputed Trade receivables / unbilled revenue - considered good	78	-	-	-	-	78	-
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	181	-	-	181	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

5 Receivables (contd.)

Particulars	As at March 31, 2021						
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	Unbilled Revenue (Refer note 8)
(v) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	78	-	181	-	-	259	-

Note: Ageing of the trade receivables is determined from the date of transaction till the reporting date.

Refer note 36 E (1) for credit risk analysis & aging.

No debts are due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, limited liability partnerships or private companies in which any director is a partner or a director or a member.

6 Loans

	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Related Parties*		
- Subsidiaries	-	62
	-	62
Percentage		
Related Parties		
- Subsidiaries	-	100%
Total	-	62

*Company has given unsecured loan to its subsidiary at prevailing market interest rate which is repayable on demand.

Loans In India

	As at March 31, 2022	As at March 31, 2021
Others	-	62
Total	-	62

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

6 Loans (contd.)

Stage wise break up of loans

	As at March 31, 2022	As at March 31, 2021
i) Low credit risk (Stage 1)	-	62
ii) Significant increase in credit risk (Stage 2)	-	-
iii) Credit impaired (Stage 3)	-	-
Total	-	62

7 Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Share / Unit	Fair Value / Net Asset Value	Share / Unit	Fair Value / Net Asset Value
At Amortised Cost				
Investment in Subsidiary				
Wholly-owned Subsidiary Companies				
Prime Research & Advisory Limited	13,50,000	1,307	13,50,000	1,228
Prime Funds Management Limited	50,000	5	50,000	5
Total investment in wholly owned subsidiary (A)		1,312		1,233
At fair value through profit or loss				
Investments in equity instruments:				
Quoted				
Ironwood Education Limited	68,804	23	1,17,500	24
Grindwell Norton Limited	200	4	-	-
Solid Stone Company Limited	1,72,731	41	1,72,731	84
Reliance Industries Limited	16,060	423	-	-
Jamna Auto Industries Limited	1,000	1	-	-
Total investments in equity instruments FVTPL (B)		492		108
Investments in Bonds				
09.22% Tata Capital Housing Finance Limited	25	260	25	275
8.25% BOB Perpetual Bonds	25	255	25	248
9.56% SBI Perpetual Bonds	25	262	25	261
Total investments in bonds (C)		777		784
Investments in Mutual Funds				
ICICI Prudential Overnight Fund	-	-	6,771	8
Total investments in mutual funds (D)		-		8

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

7 Investments (contd.)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Share / Unit	Fair Value / Net Asset Value	Share / Unit	Fair Value / Net Asset Value
At fair value through Other Comprehensive Income*				
Unquoted				
Investments in Convertible Instrument				
Jalpak Foods India Private Limited	7,11,111	160	-	-
Investments in equity instruments:				
Super Six Sports Gaming Private Limited	357	954	-	-
Feast Software Private Limited	8,04,218	221	-	-
88 Academics (India) Private Limited	8,000	80	-	-
Hindustan Wellness Private Limited	45,000	50	-	-
IBS Fintech India Private Limited	8,407	118	-	-
Entity Gaming Private Limited	666	50	-	-
Last Mile Channel Enhancement Private Limited	41,668	280	-	-
Lithion Power Private Limited	65,087	317	-	-
Steel Infra Solutions Private Limited	1,52,542	45	-	-
Total investments in equity instruments FVTOCI (E)		2,275		-
Total investment (A) + (B) + (C) + (D) + (E)		4,856		2,133
Investments in India		4,856		2,133
Investments outside India		-		-
Total		4,856		2,133

* Investment which fulfills condition specified under note 2(g)(ii)(2) and held for long term nature are being recorded at Fair Value Through Other Comprehensive Income (FVTOCI).

8 Other financial assets

	As at March 31, 2022	As at March 31, 2021
Interest accrued on bonds	29	29
Security deposits	43	43
Unbilled revenue	294	-
Employee advances	40	9
Total	406	81

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

9 Current tax asset (net)

	As at March 31, 2022	As at March 31, 2021
Advance income tax	598	787
(Net of provision for tax ₹1992 lakhs) (March 31, 2021 ₹1,685 lakhs)		
Total	598	787

10 Deferred tax assets / (liability) (net)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets / (liabilities) (Refer note 41 and 42)		
Liability towards lease rentals	11	8
Provision for compensated absences	17	13
Net Mark-to-Market Loss/(Gain) on investments (net)	(260)	(5)
Provision for Doubtful Debt (ECL)	2	-
Provision for gratuity	21	13
Share issue expenses	0	-
Depreciation / amortisation	22	23
Total	(187)	52

11 (a) Property, plant and equipment

Particulars	Right to Use (Refer note 32)	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles* (Refer note 30)	Total
Gross carrying value						
Gross carrying value as of April 1, 2020	263	15	12	26	169	485
Adjustments due to modification in lease arrangements	(18)	-	-	-	-	(18)
Additions	-	4	1	-	-	5
Disposals	-	-	-	-	-	-
Gross carrying value as of March 31, 2021	245	19	13	26	169	472
Adjustments due to modification in lease arrangements	(5)	-	-	-	-	(5)
Additions**	103	1	2	5	-	112
Disposals	-	(4)	(2)	-	-	(7)
Gross carrying value as of March 31, 2022	344	16	13	31	169	573

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

11 (a) Property, plant and equipment (contd.)

Particulars	Right to Use (Refer note 32)	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles* (Refer note 30)	Total
Accumulated depreciation						
Accumulated depreciation as of April 1, 2020	37	8	6	18	133	204
Depreciation for the year	63	4	2	2	6	77
Accumulated depreciation on disposals	-	-	-	-	-	-
Accumulated depreciation March 31, 2021	100	12	8	20	139	281
Depreciation for the year	59	4	2	2	6	72
Accumulated depreciation on disposals	-	(4)	(2)	-	-	(7)
Accumulated depreciation March 31, 2022	159	12	7	23	145	346
Net carrying value						
Net carrying value as on April 1, 2020	226	7	5	8	36	282
Net carrying value as on March 31, 2021	145	7	5	6	30	192
Net carrying value as on March 31, 2022	185	4	6	8	24	227

* Vehicles taken on Term Loan

** The addition or modification on account of reassessment of continued lease term is considered as addition / adjustments to the lease.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

11 (b) Capital work-in-progress

Movement in CWIP

Particulars	Project in progress
Carrying value	
Carrying value as of April 1, 2020	-
Additions	-
Disposals	-
Carrying value as of March 31, 2021	-
Additions	65
Disposals	-
Carrying value as of March 31, 2022	65

As at March 31, 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress (Lease hold improvement)	65	-	-	-	65
Projects temporarily suspended	-	-	-	-	-

CWIP completion schedule

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress (Lease hold improvement)	65	-	-	-	65
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2021

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress (Lease hold improvement)	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

CWIP completion schedule

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress (Lease hold improvement)	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

11 (c) Intangible assets

Particulars	Computer software#
Gross carrying value	
Gross carrying value as of April 1, 2020	3
Additions	-
Disposals	-
Gross carrying value as of March 31, 2021	3
Additions	-
Disposals	(1)
Gross carrying value as of March 31, 2022	2
Accumulated amortisation	
Accumulated amortisation as of April 1, 2020	2
Amortisation for the year	0
Accumulated amortisation on disposals	-
Accumulated amortisation as of March 31, 2021	2
Amortisation for the year	0
Accumulated amortisation on disposals	(1)
Accumulated amortisation as of March 31, 2022	1
Net carrying value	
Net carrying value as on April 1, 2020	1
Net carrying value as on March 31, 2021	1
Net carrying value as on March 31, 2022	0

Other than internally generated.

12 Other non-financial assets

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good:		
Balances with government authorities	84	16
Prepaid expenses	45	39
Total	129	54

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

13 Trade payables

Total outstanding dues of creditors other than micro enterprises and small enterprises

	As at March 31, 2022	As at March 31, 2021
a) Others		
(i) Accrued expenses	-	-
(ii) Payable to related parties	-	-
(iii) Payable to dealers / vendors / customers	18	227
(iv) Others	-	-
Total	18	227

Note:- The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principle and interest outstanding during the year is given below.

Total outstanding dues of micro enterprises and small enterprises

Under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006), certain disclosures are required to be made relating to dues to Micro and Small enterprises. The Company has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

	As at March 31, 2022	As at March 31, 2021
(a) The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
(b) The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the suppliers beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

13 Trade payables (contd.)

	As at March 31, 2022	As at March 31, 2021
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-
Total	-	-

	As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	18	-	-	-	18
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	18	-	-	-	18

Note:- Ageing of the trade payables is determined from the date of transaction till the reporting date.

	As at March 31, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	227	-	-	-	227
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	227	-	-	-	227

Note:- Ageing of the trade payables is determined from the date of transaction till the reporting date.

* No amounts due and outstanding to be credited to investor education and protection fund.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

14 Borrowings (Other than debt securities)

	As at March 31, 2022	As at March 31, 2021
At amortised cost		
a) Term loans		
Secured - In India		
From Bank *	10	17
b) Loan repayable on demand		
Secured		
Bank Overdraft #	484	-
c) Loan from related parties		
Unsecured		
On demand **	2	-
Total	496	17
Borrowings in India	496	17
Borrowings outside India	-	-
Total	496	17

* Term Loan from bank is secured against hypothecation of vehicle.

Short term loan is bank overdraft against the fixed deposit for Working Capital, there is no requirement for any other compliance to the bank.

** ₹ 2 lakhs payable to Wholly owned subsidiary. In respect of interest payable on loan taken during the year. No terms of repayment specified and hence considered payable on demand.

15 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Lease Liability (Refer note 32)		
- Long term (Obligation payable more than 12 months)	159	121
- Short term (Obligation payable within 12 months)	64	54
Other payables	128	21
Accrued employees benefit expenses	382	324
Total	733	520

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

16 Provisions

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for gratuity (Refer note 38)	71	48
Provision for compensated absences (Refer note 38)	61	46
Total	132	94

17 Other non-financial liabilities

	As at March 31, 2022	As at March 31, 2021
Statutory dues (including provident fund, tax deducted at source and goods and services tax)	37	362
Advance received from customers	-	950
Total	37	1,312

18 Equity share capital

	As at March 31, 2022	As at March 31, 2021
Authorised :		
4,30,00,000 (March 31, 2021 4,30,00,000) Equity Shares of ₹5/- each	2,150	2,150
18,00,000 (March 31, 2021 18,00,000) Unclassified Shares of ₹100/- each	1,800	1,800
	3,950	3,950
Issued :		
3,19,25,025 (March 31, 2021 2,72,64,525) Equity Shares of ₹5/- each	1,596	1,363
	1,596	1,363
Subscribed and paid up:		
3,11,75,825 (March 31, 2021 2,65,15,325) Equity Shares of ₹5/- each	1,559	1,326
Total	1,559	1,326

(a) Reconciliation of number of shares

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares:				
Balance as at the beginning of the year	2,65,15,325	1,326	2,65,15,325	1,326
Changes in Equity due to prior year error	-	-	-	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

18 Equity share capital (contd.)

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Restated balance at the beginning of the current year	2,65,15,325	1,326	2,65,15,325	1,326
Changes in Equity during the current year*	46,60,500	233	-	-
Balance at the end of the current year	3,11,75,825	1,559	2,65,15,325	1,326

(b) Rights and restrictions attached to the shares

Equity shares:

The Company has only one class of equity shares having a par value of ₹5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	%	Number of Shares	%
Equity shares:				
GKK Capital markets Private Limited	35,50,000	11.39	32,00,000	12.07
Statin Enterprise LLP	31,48,059	10.10	31,48,059	11.87
Meridian Investments	19,00,000	6.09	-	-
Judith Investments Private Limited	17,83,497	5.72	17,83,497	6.73
Mahendra Jayantilal Shah	14,37,597	4.61	13,94,181	5.26

(d) Details of shares held by the Promoter in the Company

There are no Promoters in the Company hence these details are not applicable to the Company as notified by MCA amendments to Schedule III to the Companies Act, 2013 on March 24, 2021.

(e) There are 3524500 shares reserved for issue under employee stock option scheme.

(f) Aggregate number and class of shares allotted as fully paid-up pursuant to contract without payment being received in cash and bonus shares issued and shares bought back during the period of five years immediately preceding the current year

The company has neither allotted any class of shares as fully paid-up pursuant to contract without payment being received in cash nor issued bonus shares and there has not been any buy back of shares during the five years immediately preceding March 31, 2022.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

19 Interest Income

	Year ended March 31, 2022	Year ended March 31, 2021
On Financial Assets measured at Amortised Cost		
- Interest income from investments	68	106
- Interest income on deposits with bank	146	29
Total	214	135

20 Fee and commission income

	Year ended March 31, 2022	Year ended March 31, 2021
Merchant Banking and Advisory Fees	3,115	2,794
Total	3,115	2,794

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products/ service lines and timing of revenue recognition:

	Year ended March 31, 2022	Year ended March 31, 2021
Primary geographical market		
India	3,115	2,794
Outside India	-	-
Total	3,115	2,794
Major products/ service lines		
Merchant Banking and Advisory Fees	3,115	2,794
Total	3,115	2,794
Timing of revenue recognition		
At a point in time	3,115	2,794
Over a period of time	-	-
Total	3,115	2,794

21 Net gain on fair value changes

	Year ended March 31, 2022	Year ended March 31, 2021
Net gain / (loss) on financial instruments at fair value through profit or loss		
- On equity securities	60	31
- On other financial securities		
Bonds	(8)	12
Mutual Funds	(0)	0
- On derivative contracts	-	-
Total Net gain / (loss) on fair value changes	52	43

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

21 Net gain on fair value changes (contd.)

	Year ended March 31, 2022	Year ended March 31, 2021
Fair value changes		
- Realised	-	-
- Unrealised	52	43
Total Net gain / (loss) on fair value changes	52	43

22 Gain on sale/ redemption of investments (net)

	Year ended March 31, 2022	Year ended March 31, 2021
Gain on redemption of Mutual Funds	9	15
Gain on redemption of Bonds	-	8
Gain on redemption of Shares	1	-
Total	10	23

23 Finance costs

	Year ended March 31, 2022	Year ended March 31, 2021
At amortised cost		
- Interest on borrowings	12	6
- Interest on lease liabilities (Refer note 32)	32	20
Total	44	26

24 Impairment on financial instruments

	Year ended March 31, 2022	Year ended March 31, 2021
Trade receivables - at amortised cost	7	178
Total	7	178

25 Employee benefits expense

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, bonus and allowances	1,134	989
Contribution to provident and other funds (Refer note 38)	18	14
Contribution towards Gratuity Fund	9	-
Gratuity (Refer note 38)	8	9
Compensated absences	42	52
Employee share based payments (Refer note 29)	74	191
Staff welfare expenses	10	5
Total	1,295	1,259

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

26 Other expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Repairs and maintenance - others	2	23
Rates and taxes	1	3
Insurance	26	11
Electricity	2	1
Travelling, conveyance and car hire	8	3
Membership and Subscription	62	35
Legal and professional fees	167	79
Payment to Auditor's (Refer note 39)	29	32
Directors' sitting fees	58	50
Commission to Non-Executive Directors	11	12
Spend towards Corporate Social Responsibility (CSR) activities (Refer note 34)	45	59
Miscellaneous expenditure	70	36
Total	481	344

27 Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit after tax for the year attributable to equity shareholders of company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The relevant details as described above are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Basic earnings / (losses) per share		
Profit / (Loss) attributable to equity shareholders (₹ in lakhs) (A)	1,420	662
Nominal value per share (₹)	5	5
Weighted average number of equity shares outstanding during the year (B)	2,82,09,551	2,65,15,325
Earnings / (losses) per share (Basic) (₹) [(A) / (B)]	5.03	2.50
Diluted earnings / (losses) per share		
Profit / (Loss) attributable to equity shareholders (₹ In lakhs)	1,420	662

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

27 Earnings per share (contd.)

	Year ended March 31, 2022	Year ended March 31, 2021
Less: Impact on profit due to exercise of diluted potential equity shares	-	-
Profit / (Loss) attributable to equity shareholders for calculation of diluted earnings per share (₹ In lakhs) (A)	1,420	662
Weighted average number of equity shares used in computing basic earnings per share	2,82,09,551	2,65,15,325
Effect of potential equity shares for stock options outstanding	21,88,570	7,58,649
Weighted number of equity shares used in computing diluted earnings per share [B]	3,03,98,121	2,72,73,974
Earnings / (losses) per share (Diluted) (₹) [(A) / (B)]	4.67	2.43

28 Contingent Liabilities and commitment to the extent not provided for in respect of:

A. Contingent Liabilities

Particulars	March 31, 2022	March 31, 2021
Claims against the company not acknowledged as debt	-	-
Guarantees excluding financial guarantees	-	-
Other money for which the company is contingently liable*	175	175

* Pertains to demands raised by Tax Authorities for A.Y. 2017-18 in respect of addition to income on account of write back of loan balance. The Company has filed appeal against the Demand order and based on the advise from their tax advisors, the Company is reasonably certain about sustaining its position in the appeal.

B. Commitment

Particulars	March 31, 2022	March 31, 2021
Uncalled liability on shares and other investments partly paid		
- Partly paid up shares of Steel Infra Solutions Pvt. Ltd.	135	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

29 Employees Stock Option Schemes (ESOS)

The Company's stock based compensation plan for director / employees comprises ESOS 2018, which have been instituted for all eligible directors / employees of the Company and its subsidiaries. ESOS 2018 permits allocation of an aggregate of 4,500,000 equity shares of the face value of ₹5/- per share to the eligible directors / employees of the Company and its subsidiaries, on the recommendation of the Nomination and Remuneration Committee, at an Exercise Price, which shall be at 10% discount to the three months average market price on the Grant Date.

The number of options granted, exercised and lapsed under the above schemes is set out below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Weighted Average Exercise Price	No of Shares	Weighted Average Exercise Price
ESOS 2018				
Options outstanding, beginning of the Year	36,35,000	33.37	25,90,000	35.79
Add: Granted during the Year	-	-	10,50,000	27.40
Less: Exercised during the Year	1,10,500	33.21	-	-
Less: Lapsed during the Year	-	-	5,000	34.70
Options outstanding, end of the Year	35,24,500	33.38	36,35,000	33.37

The Company has its accounting policy for ESOPs valuation at fair value method for appropriate presentation of financial statements

Particulars	ESOS 2018
Date of Grant	Various Dates
Date of board approval	May 29, 2018
Date of shareholders' approval	September 24, 2018
Number of options granted	46,17,000
Method of settlement	Equity Shares
Vesting period	18 Months & 30 Months
Vesting pattern	50 % : 50%
Weighted average remaining contractual life	
Granted but not vested	0.65 Years
Vested but not exercised	4.07 Years
Weighted average share price at the date of exercise for stock options exercised during the year	₹103.94
Exercise period	5 years from vesting date
Vesting conditions	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time.
Weighted average fair value of options as on grant date	27.80

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

29 Employees Stock Option Schemes (ESOS) (contd.)

The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options during the year are as follows:

Sr. No.	Particulars	ESOS 2018
(A)	Risk-free rate	5.95% - 6.10%
(B)	Expected life of options	6.5 years - 7.5 years
(C)	Expected volatility	67.61% - 66.90%
(D)	Weighted average share price	₹28.05 Per Share
(E)	Weighted average exercise price	Grant Date 13-Nov-2018 - ₹34.70 Per Share
		Grant Date 18-May-2019 - ₹36.50 Per Share
		Grant Date 20-May-2020 - ₹27.40 Per Share
(F)	Method used to determine expected volatility	Based on the returns generated on equity shares of Company for the period from F.Y. 2013 to F.Y. 2020

Expense on Employee Stock Options Scheme debited to the Statement of Profit and Loss during the year is ₹74 lakhs (Previous year ₹191 lakhs). The Carrying amount of ESOP reserve as on March 31, 2022 is ₹951 lakhs (March 31, 2021 ₹831 lakhs).

The company provides the sensitivity analysis to show the impact to the Company's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the company's estimation by the stated percentages.

Impact on the income statement of a change in leaver assumptions	Year ended March 31, 2022	Year ended March 31, 2021
(+) 5%	-	-
(-) 5%	4	10

30 Borrowings:

Secured loans:

a) Term Loan from Bank:

Term loan of ₹10 lakhs (March 31, 2021 ₹17 lakhs) from the Bank is secured against Vehicle of the Company.

b) Term of Repayment

Term Loan from Bank is repayable in equal monthly instalment, the last instalment is due on June 5, 2023 as per repayment schedule having interest rate of 8.60% p.a.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

31 Related Party Disclosures:

Names of related parties and their relationships:

Subsidiary Companies:

Prime Research & Advisory Limited

Prime Funds Management Limited

Enterprises in which Key Management Personnels and the relatives exercise significant influence:

Gateway Entertainment Limited

Judith Investments Private Limited

Statin Enterprise LLP

Key Management Personnels:

Mr. N. Jayakumar

Mr. Ajay Shah

Mr. S R Sharma

Independent Directors:

Mr. Pradip Dubhashi

Ms. Alpana Parida (Upto 31-03-2022)

Ms. Namrata Kaul

Ms. Smita Cawas Affinwalla

Non-Executive & Non-Independent Director:

Mr. Akshay Gupta

The following transactions were carried out with the related parties in the ordinary course of business and are on arm's length basis:

(₹ in lakhs)

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
1	Loans given to Prime Research & Advisory Limited	Subsidiary		
	Sums received		394	935
	Sums given		332	935
2	Interest paid to Prime Research & Advisory Limited	Subsidiary	2	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

31 Related Party Disclosures: (contd.)

(₹ in lakhs)

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
3	Remuneration paid to Key Managerial Personnel			
	- Mr. N Jayakumar	Key Management Personnel	454	658
	- Mr. S. R. Sharma	Key Management Personnel	93	85
	- Mr. Ajay Shah	Key Management Personnel	64	47
4	Payment to Independent Directors			
	- Sitting Fees	Independent Directors	58	50
	- Commission	Independent Directors	11	12
5	ESOP Charge to Prime Research & Advisory Limited	Subsidiary	79	178

Outstanding Balance

(₹ in lakhs)

Sr. No.	Nature of Transaction [receivable/ (payable)]	Relationship	Balance as on	
			March 31, 2022	March 31, 2021
1	Loan given / received to Prime Research & Advisory Limited*	Subsidiary	2 (Credit)	62 (Debit)
2	Ex-gratia to Key Managerial Personnel	Key Management Personnel	220 (Credit)	199 (Credit)

* The outstanding balance for current year is pertains to interest payable only.

Note:

As the liabilities for gratuity and leave compensation are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel is not included above.

32 Leases

As a lease the Company classified property lease as operating lease under Ind AS 116. These include office premises taken on lease. The lease generally are with a periodicity of one to thirteen years. Lease include conditions such as non-cancellable period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation of price.

The Company has taken various office premises on operating lease for the period which ranges from 12 months to 60 months with an option to renew the lease by mutual consent on mutually agreeable terms.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2021 is 10.00 %.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

32 Leases (contd.)

Information about leases for which the company is a lessee are presented below:

(A) Right-of-use assets

Right-of-use assets relate to building that are presented separately within property and equipment

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	145	226
Addition during the period	103	-
Adjustments due to modification in lease arrangements	(5)	-
Deletion during the period	-	(18)
Depreciation charge for the period	(59)	(63)
Closing balance	185	145

(B) Movement of Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	175	232
Addition during the period	98	-
Deletion during the period	-	(18)
Finance Cost	32	20
Payment of lease liabilities	(82)	(60)
Closing balance	224	175

(C) Future minimum lease payments under non-cancellable operating lease were payable as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one month	7	6
Between one and three months	14	11
Between three months and one year	63	52
Between one and five years	178	137
More than five years	-	-
Total	262	206

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

32 Leases (contd.)

(D) Amounts recognised in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	32	20
Depreciation of ROU lease asset	59	63
Gain / (loss) on termination of leases	-	-
Rent concession related to COVID-19	-	-

(E) Amounts recognised in Statement of Cash Flow

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Cash outflow for leases	82	60

Company has considered entire lease term for the purpose of determination of Right of Use assets and lease

33 Segmental Reporting:

The company's business segment is providing merchant banking and advisory services and it has no other primarily reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liabilities and total cost incurred to acquire segment assets, is as reflected in the financial statements as of and for the year ended March 31, 2022. There is no distinguishable component of the company engaged in providing services in a different economic environment. The company has no offices outside India and there are no reportable geographical segments.

All assets of the Company are domiciled in India.

Revenue of 1,775 lakhs (March 31, 2021 : 2,400 lakhs) is derived from three external customers (one external customers in PY) and revenue from each such customer constitutes more than 10% of the Company's revenue.

34 Corporate Social Responsibility

As required by Section 135 of Companies Act, 2013 and rules therein, a Corporate social responsibility committee has been formed by the Company. The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013

- (a) Gross amount required to be spent by the Company during the year 2021-22 ₹18 lakhs (Previous year ₹22 lakh).

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

34 Corporate Social Responsibility (contd.)

(b) Amount spent during the year on:

Particulars	2021-22	2020-21
(i) Amount required to be spent by the company during the year	18	22
(ii) Amount of expenditure incurred		
- Construction / acquisition of any asset	-	-
- On purposes other than above	45	59
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	30
(v) Reason for shortfall	NA	Note - 2
(vi) Nature of CSR activities	Note - 1	Note - 1
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-

Note - 1 Contribution to Various Trusts for Medical, Training and skill development of women, children and special abled persons.

Note - 2 The shortfall is on account of merged entity for March 31, 2020, pending evaluation of the project under CSR.

35 Revenue from contracts with customers

The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in the contract
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, we satisfy a performance obligation.

I. Nature of Services

Merchant Banking and Advisory Services

The Company derives main revenue from corporate advisory services. The company specialize in providing value added advice and services to our clients on complex strategic and financial decisions and transactions focused around Fund Raising, Mergers & Acquisitions, Equity & Debt Private Placements, Initial Public Offerings, Corporate Advisory, and Capital Restructuring.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

35 Revenue from contracts with customers (contd.)

II. Contract Balances

Trade Receivables. The outstanding balance as on March 31, 2022 : ₹7 lakhs, March 31, 2021: ₹78 lakhs. (Refer note 5)

Loans & Advances. The outstanding balance as on March 31, 2022 : ₹ Nil, March 31, 2021: ₹62 lakhs. (Refer note 6)

III. Performance obligations and timing of revenue recognition

Income from corporate advisory services is recognised upon rendering of services.

36 Financial instruments – Fair values and risk management

A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2022	Fair Value Through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised	Total Carrying Value
Financial assets				
Cash and cash equivalents	-	-	778	778
Bank balance other	-	-	4,502	4,502
Trade receivables	-	-	7	7
Other receivables	-	-	393	393
Investments	1,269	2,275	1,312	4,856
Other financial assets	-	-	406	406
Total	1,269	2,275	7,398	10,942
Financial liabilities				
Trade payables	-	-	18	18
Borrowings	-	-	496	496
Other financial liabilities	-	-	733	733
Total	-	-	1,247	1,247

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

March 31, 2021	Fair Value Through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised	Total Carrying Value
Financial assets				
Cash and cash equivalents	-	-	2,088	2,088
Bank balance other	-	-	1,453	1,453
Trade receivables	-	-	78	78
Other receivables	-	-	393	393
Loans	-	-	62	62
Investments	900	-	1,233	2,133
Other financial assets	-	-	81	81
Total	900	-	5,388	6,288
Financial liabilities				
Trade payables	-	-	227	227
Borrowings	-	-	17	17
Other financial liabilities	-	-	520	520
Total	-	-	764	764

March 31, 2022	Fair value through Profit and Loss / Other Comprehensive Income				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	778	778
Bank balance other	-	-	-	-	4,502	4,502
Trade receivables	-	-	-	-	7	7
Other receivables	-	-	-	-	393	393
Investments	1,009	260	2,275	3,544	1,312	1,312
Other financial assets	-	-	-	-	406	406
Total	1,009	260	2,275	3,544	7,398	7,398

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

March 31, 2022	Fair value through Profit and Loss / Other Comprehensive Income				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
Financial liabilities						
Trade payables	-	-	-	-	18	18
Borrowings	-	-	-	-	496	496
Other financial liabilities	-	-	-	-	733	733
Total	-	-	-	-	1,247	1,247

March 31, 2021	Fair value through Profit and Loss / Other Comprehensive Income				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	2,088	2,088
Bank balance other	-	-	-	-	1,453	1,453
Trade receivables	-	-	-	-	78	78
Other receivables	-	-	-	-	393	393
Loans	-	-	-	-	62	62
Investments	625	275	-	900	1,233	1,233
Other financial assets	-	-	-	-	81	81
Total	625	275	-	900	5,388	5,388
Financial liabilities						
Trade payables	-	-	-	-	227	227
Borrowings	-	-	-	-	17	17
Other financial liabilities	-	-	-	-	520	520
Total	-	-	-	-	764	764

B) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

The hierarchy is used as follows:

• **Level 1:**

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1

• **Level 2:**

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

• **Level 3:**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

C) Valuation techniques used to determine fair value:

Significant valuation techniques used to value financial instruments include:

The carrying amounts of cash and cash equivalent, trade receivables, other financial assets, loans, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

The following tables show the valuation techniques used in measuring fair values.

Type	Valuation technique
Listed Equity Investments & Bonds (Level 1)	The valuation has been done using the quoted price in active market.
Investments in Bonds (Level 2)	The valuation has been done based on discounted cash flow method using observable market data.
Unquoted equity instrument. (Level 3)	The valuation has been done as per Valuation report.

D) Fair value of financial instrument measured at amortised cost

Fair value of financial asset and liabilities are equal to their carrying amount.

Note: During the periods mentioned above, there have been no transfers amongst the hierarchy levels.

E) Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board of Directors have adopted an Enterprise Risk Management Policy framed by the Company, which identifies the risk and lays down the risk minimization procedures. The Management reviews the Risk management policies

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

and systems on a regular basis to reflect changes in market conditions and the Company's activities, and the same is reported to the Board of Directors periodically. Further, the Company, in order to deal with the future risks, has in place various methods / processes which have been imbibed in its organizational structure and proper internal controls are in place to keep a check on lapses, and the same are been modified in accordance with the regular requirements.

The Audit Committee oversees how Management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal auditors.

The Company has exposure to the following risk arising from financial instruments:

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

For trade receivables, the company individually monitors outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company monitors each loans and advances given and makes any specific provision wherever required.

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

The Company uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables, as per which 25% provision is made for 90 days past due, 50% for 180 days past due and 100% provision for 1 year past due receivables

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

The movement in expected credit loss:

Particulars	Carrying amount (₹ in lakhs)	
	March 31, 2022	March 31, 2021
Opening balance	181	14
Acquired through business combination	-	-
Impairment loss recognised	7	167
Closing balance	188	181

Ageing of Impairment loss

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Less than 1 year	7	-
1-2 years	-	167
2-3 years	-	-
More than 3 years	-	-

Management believes that the unimpaired amounts which are past due are collectible in full.

Cash and cash equivalents and other Bank balances

The Company held cash and cash equivalents and other bank balances of ₹5,279 lakhs as on March 31, 2022 (March 31, 2021, ₹3,541 lakhs). The cash and cash equivalents are held with banks with good credit ratings.

Loans:

The Company held Loans of ₹ Nil as on March 31, 2022 (March 31, 2021, ₹62 lakhs). The loans are in the nature of loans to subsidiary and are fully recoverable.

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

March 31, 2022	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	18	18	18	-	-	-	-
Borrowings	496	496	490	4	2	-	-
Other financial liabilities	733	733	541	33	76	83	-

(₹ in lakhs)

March 31, 2021	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	227	227	227	-	-	-	-
Borrowings	17	17	3	4	8	2	-
Other financial liabilities	520	520	371	28	56	65	-

The gross outflows disclosed in the above tables represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity.

iii) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

Currency risk

The Company has insignificant amount of foreign currency denominated assets. Accordingly, the exposure to currency risk is insignificant.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

Interest rate risk

The Company's investments are primarily in fixed rate interest instruments. Accordingly, the exposure to interest rate risk is also insignificant.

Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer or the market. The Company exposed to price risk from its investment in Mutual Funds, Equity Shares, Bonds classified in the balance sheet at fair value through profit and loss or fair value through other comprehensive income.

Particulars	March 31, 2022		March 31, 2021	
	Profit & Loss	Other Comprehensive Income	Profit & Loss	Other Comprehensive Income
Exposure to price risk	1,269	2,275	900	-

Sensitivity analysis

The table below sets out the effect on profit or loss and Other Comprehensive Income due to reasonable possible weakening / strengthening in prices of 5% :

Particulars	March 31, 2022		March 31, 2021	
	Change in Statement of Profit & Loss	Change in Other Comprehensive Income	Change in Statement of Profit & Loss	Change in Other Comprehensive Income
5% increase in the prices	63	114	45	-
5% decrease in the prices	(63)	(114)	(45)	-

Decrease in prices by 5% will have equal and opposite impact in financial statements. Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the investment portfolio as on the reporting date.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

37 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using debt to equity ratio.

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Borrowings	496	17
Gross Debt	496	17
Less: Cash & Bank Balance	(5,279)	(3,541)
Net debt (A)	-	-
Total equity (B)	10,358	5,204
Net debt to equity ratio (A) / (B)	0.00%	0.00%

38 Employee Benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

The Company recognised ₹18 lakhs for year ended March 31, 2022 (₹14 lakhs for year ended March 31, 2021) provident fund contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan:

Gratuity

The Company participates in the Employees Gratuity scheme, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(₹ in lakhs)

A) Particulars	Gratuity	
	March 31, 2022	March 31, 2021
Defined benefit obligation	149	112
Fair value of Plan Assets at the end of the year	78	64
Net Obligation at the end of the year	71	48

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

38 Employee Benefits (contd.)

B) Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(₹ in Lakhs)

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening balance	112	100	64	54	48	46
Included in profit or loss	-	-	-	-	-	-
Current service cost	14	6	-	-	14	6
Past service cost	-	-	-	-	-	-
Interest cost / (income)	8	7	5	4	3	3
	134	112	69	57	65	55
Included in OCI						
Remeasurement loss (gain):	-	-	-	-	-	-
Actuarial loss / (gain) arising from:						
Demographic assumptions	(0)	-	-	-	(0)	-
Financial assumptions	7	0	-	-	7	0
Experience adjustment	8	(0)	-	-	8	(0)
Return on plan assets excluding Interest income	-	-	-	4	-	(4)
	149	112	69	62	80	51
Other						
Contributions paid by the employer	-	-	9	3	(9)	(3)
Benefits paid	-	-	-	-	-	-
Closing balance	149	112	78	64	71	48
Represented by						
Net defined benefit asset	-	-	-	-	(78)	(64)
Net defined benefit liability	-	-	-	-	149	112
	-	-	-	-	71	48

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

38 Employee Benefits (contd.)

C) Plan assets

Plan assets comprise the following:

Particulars	March 31, 2022	March 31, 2021
Fund managed by Insurance Company	78	64
Total	78	64

D) Defined benefit obligations

i) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2022	March 31, 2021
Discount rate	7.25%	6.82%
Expected Rate of Return on Plan Assets	7.25%	6.82%
Salary escalation rate	6.00%	5.00%
Employee Turnover	2.00%	2.00%
Mortality rate	N.A.	N.A.
	Indian Assured Lives	Indian Assured Lives
	Mortality (2012-14)	Mortality (2006-08)
	Urban	Ultimate

Assumptions regarding future mortality have been based on published statistics and mortality tables.

ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(12)	14	(9)	11
Future salary growth (1% movement)	14	(12)	11	(9)
Rate of employee turnover (1% movement)	1	(1)	1	(1)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

38 Employee Benefits (contd.)

Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2022 were as follows

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2022, i.e. ₹9 lakhs

Expected future benefit payments	(₹ in lakhs)
March 31, 2023	4
March 31, 2024	4
March 31, 2025	13
March 31, 2026	5
March 31, 2027	73
Thereafter	230

Compensated Absences

The Compensated Absences is payable to all eligible employees for each day of accumulated leave on death or on resignation. Compensated Absences debited to Statement of Profit and Loss during the year amounts to ₹42 lakhs (March 31, 2021 ₹52 lakhs). Accumulated provision for leave encashment aggregates ₹61 lakhs (March 31, 2021 ₹46 lakhs).

39 Auditors Remuneration (excluding taxes)

(₹ in lakhs)

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Payment to Auditor		
Audit Fees	27	32
Tax Audit Fees	-	-
Other Services (includes out of pocket expenses)*	2	-
Total	29	32

* Other Services include fees for Certifications

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

40 Income Tax Expense

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Amounts recognised in statement of profit or loss		
Current tax		
Current year (a)	307	138
Changes in estimates related to prior years (b)	10	0
Deferred tax (c)		
Origination and reversal of temporary differences	27	27
Tax expense (a)+(b)+(c)	344	165
B. Tax recognised in other comprehensive income		
Deferred Tax on remeasurement of defined benefit liability	4	(1)
Total	4	(1)
C. Reconciliation of effective tax		
Profit/(Loss) before tax	1,487	827
Tax at the rate of 29.12%	433	230
Effect of:		
Net Disallowance of Expenses	76	21
Impact due to differential tax rates	1	-
Current and brought forward losses	(1)	-
Difference due to MAT	(202)	(113)
Tax adjustment of earlier year	10	-
Deferred Tax	27	27
Effective tax	344	165
Effective Tax Rate (%)	23.12	19.92
D. Recognised deferred tax assets and liabilities		
Deferred tax assets and liabilities are attributable to the following:		
Difference between book depreciation and tax depreciation	22	23
Lease Rent adjustment as per Ind AS 116	11	8
Net Mark-to-Market Loss/(Gain) on investments (net)	(260)	(5)
Provision for Gratuity	21	13
Provision for compensated absence	17	13
Net Deferred Tax Expense	(189)	52

Note:

The Company's reconciliation of the effective tax rate is based on its domestic tax rate applicable to respective financial years.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

40 Income Tax Expense (contd.)

Amounts recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Before Tax	Tax (expenses) benefit	Net of tax	Before Tax	Tax (expenses) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	(15)	4	(11)	4	(1)	3
Items that are or may be reclassified subsequently to profit or loss						
Fair value gain on Financial Assets carried at FVTOCI	925	(215)	709	-	-	-
Total	910	(211)	699	4	(1)	3

41 Net Deferred Tax

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax asset on account of:		
Lease Rent adjustment as per Ind AS 116	11	8
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	22	23
Provision for gratuity	21	13
Provision for Doubtful Debt (ECL)	2	-
Share issue expenses	0	-
Net Mark-to-Market Loss/(Gain) on investments (net)	(260)	(5)
Provision for compensated absences	17	13
Total Deferred tax assets (A)	(187)	52
Total Deferred tax liability (B)	-	-
Net Deferred Tax Assets / (Liability) (A) - (B)	(187)	52

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

42 Movement of Deferred Tax

(₹ in lakhs)

Particulars	(₹ in lakhs)			
	As at Mar 31, 2022	Recognised through Other Comprehensive Income	Recognised through Profit and Loss	As at Mar 31, 2021
Deferred tax asset on account of:				
Lease Rent adjustment as per Ind AS 116	11	-	3	8
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	22	-	(1)	23
Provision for gratuity	21	4	3	13
Provision for Doubtful Debt (ECL)	2	-	2	-
Share issue expenses	0	-	0	-
Provision for compensated absences	17	-	5	13
Net Mark-to-Market Loss/(Gain) on investments (net)	(260)	(255)	-	(5)
Total Deferred tax assets (A)	(187)	(251)	12	52
Total Deferred tax liability (B)	-	-	-	-
Net Deferred Tax Assets / (Liability) (A) - (B)	(187)	(251)	12	52

43 Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
Financial Assets						
Cash and Cash Equivalents	778	-	778	2,088	-	2,088
Bank Balance other than Cash and Cash Equivalents above	4,078	424	4,502	3	1,450	1,453
Receivables						
-Trade Receivables (Net)	7	-	7	78	-	78
-Other Receivables	-	393	393	-	393	393

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

43 Maturity Analysis of Assets and Liabilities (contd.)

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
Loans	-	-	-	62	-	62
Investments	69	4,787	4,856	116	2,017	2,133
Other Financial Assets	363	43	406	38	43	81
Total financial assets (A)	5,295	5,647	10,942	2,385	3,903	6,288
Non-financial assets						
Current Tax Assets (Net)	-	598	598	-	787	787
Deferred Tax Assets (Net)	-	-	-	26	26	52
Property, Plant and Equipment	-	227	227	-	192	192
Other Intangible assets	-	0	0	-	1	1
Capital work-in-progress	-	65	65	-	-	-
Other non-financial assets	129	0	129	54	-	54
Total Non-financial Assets (B)	129	890	1,019	80	1,006	1,086
Total Assets (C) = (A) + (B)	5,424	6,537	11,961	2,465	4,909	7,374

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
Financial liabilities						
Payables						
Trade Payables						
Total Outstanding dues of Micro enterprises and small enterprises	-	-	-	-	-	-
Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	18	-	18	227	-	227
Borrowings	494	2	496	7	10	17
Other financial liabilities	574	159	733	399	121	520
Total Financial Liabilities (A)	1,086	161	1,247	633	131	764

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

43 Maturity Analysis of Assets and Liabilities (contd.)

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
Non Financial Liabilities						
Provisions	61	71	132	46	48	94
Deferred tax liabilities (net)	-	187	187	-	-	-
Other non financial liabilities	37	-	37	1,312	-	1,312
Total Non-Financial Liabilities (B)	98	258	356	1,358	48	1,406
Total Liabilities (C) = (A) + (B)	1,184	419	1,603	1,991	179	2,170

44 Assets pledged as security

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Property, Plant and Equipment (Vehicle)	24	30
Cash & Cash equivalents (Fixed deposits)	703	-
Total assets pledged as security	727	30

45 Changes in liabilities arising from financing activities

Particulars	As at April 1, 2020	Cash flows	Others	As at March 31, 2021	Cash flows	Others	As at March 31, 2022
Borrowings (Other than debt securities)	23	(6)	-	17	479	-	496

46 During the year ended March 31, 2022, the company has raised funds through the preferential issue, amounting ₹4,038 lakhs through allotment of 45,50,000 equity shares of face value ₹5 each fully paid up, at a price of ₹88.75 each, including premium of ₹83.75 each. The proceeds received by the company is temporarily invested in Fixed deposit with bank.

47 The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On May 24, 2022 the Board of Directors of the Company have proposed a dividend of ₹2.25 (P.Y. ₹4.5) per equity share of ₹5 each in respect of the financial year ended March 31, 2022, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹701 lakhs (P.Y. ₹1,193 lakhs).

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

48 Amid continued COVID-19 pandemic and gradual phase out of restrictions, economic activities have started returning to normal. Employees of the Company 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 standalone financial statement.

49 a). The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b). The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, except as stated hereunder:

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Date	Amount	Date	Amount
Invested in	04-12-2021	160	-	-
Jalpak Food India Private Limited (intermediary)				
Further invested by intermediary	27-12-2021	50	-	-
	03-01-2022	100	-	-
White Spread Foods Private Limited (Subsidiary of Jalpak Food India Private Limited)	01-02-2022	10	-	-

The Company is in compliance with relevant provisions of the Foreign Exchange Management Act 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the prevention of Money-Laundering Act 2002, (15 of 2003).

50 The disclosure on the following matters required under Section III amended not being relevant or applicable in case of the Company for the year ended March 31, 2022, same are not covered:

- The company has not traded or invested in crypto currency or virtual currency during the financial year.
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- The Company has not entered into any scheme of arrangement.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

50 (contd.)

- e). No satisfaction of charges are pending to be filed with ROC.
- f). There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- g). The Company has not entered into any transaction with Company struck off under section 248 of the Companies Act, 2013.
- h). The Company has taken overdraft facility from bank on security of Fixed deposits and hence there is no requirement for filling of any periodical return or information to any authorities.
- i). The Company does not have any step down subsidiaries hence compliance of layer of companies are not applicable.
- j). Disclosure of ratios, is not applicable to the Company as it is in merchant banking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.
- k). Disclosures of immovable property not in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/ director	Property held since which date*	Reason for not being held in the name of the company*
Other Receivable	Building	393	Mr. Anil Mithalal Shah	No	Under Litigation (From 1995)	Under Litigation

* In the earlier year, pursuant to the order of the Hon'ble High Court, the possession of the flat was handed over to the Official Assignee. An appeal was filed by the Company against the said order whereby the said order was set aside. Pursuant to the fresh chamber summons filed by the Company for removing attachment, the Official Assignee has been directed not to sell or dispose-off the flat. The Company has been legally advised that the said developments will not have a bearing on the Company's title to the flat and consequently there is no impairment in the value of the asset and the Company is not likely to have any further claim or liability against the said flat.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

51 On December 17, 2021, the Company had intimated to the stock exchanges under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 about an interim order passed by the sole arbitrator, containing certain directions against the Company, in an arbitration between two parties, having no relationship to the Company and the subsequent stay order obtained by the Company against such order. Subsequently, the sole arbitrator has passed an Award dated January 21, 2022 ('the Award'), in the arbitration proceedings and set aside all interim orders passed therein. Accordingly, appeal filed by the Company in respect of the earlier stay order became infructuous and the appeal was withdrawn by the Company.

The Company is not party to the arbitration and the Award, passed by the sole arbitrator is not binding on the Company. Accordingly, the Company has challenged the Award and obtained a stay order on the Award. Currently, the matter is pending with the Dehradun Jurisdictional Court, India. Based on external legal advice obtained by the management, the Company has good merit in these litigations and the Company does not see any impact on the financial results due to the same.

52 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

53 The amounts reflected as "0" in the Financial Statements are values with less than rupees one lakh.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration Number : 001076N/N500013

Murad D. Daruwalla

Partner

Membership No 043334

Place : Mumbai

Date : May 24, 2022

For Prime Securities Limited

N. Jayakumar

Managing Director & Group CEO

(DIN: 00046048)

S. R. Sharma

Chief Financial Officer

Place : Mumbai

Date : May 24, 2022

Pradip Dubhashi

Chairman

(DIN: 01445030)

Ajay Shah

Company Secretary

(ACS-14359)

Consolidated Financial Statements

Independent Auditor's Report

To
The Members of
Prime Securities Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Prime Securities Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
<p>Revenue Recognition</p> <p>We refer to the Group's significant accounting policies in note 2(c) and the revenue related disclosure in note 35 of the consolidated financial statements.</p> <p>The Group's revenue from operations arises from merchant banking and advisory services, which mainly includes Corporate & Financial Advisory services, arranging long term finance and raising equity funds.</p> <p>Recognition of revenue is based upon the satisfaction of performance obligations upon transfer of control of promised services to customers in an amount that reflects the consideration the Group is contractually expected to receive in exchange for those services as set forth under the terms of engagement.</p> <p>Identification of the various performance obligations within the contract and allocation of consideration to these performance obligations, is complex and requires significant management judgement.</p> <p>Considering the materiality of amounts involved, significant judgements, this has been identified as a key audit matter in respect of consolidated financial statements.</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of the Group's accounting policy for revenue recognition. • Evaluated the design and operating effectiveness of key controls over the revenue recognition process. • For the revenue contracts entered by the Group, the following procedures were performed: <ul style="list-style-type: none"> • Obtained and inspected mandates, with respect to the key contractual terms entered by the Group with the customer and evaluated the appropriateness of the accounting treatment assessed by the management. • Evaluated whether the performance obligations and service delivery obligations as per the terms of the engagement appear to be satisfied by the Group to the extent of revenue recognized, by performing enquiry with the management and inspecting supporting documents evidencing completion of such work. • On a sample basis, tested invoices raised in relation to the advisory services and traced the receipt of money in respect of such invoices to the bank statements. Accounting of unbilled revenue was verified with invoices issued in subsequent period. • Performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation to assess whether the revenue was recognised in the correct period.

Key audit matters	How our audit addressed the key audit matters
<p>Valuation of unquoted investments carried at fair value</p> <p>Refer note 2(h) for significant accounting policies and note 6 of consolidated financial statements</p> <p>As at 31 March 2022, the Group held unquoted investments carried at fair value amounting to ₹2,275 lakhs which represents 17 % of the total consolidated assets of the Group as at 31 March 2022.</p> <p>The aforesaid investments are not traded in the active market. These investments are fair valued using Level 3 inputs. The fair valuation of these investments is determined by a management-appointed independent valuation specialist. The process of computation of fair valuation of investments includes use of unobservable inputs and management judgements and estimates which are complex.</p> <p>The key assumptions underpinning management's assessment of fair value of these investments, include application of liquidity discounts, calculation of discounting rates and the estimation of projections of revenues, projections of future cash flows and growth rates.</p> <p>The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the consolidated financial statements due to the materiality of total value of investments to the consolidated financial statements and the complexity involved in the valuation of these investments.</p>	<p>Our audit procedures in relation to valuation of unquoted investments with the involvement of our valuation experts included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of Group's business model and its assessment in accordance with Ind AS 109 for classification and valuation of investments; • Obtained a detailed understanding of the management's process and controls for determining the fair valuation of these investments. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Group including its valuation policy and discussion with those involved in the process of valuation; • Evaluated the design and tested the operational effectiveness of relevant key controls over the valuation process, including the Group's review and approval of the estimates and assumptions used for the valuation including independent price verification performed by the management expert and model governance. • Obtained the valuation reports of the management's expert and assessed the expert's competence, objectivity and independence in performing the valuation of these investments; • Performed a reasonableness test on the valuation reports provided by Management by carrying out following procedures: <ul style="list-style-type: none"> o Analysed financial performance of the investee companies from the date of investment till the valuation date. o Applied calibration to Price of Recent Investment methodology in assessing the impact if any on the valuation of investee company as on the valuation date. o Screened for comparable companies / comparable transactions (wherever transaction data was available) for each of the investee companies.

Key audit matters	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> • Ensured the appropriateness of the carrying value of these investments in the consolidated financial statements and the gain or loss recognised in the consolidated financial statements as a result of such fair valuation; • Ensured the appropriateness and sufficiency of the disclosures in accordance with the applicable accounting standards; and • Obtained written representations from the management whether they believe significant assumptions used in valuation of the investments are reasonable.
<p>Assessment of Ongoing Litigations</p> <p>As disclosed in note 49 of consolidated financial statements, the Holding Company is involved in certain litigations including claims filed by other parties not acknowledged as debt for which final outcome cannot be easily predicted. Considering the underlying facts of the subject matter, the Holding Company has assessed that the possibility of the ongoing litigations being decided against the Holding Company is remote and accordingly there is no need to make a provision or to disclose a contingent liability in respect of the aforesaid litigations.</p> <p>The assessment of whether a liability is recognised as a provision or disclosed as a contingent liability in the financial statements or remote is inherently subjective and requires significant management judgement in determination of the cash outflows from the business, interpretation of applicable laws and regulations, and careful examination of pending assessments at various levels of legislative proceedings. Adverse outcomes could significantly impact the Group's reported profit and balance sheet position.</p>	<p>Our audit procedures in relation to assessment of ongoing litigations included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained understanding of the management process for - <ul style="list-style-type: none"> - identification of ongoing legal matters initiated against the Holding Company, - assessment of accounting treatment for each such litigation identified under principles of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets. • Evaluated the design and tested the operating effectiveness of key controls around above process. • Inspected the summary of ongoing litigation matters and discussed key developments during the year with the Holding Company's Legal and Finance personnel.

Key audit matters	How our audit addressed the key audit matters
<p>The eventual outcome of the litigations is uncertain and estimation at balance sheet date involves significant management and auditor judgement including input from legal counsel due to complexity of each litigation.</p> <p>Considering the judgement involved in determining the need to make a provision or disclose as contingent liability, the matter is considered a key audit matter for the current year audit.</p>	<p>Test of details included, but were not limited to following:</p> <ul style="list-style-type: none"> • Obtained a list of litigations from the Holding Company's in-house legal counsel and evaluated the Holding Company's assessment thereof by: <ul style="list-style-type: none"> • Obtaining an understanding of the nature of litigations pending against the Holding Company and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Holding Company; • Verifying correspondence, orders and appeals in respect of open litigations; • Assessing management's conclusions through discussions held with Holding Company's external counsels involved, where applicable, in respect of material litigations; • Assessing the Holding Company's assumptions and estimates in respect of litigations, including the liabilities or provisions recognised or contingent liabilities disclosed in the consolidated financial statements or remote. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts; • Obtaining and evaluating responses in the independent confirmations from Holding Company's external legal counsels for certain material ongoing litigations and considering the same in our assessment; and • performing detailed inquiries with the senior management. • Evaluated the adequacy of provision, if any, and disclosures made in respect of matters under litigation

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included

in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹2,446 lakhs and net assets of ₹2,111 lakhs as at 31 March 2022, total revenues of ₹1,169 lakhs and net cash inflows amounting to ₹40 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company, and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements for the year ended 31 March 2022 and covered under the Act we report that:

- A) Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2022 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1.	Prime Securities Limited	L67120MH1982PLC026724	Holding Company	Clause (vii)(a)
2.	Prime Research & Advisory Limited	U65990MH1993PLC071007	Subsidiary	Clause (vii)(a)

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, are disqualified as on 31 March 2022 from being appointed as a director in terms of 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II, wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 28 to the consolidated financial statements;
 - ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Act, during the year ended 31 March 2022; and
 - iv. a. The respective managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, other than as disclosed in note 47 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company and its subsidiary companies to or in any

- person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The respective managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 47 to the accompanying consolidated financial statements, no funds have been received by the Holding Company and its subsidiary companies from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement
- v. The final dividend declared by the Holding Company during the year ended 31 March 2022 is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. However, the said dividend is not paid on the date of this audit report. The final dividend paid by the Holding Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. The subsidiary companies have not declared or paid any dividend during the year ended 31 March 2022.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No.: 043334

UDIN: 22043334AJMDL12631

Place: Mumbai

Date : May 24, 2022

Annexure I

List of entities included in the Statement:

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

Annexure II

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Prime Securities Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding

Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial

statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 2 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹2,446 lakhs and net assets of ₹2,111 lakhs as at 31 March 2022, total revenues of ₹1,169 lakhs and net cash inflows amounting to ₹40 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditor whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3) (i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditor of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No.: 043334

UDIN: 22043334AJMDLI2631

Place: Mumbai

Date: May 24, 2022

Consolidated Balance Sheet as at March 31, 2022

(₹ in Lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2022	As at March 31, 2021
ASSETS			
I. Financial assets			
a) Cash and cash equivalents	3	1,035	2,306
b) Bank balance other than (a) above	4	5,590	2,108
c) Receivables	5		
(i) Trade receivables		55	78
(ii) Other receivables		393	393
d) Investments	6	4,356	1,672
e) Other financial assets	7	450	128
Sub total (I)		11,879	6,685
II. Non-financial assets			
a) Current tax assets (net)	8	697	959
b) Deferred tax assets (net)	9	-	58
c) Property, plant and equipment	10(a)	292	313
d) Capital work-in-progress	10(b)	65	-
e) Other intangible assets	10(c)	2	3
f) Other non-financial assets	11	136	124
Sub total (II)		1,192	1,457
TOTAL ASSETS (I + II)		13,071	8,142
LIABILITIES AND EQUITY			
I. Financial liabilities			
a) Payables			
(i) Trade payables	12		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		18	227
b) Borrowings (Other than debt securities)	13	504	33
c) Other financial liabilities	14	980	707
Sub total (I)		1,502	967
II. Non-financial liabilities			
a) Provisions	15	161	107
b) Deferred tax liabilities (net)	9	178	-
c) Other non-financial liabilities	16	85	1,347
Sub total (II)		424	1,454
III. Equity			
a) Equity share capital	17	1,559	1,326
b) Other equity		9,586	4,395
Sub total (III)		11,145	5,721
TOTAL LIABILITIES AND EQUITY (I + II + III)		13,071	8,142

Summary of significant accounting policies and other explanatory information to the financial statements.

1-54

This is the consolidated Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP

For Prime Securities Limited

Chartered Accountants

Firm Registration Number : 001076N/N500013

N. Jayakumar
Managing Director & Group CEO
(DIN: 00046048)

Pradip Dubhashi
Chairman
(DIN: 01445030)

Murad D. Daruwalla
Partner
Membership No 043334

S. R. Sharma
Chief Financial Officer

Ajay Shah
Company Secretary
(ACS-14359)

Place : Mumbai
Date : May 24, 2022

Place : Mumbai
Date : May 24, 2022

Statement of Consolidated Profit and Loss for the year ended March 31, 2022

(₹ in Lakhs, unless otherwise stated)

Particulars	Note no.	Year ended March 31, 2022	Year ended March 31, 2021
I. Revenue from operations			
i) Interest income	18	332	230
ii) Dividend income		10	-
iii) Fee & Commission income	19	4,154	4,069
iv) Net gain on fair value changes	20	44	44
v) Gain on sale / redemption of investments (net)	21	16	20
Total Revenue from operations (I)		4,556	4,363
II. Other Income			
ii) Miscellaneous income	22	15	165
Total other income (II)		15	165
III. Total income (I + II)		4,571	4,528
IV. Expenses			
i) Finance costs	23	43	38
ii) Fees & commission expense		129	856
iii) Impairment on financial instruments	24	7	178
iv) Employee benefits expense	25	1,904	1,852
v) Depreciation and amortisation expense		87	129
vi) Other expenses	26	536	410
Total expenses (IV)		2,706	3,463
V. Profit before exceptional items and tax		1,865	1,065
VI. Exceptional items (net gain)		277	-
VII. Profit before tax (V) + (VI)		2,142	1,065
VIII. Tax expense			
i) Current tax	40	406	219
ii) Earlier year tax	40	10	0
iii) Deferred tax	40	28	25
Total Tax expense (VIII)		444	244
IX. Profit after tax (VII) - (VIII)		1,698	821
X. Other comprehensive income			
Item that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) of the defined benefit plans		(26)	3
Remeasurement gain on fair valuation of investments		925	-
Deferred tax on remeasurement of gain on fair valuation		(215)	-
Deferred tax on remeasurement of the defined benefit plans		7	(1)
Other comprehensive income for the year (X)		691	2
XI. Total comprehensive income for the year (IX) + (X)		2,389	823
Earnings per equity share of nominal value of ₹5 each			
Basic (in ₹)		6.02	3.10
Diluted (in ₹)	27	5.59	3.01

Summary of significant accounting policies and other explanatory information to the financial statements.

1-54

This is the Statement of consolidated Profit and Loss referred to in our report of even date.

For Walker Chandik & Co LLP

For Prime Securities Limited

Chartered Accountants

Firm Registration Number : 001076N/N500013

N. Jayakumar
Managing Director & Group CEO
(DIN: 00046048)

Pradip Dubhashi
Chairman
(DIN: 01445030)

Murad D. Daruwalla
Partner
Membership No 043334

S. R. Sharma
Chief Financial Officer

Ajay Shah
Company Secretary
(ACS-14359)

Place : Mumbai
Date : May 24, 2022

Place : Mumbai
Date : May 24, 2022

Consolidated Statement of Cash Flow for the year ended March 31, 2022

(₹ in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities:		
Profit before tax	1,865	1,065
Adjustments for :		
Depreciation and amortisation expense	87	129
Changes in fair valuation of investment (net) through profit or loss	(44)	(44)
Gain on sale of investments (net)	(16)	(20)
Interest Expense	43	11
Interest income on deposits	(332)	(230)
Dividend income	(10)	-
Share issue expenses	2	-
Share based payment to employees	153	369
Impairment of financial assets	7	178
Operating profit before working capital changes	1,755	1,458
Adjustments for changes in working capital:		
(Decrease) / Increase in provisions	36	(217)
(Decrease) / Increase in trade payables	(209)	5
(Decrease) / Increase in other financial liabilities	272	(26)
(Decrease) / Increase in other non-financial liabilities	(1,263)	1,036
(Increase)/ Decrease in other financial assets	(322)	2,126
(Increase)/ Decrease in trade receivables	16	182
(Increase)/ Decrease in other non-financial assets	(12)	112
Total changes in working capital	(1,482)	3,218
Cash generated from (used in) operations	273	4,676
Taxes paid, net of refunds	(153)	(628)
Net cash generated from (used in) operating activities (A)	119	4,048
Cash flow from investing activities:		
Purchase of property, plant and equipments including capital work-in-progress	(191)	(85)
Proceeds from sale / disposal of property, plant and equipments	-	18
Purchase of Investments	(1,457)	(11,265)
Proceeds from sale / redemption of investments	25	9,846
Decrease/ (Increase) in fixed deposits maturity more than 3 months	(3,482)	(1,453)
Interest income	332	230
Dividend received	10	-
Net cash (used in) investing activities (B)	(4,763)	(2,709)

Consolidated Statement of Cash Flow for the year ended March 31, 2022

(₹ in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from financing activities:		
Proceeds from issuance of Share capital	4,140	-
Borrowings availed during the year	471	-
Borrowings repaid during the year	-	(12)
Share issue expenses	(2)	-
Interest Paid	(43)	(11)
Distribution of dividend (net of dividend distribution tax)	(1,193)	-
Net cash generated from / (used in) financing activities (C)	3,373	(23)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(1,271)	1,316
Cash and cash equivalents at the beginning of the year	2,306	990
Cash and cash equivalents at the end of the year	1,035	2,306
Total	(1,271)	1,316

Notes:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1) Cash and cash equivalents comprise of		
Cash on hand	1	1
Balances with banks		
In current account	80	2,123
Term deposits with banks with maturity period less than 3 months	954	182
Cash and cash equivalents at the end of the year	1,035	2,306

Note:

- 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

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration Number : 001076N/N500013

Murad D. Daruwalla

Partner

Membership No 043334

Place : Mumbai

Date : May 24, 2022

For Prime Securities Limited

N. Jayakumar

Managing Director & Group CEO
(DIN: 00046048)

S. R. Sharma

Chief Financial Officer

Place : Mumbai

Date : May 24, 2022

Pradip Dubhashi

Chairman
(DIN: 01445030)

Ajay Shah

Company Secretary
(ACS-14359)

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

(₹ in Lakhs, unless otherwise stated)

Equity share capital

Particulars	Amount
Balance as at April 1, 2020	1,326
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	1,326
Changes in equity share capital during the year	-
Balance as at March 31, 2021	1,326
Balance as at April 1, 2021	1,326
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	1,326
Changes in equity share capital during the year	233
Balance as at March 31, 2022	1,559

Other equity

Particulars	Reserves and Surplus			Items of other Comprehensive Income		Total
	Securities Premium Reserve	Share Options outstanding account	Retained earnings	Remeasurement of defined benefit liability / assets	Fair value gain / loss on Financial assets carried at FVTOCI	
Opening balance as at April 1, 2020	-	461	2,811	(70)	-	3,204
Transactions during the year						
Profit after tax for the year	-	-	821	-	-	821
Other comprehensive income/(loss) for the year (net of tax)	-	-	-	2	-	2
Share based compensation	-	369	-	-	-	369
Closing balance as at March 31, 2021	-	830	3,632	(68)	-	4,395
Transactions during the year						
Profit after tax for the year	-	-	1,698	-	-	1,698
Other comprehensive income/(loss) for the year (net of tax)	-	-	-	(19)	710	691
Securities premium	3,874	-	-	-	-	3,874
Dividend Paid	-	-	(1,193)	-	-	(1,193)
Share based compensation	-	121	-	-	-	121
Closing balance as at March 31, 2022	3,874	952	4,137	(87)	710	9,586

Summary of significant accounting policies and other explanatory information to the financial statements.

This is the consolidated Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiook & Co LLP

For Prime Securities Limited

Chartered Accountants

Firm Registration Number : 001076N/N500013

N. Jayakumar
Managing Director & Group CEO
(DIN: 00046048)

Pradip Dubhashi
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(DIN: 01445030)

Murad D. Daruwalla
Partner
Membership No 043334

S. R. Sharma
Chief Financial Officer

Ajay Shah
Company Secretary
(ACS-14359)

Place : Mumbai
Date : May 24, 2022

Place : Mumbai
Date : May 24, 2022

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

1 Corporate Information

Prime Securities Limited ("PSL" or 'the Holding Company') is a public limited company and incorporated under the provisions of Companies Act, 1956. The Holding Company is domiciled in India and the addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. PSL is a member of Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Prime Securities Limited and its subsidiaries (collectively, the Group) are engaged in Investment Banking and Corporate Advisory services. The Group specializes in providing value added advice and services to its clients on complex strategic and financial decisions and transactions focused around Fund Raising, Mergers & Acquisitions, Equity & Debt Private Placements, Initial Public Offerings, Corporate Advisory, and Capital Restructuring.

These consolidated financial statements contain financial information of the Group and were authorized for issue by the Board of Directors on May 24, 2022. Information on the Group's structure is provided in note 53.

2 Significant Accounting Policies

a) Basis of preparation

i) Compliance with Ind AS

The consolidated financial statements of the Group comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and the guidelines issued by Securities Exchange Board of India to the extent applicable.

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value;
- Defined benefit plans – plan assets measured at fair value
- Share based payment measured at fair value on grant date.

iii) Preparation of consolidated financial statements

The Holding Company is covered in the definition of non-banking financial company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Holding Company presents the Balance Sheet, the Statement of Profit and Loss and the statement of Changes in Equity in the order of liquidity as per the format prescribed under Division III of Schedule III to the Companies Act, 2013. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is prescribed in Note 42.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

iv) Use of Estimates and Judgements

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates, judgements and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities (including contingent liabilities) and disclosures as of the date of consolidated financial statements and the reported amounts of revenue and expenses for the reporting period.. The actual amounts realised may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Appropriate changes in estimates are recognized in the period in which the Group becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. Estimates and judgements are required in particular for:

- **Determination of the estimated useful lives of Property Plant and Equipments:**

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. Useful lives of Property Plant and Equipments are based on the life prescribed in Schedule II of the Companies Act, 2013 or are based on the Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

- **Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Recognition of deferred tax assets / liabilities:**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of provisions and contingencies:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions. Contingencies the likelihood of which is remote are not disclosed in the consolidated financial statements.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

- **Impairment of financial assets:**

The Group recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

- **Fair valuation of employee share option**

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Group's stock and employee exercise behaviour which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.

- **Determining whether an arrangement contains a lease:**

The Group determines lease term as a non-cancellable period of a lease, together with both the period covered by an option to extend the lease if the Group is reasonably certain to exercise lessee options. The determination of the incremental borrowing rate used to measure lease liabilities.

- **Fair valuation of unlisted equity shares**

Ind AS 109 requires all investment in equity instrument to be measured at FVTPL, the company at the initial recognition carries a proper assessment to make irrevocable election for FVTPL or FVTOCI of equity instrument held other than for trading purpose. The fair valuation of unlisted equity shares is based on the management (respective investee company) estimates of future earnings using prescribed technique of valuation.

- a). Investment in equity instrument is valued at purchase cost at the time of initial recognition.
- b). For subsequent measurement the company adopts the following process
 - i. At any time or at each quarter end if there is any indicator trigger as per para B5.2.4 of Ind AS,
 - ii Availability of sufficient information such as subsequent allotment of shares,
 - iii 30th September and 31st March every year for investments held for more than six months, whichever is earlier.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

b) Principles of Consolidation

Subsidiaries

The consolidated financial statements has comprised financial statements of the Holding Company and its subsidiaries, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are not included in the consolidation from the date control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and balance sheet respectively. Statement of Profit and Loss including Other Comprehensive Income (OCI) is attributable to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interest and such balance is attributed even if this results in controlling interest is having a deficit balance.

c) Revenue Recognition

The Group derives revenues primarily from advisory services.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Group is contractually expected to receive in exchange for those services.

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or,

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or,
3. The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Group applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied."

d) Recognition of Operating Income:

- i) Dividend income is recognised when the right to receive is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
- ii) Interest income is recognised on accrual basis.
- iii) Gain or losses on sale of investments are recognized on trade dates by comparing the sales realization with the weighted average cost of such investment.
- iv) Rental income is recognised on accrual basis as per the terms of the rent agreement.
- v) Income from net gain on fair value changes on bonds and equity is recognised based on the principles as stated in Ind AS 109.

e) Property, plant and equipment:

• Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent cost relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are derecognised from the consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. Useful life of Property Plant and Equipment are reviewed at each balance sheet date and adjusted prospectively, if appropriate. The Group provides pro-rata depreciation from the date on which the asset is first put to use, till date the assets are sold or disposed.

Assets	Useful life
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	3 years
Vehicles	8 to 10 years

f) Intangible Fixed Assets:

Measurement at recognition

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Group and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

The Group amortizes intangible assets on a straight-line basis over the five years commencing from the date on which the asset is first put to use.

Assets	Useful life
Computer Software	5 years

Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

g) Capital Work-in-Progress

The Project assets or assets which are not ready for their intended use are shown as Capital Work-in-Progress.

Capital work-in-progress are measured at cost less accumulated impairment losses, if any.

h) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and, interest rate swaps and currency options; and embedded derivatives in the host contract.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Fair value of financial instruments:

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair value measurement under Ind AS are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows.

- **Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1
- **Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Financial Assets:

(i) Initial recognition and measurement:

All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

(ii) Classification and subsequent measurement:

The Group has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

1. Financial assets carried at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as revenue from operations in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI.

Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Revenue from operations' in the Statement of Profit and Loss.

3. Investments in mutual funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL)."

(iii) Impairment of financial assets:

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

- b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

(iv) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of the Group of similar financial assets) is primarily derecognised (i.e. removed from the Consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities:

(i) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

i) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) Employee Benefits:

i) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.

ii) Post Employment / Retirement Benefits:

Defined contribution plan:

Contribution to Defined Contribution Plans such as Provident Fund, Employees' State Insurance Corporation, etc., are charged to the Statement of Profit and Loss as incurred.

Defined Benefit Plans:

The present value of the obligation under such plans, is determined based on an actuarial valuation by an independent actuary at the end of each year, using the Projected Unit Credit Method. In the case of gratuity, which is funded, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Remeasurement of net defined benefit liability, which comprises actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any excluding interest), are recognized immediately in other comprehensive income.

iii) Other Long Term Employee Benefits:

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

k) Share based payments

Employee stock option scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Holding Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Holding Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions. Information about the valuation techniques and inputs used in determining the fair value of options disclosed in note 30.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

l) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

m) Foreign Exchange Transactions:

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in statement of profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate as at the date of transaction.

n) Leases:

Leases – As lessee:

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee:

The Group has adopted Ind AS 116 "Leases" using the cumulative catch-up approach. Group has recognised Right of Use assets as at 1 April 2019 for leases previously classified as operating leases and measured at an amount equal to lease liability (adjusted for related

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

prepayments/ accruals). The Group has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The discounted rate is generally based on incremental borrowing rate specific to the lease being evaluated.

o) Taxation:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in Statement of profit and loss, except to the extent that it

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

i) Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Group:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) MAT :

As per Section 115JB, if the tax on the book profit is higher than the computed tax, then company need to provide for tax on the basis of MAT, which is available for setoff in the subsequent years.

iii) Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of on temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

p) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

q) Impairment of non-financial assets:

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

r) Provisions, Contingent Assets and Contingent Liabilities:

Contingent assets / liabilities:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable.

s) Dividend payable

Dividend declared to equity shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Board of Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders. The dividend payable is recognised as a liability with a corresponding amount recognised directly in equity.

t) Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Holding Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders of the Holding Company by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

u) Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the Company and assess the performance of the operating segments of the Company.

v) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirements.

w) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

x) Recent accounting developments

The following standards / amendments to standards have been issued and will be effective from April 1, 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

Balance Sheet:

- a) Indian Accounting Standard (Ind AS) 103 - Business Combinations: Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date. Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.
 - b) Indian Accounting Standard (Ind AS) 109 - Financial Instruments: Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities.
 - c) Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment: Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
 - d) Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets: Modifications in application of recognition and measurement principles relating to onerous contracts.
- y) These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

3 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash on hand	1	1
Balances with banks		
In current accounts	80	2,123
Term deposits with banks with maturity period less than 3 months	954	182
Total	1,035	2,306

* The term deposit is lien against the bank overdraft for the Current Year only.

4 Bank balances other than (3) above

	As at March 31, 2022	As at March 31, 2021
Others		
Term deposits with banks with maturity period more than 3 months	5,590	2,108
Total	5,590	2,108

5 Receivables

	As at March 31, 2022	As at March 31, 2021
Trade Receivable		
(i) Receivables considered good-secured	-	-
(ii) Receivables considered good-unsecured	48	78
(iii) Receivables which have significant increase in credit risk-unsecured	14	-
(iv) Receivables-credit impaired-unsecured	181	181
	243	259
Less: Allowances for impairment loss	(188)	(181)
	55	78
Other Receivable*	393	393
Total	448	471

* The other receivable is against advance for immovable property which is under dispute.

The trade receivables are non-interest bearing and recoverable within period of 3 to 12 months

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

5 Receivables (contd.)

Particulars	As at March 31, 2022						Unbilled Revenue (Refer note 7)
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Trade receivables / unbilled revenue - considered good	-	48	-	-	-	48	294
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	14	-	-	-	14	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	181	-	181	-
(iv) Disputed Trade receivables - considered goods	-	-	-	-	-	-	-
(v) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	62	-	181	-	243	294

Note: Ageing of the trade receivables is determined from the date of transaction till the reporting date.

Particulars	As at March 31, 2021						Unbilled Revenue (Refer note 7)
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Trade receivables / unbilled revenue - considered good	78	-	-	-	-	78	-
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	181	-	-	181	-
(iv) Disputed Trade receivables - considered goods	-	-	-	-	-	-	-
(v) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	78	-	181	-	-	259	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

5 Receivables (contd.)

Note: Ageing of the trade receivables is determined from the date of transaction till the reporting date.

Refer note 36 E (1) for credit risk analysis & aging

No debts are due from directors or other officers or any of them either severally or jointly with any other person. No debts are due from firms, limited liability partnerships or private companies in which any director is a partner or a director or a member.

6 Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Share / Unit	Fair Value / Net Asset Value	Share / Unit	Fair Value / Net Asset Value
At fair value through profit or loss				
Investments in equity instruments:				
Quoted				
Ironwood Education Limited	68,804	23	1,17,500	24
Grindwell Norton Limited	200	4	-	-
Solid Stone Company Limited	1,72,731	41	1,72,731	84
Reliance Industries Limited	16,060	423	-	-
Jamna Auto Industries Limited	1,000	1	-	-
Total investments in equity instruments FVTPL (A)		492		107
Investments in Bonds				
09.22% Tata Capital Housing Finance Limited	25	506	25	551
8.25% BOB Perpetual Bonds	25	509	25	493
9.56% SBI Perpetual Bonds	25	523	25	512
Total investments in bonds (B)		1,538		1,556
Investments in Mutual Funds				
ICICI Prudential Liquid Fund	16,039	51	-	-
ICICI Prudential Overnight Fund	-	-	6,771	9
Total investments in mutual funds (C)		51		9
At fair value through Other Comprehensive Income*				
Unquoted				
Investments in Convertible Instrument				
Jalpak Foods India Private Limited	7,11,111	160	-	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

6 Investments (contd.)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Share / Unit	Fair Value / Net Asset Value	Share / Unit	Fair Value / Net Asset Value
Investments in equity instruments:				
Super Six Sports Gaming Private Limited	357	954	-	-
Feast Software Private Limited	8,04,218	221	-	-
88 Academics (India) Private Limited	8,000	80	-	-
Hindustan Wellness Private Limited	45,000	50	-	-
IBS Fintech India Private Limited	8,407	118	-	-
Entity Gaming Private Limited	666	50	-	-
Last Mile Channel Enhancement Private Limited	41,668	280	-	-
Lithion Power Private Limited	65,087	317	-	-
Steel Infra Solutions Private Limited	1,52,542	45	-	-
Total investments in equity instruments FVTOCI (D)		2,275		-
Total investment (A) + (B) + (C) + (D)		4,356		1,672
Investments in India		4,356		1,672
Investments outside India		-		-
Total		4,356		1,672

* Investment which fulfills condition specified under note 2(h)(ii)(2) and held for long term nature are being recorded at Fair Value Through Other Comprehensive Income (FVTOCI).

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

7 Other financial assets

	As at March 31, 2022	As at March 31, 2021
Interest accrued on bonds	62	59
Security deposits	43	58
Unbilled revenue	294	-
Employee advances	40	9
Advance Given	11	2
Total	450	128

8 Current tax asset (net)

	As at March 31, 2022	As at March 31, 2021
Advance income tax	697	959
(Net of provision for tax ₹ 2,416 lakhs) (March 31, 2021 ₹ 2,010 lakhs)		
Total	697	959

9 Deferred tax assets / (liability) (net)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets / (liabilities) (Refer note 40 and 41)		
Liability towards lease rentals	11	9
Provision for compensated absences	17	13
Net Mark-to-Market Loss/(Gain) on investments (net)	(260)	(5)
Provision for Doubtful Debt (ECL)	2	-
Gain / (loss) on investments	(1)	(0)
Provision for gratuity	28	17
Share issue expenses	0	-
Depreciation / amortisation	25	25
Total	(178)	58

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

10 (a) Property, plant and equipment

Particulars	Right to Use (Refer note 32)	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles* (Refer note 30)	Total
Gross carrying value						
Gross carrying value as of April 1, 2020	321	23	15	62	207	629
Adjustments due to modification in lease arrangements	(18)	-	-	-	-	(18)
Additions	80	4	1	-	-	84
Disposals	-	-	-	-	-	-
Gross carrying value as of March 31, 2021.	384	27	16	62	207	696
Adjustments due to modification in lease arrangements	(5)	-	-	-	-	(5)
Additions	103	2	2	5	19	131
Disposals	(62)	(4)	(2)	-	-	(69)
Gross carrying value as of March 31, 2022	420	25	16	67	226	754
Accumulated depreciation						
Accumulated depreciation as of April 1, 2020	70	12	7	24	140	254
Depreciation for the year	103	7	2	6	11	128
Accumulated depreciation on disposals	-	-	-	-	0	0
Accumulated depreciation March 31, 2021	173	19	9	30	151	382
Depreciation for the year	62	5	2	5	11	86
Accumulated depreciation on disposals	-	(4)	(2)	-	-	(7)
Accumulated depreciation March 31, 2022	235	20	9	36	162	462

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

10 (a) Property, plant and equipment (contd.)

Particulars	Right to Use (Refer note 32)	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles* (Refer note 30)	Total
Net carrying value						
Net carrying value as on April 1, 2020	251	11	7	38	67	375
Net carrying value as on March 31, 2021	211	8	6	32	56	314
Net carrying value as on March 31, 2022	185	5	7	31	64	292

* Vehicles taken on Term Loan, except for the current year additions

** The addition or modification on account of reassessment of continued lease term is considered as addition / adjustments to the lease.

10 (b) Capital work-in-progress

Movement in CWIP

Particulars	Project in progress
Carrying value	
Carrying value as of April 1, 2020	-
Additions	-
Disposals	-
Carrying value as of March 31, 2021	-
Additions	65
Disposals	-
Carrying value as of March 31, 2022	65

As at March 31, 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress (Lease hold improvement)	65	-	-	-	65
Projects temporarily suspended	-	-	-	-	-

CWIP completion schedule

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress (Lease hold improvement)	65	-	-	-	65
Projects temporarily suspended	-	-	-	-	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

10 (b) Capital work-in-progress (contd.)

As at March 31, 2021

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress (Lease hold improvement)	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

CWIP completion schedule

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress (Lease hold improvement)	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

10 (c) Other intangible assets

Particulars	Computer software#
Gross carrying value	
Gross carrying value as of April 1, 2020	8
Additions	-
Disposals	-
Gross carrying value as of March 31, 2021	8
Additions	-
Disposals	(1)
Gross carrying value as of March 31, 2022	6
Accumulated amortisation	
Accumulated amortisation as of April 1, 2019	3
Amortisation for the year	1
Accumulated amortisation on disposals	-
Accumulated amortisation as of March 31, 2020	4
Amortisation for the year	1
Accumulated amortisation on disposals	(1)
Accumulated amortisation as of March 31, 2021	5
Net carrying value	
Net carrying value as on April 1, 2019	4
Net carrying value as on March 31, 2020	3
Net carrying value as on March 31, 2021	2

Other than internally generated.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

11 Other non-financial assets

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good:		
Balances with government authorities	84	78
Prepaid expenses	52	46
Total	136	124

12 Trade payables

Total outstanding dues of creditors other than micro enterprises and small enterprises

	As at March 31, 2022	As at March 31, 2021
a) Others		
(i) Accrued expenses	-	-
(ii) Payable to related parties	-	-
(iii) Payable to dealers / vendors / customers	18	227
(iv) Others	-	-
Total	18	227

Note:- The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principle and interest outstanding during the year is given below.

Total outstanding dues of micro enterprises and small enterprises

Under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006), certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the management. The Company has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below.

	As at March 31, 2022	As at March 31, 2021
(a) The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
(b) The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the suppliers beyond the appointed day during each accounting year	-	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

12 Trade payables (contd.)

	As at March 31, 2022	As at March 31, 2021
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-
Total	-	-

	As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	18	-	-	-	18
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	18	-	-	-	18

Note:- Ageing of the trade payables is determined from the date of transaction till the reporting date.

	As at March 31, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	227	-	-	-	227
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	227	-	-	-	227

Note:- Ageing of the trade payables is determined from the date of transaction till the reporting date.

* No amounts due and outstanding to be credited to investor education and protection fund.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

13 Borrowings (Other than debt securities)

	As at March 31, 2022	As at March 31, 2021
At amortised cost		
a) Term loans		
Secured - In India		
From Banks*	20	33
b) Loan repayable on demand		
Secured		
Bank Overdraft #	484	-
Total	504	33
Borrowings in India	504	33
Borrowings outside India	-	-
Total	504	33

* Term Loan from bank is secured against hypothecation of vehicles.

Short term loan is bank overdraft against the fixed deposit for Working Capital, there is no requirement for any other compliance to the bank.

14 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Lease Liability (Refer note 32)		
-Long term (Obligation payable more than 12 months)	159	169
-Short term (Obligation payable within 12 months)	64	74
Other payables	182	24
Accrued employees benefit expenses	575	440
Total	980	707

15 Provisions

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for gratuity (Refer note 38)	100	61
Provision for compensated absences (Refer note 38)	61	46
Total	161	107

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

16 Other non-financial liabilities

	As at March 31, 2022	As at March 31, 2021
Statutory dues (including provident fund, tax deducted at source and goods and services tax)	85	397
Advance received from customers	-	950
Total	85	1,347

17 Equity share capital

	As at March 31, 2022	As at March 31, 2021
Authorised :		
4,30,00,000 (March 31, 2021 4,30,00,000) Equity Shares of ₹5/- each	2,150	2,150
18,00,000 (March 31, 2021 18,00,000) Unclassified Shares of ₹100/- each	1,800	1,800
	3,950	3,950
Issued :		
3,19,25,025 (March 31, 2021 2,72,64,525) Equity Shares of ₹5/- each	1,596	1,363
	1,596	1,363
Subscribed and paid up:		
3,11,75,825 (March 31, 2021 2,65,15,325) Equity Shares of ₹5/- each	1,559	1,326
Total	1,559	1,326

(a) Reconciliation of number of shares

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares:				
Balance as at the beginning of the year	2,65,15,325	1,326	2,65,15,325	1,326
Changes in Equity due to prior year error				
Restated balance at the beginning of the current year	2,65,15,325	1,326	2,65,15,325	1,326
Changes in Equity during the current year	46,60,500	233	-	-
Balance at the end of the current year	3,11,75,825	1,559	2,65,15,325	1,326

(b) Rights and restrictions attached to the shares

Equity shares:

The Company has only one class of equity shares having a par value of ₹5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

17 Equity share capital (contd.)

of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	%	Number of Shares	%
Equity shares:				
GKK Capital markets Private Limited	35,50,000	11.39	32,00,000	12.07
Statin Enterprise LLP	31,48,059	10.10	31,48,059	11.87
Meridian Investments	19,00,000	6.09	-	-
Judith Investments Private Limited	17,83,497	5.72	17,83,497	6.73
Mahendra Jayantilal Shah	14,37,597	4.61	13,94,181	5.26

(d) Details of shares held by the Promoter in the Company

There are no Promoters in the Company hence these details are not applicable to the Company as notified by MCA amendments to Schedule III to the Companies Act, 2013 on March 24, 2021.

(e) There are 3524500 shares reserved for issue under employee stock option scheme.

(f) Aggregate number and class of shares allotted as fully paid-up pursuant to contract without payment being received in cash and bonus shares issued and shares bought back during the period of five years immediately preceding the current year

The company has neither allotted any class of shares as fully paid-up pursuant to contract without payment being received in cash and nor issued bonus shares and there has been any buy back of shares during the five years immediately preceding March 31, 2022.

18 Interest income

	Year ended March 31, 2022	Year ended March 31, 2021
On Financial Assets measured at Amortised Cost		
- Interest income from investments	140	155
- Interest income on deposits with bank	192	75
Total	332	230

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

19 Fee & commission income

	Year ended March 31, 2022	Year ended March 31, 2021
Merchant Banking and Advisory Fees	3,115	2,794
Restructuring Advisory Fees	1,035	1,275
Income from Brokerage on Mutual Fund	-	0
Income from Commission on Insurance	4	-
Total Fees (net)	4,154	4,069
Total	4,154	4,069

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products/ service lines and timing of revenue recognition:

	Year ended March 31, 2022	Year ended March 31, 2021
Primary geographical market		
India	4,154	4,069
Outside India	-	-
Total	4,154	4,069
Major products/ service lines		
Merchant Banking and Advisory Fees	4,154	4,069
Total	4,154	4,069
Timing of revenue recognition		
At a point in time	4,154	4,069
Over a period of time	-	-
Total	4,154	4,069

20 Net gain on fair value changes

	Year ended March 31, 2022	Year ended March 31, 2021
Net gain / (loss) on financial instruments at fair value through profit or loss		
- On equity securities	60	31
- On other financial securities		
Bonds	(16)	13
Mutual Funds	0	-
Total Net gain / (loss) on fair value changes	44	44
Fair value changes		
- Realised	-	-
- Unrealised	44	44
Total Net gain / (loss) on fair value changes	44	44

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

21 Gain on sale/ redemption of investments (net)

	Year ended March 31, 2022	Year ended March 31, 2021
Gain on redemption of Bonds	-	(5)
Gain on redemption of Mutual Funds	15	24
Gain on redemption of Shares	1	-
Total	16	20

22 Miscellaneous income

	Year ended March 31, 2022	Year ended March 31, 2021
Bad debts recovered	8	163
Net gain on foreign currency transactions and translations	(0)	2
Others	3	0
Miscellaneous income	4	-
Total	15	165

23 Finance costs

	Year ended March 31, 2022	Year ended March 31, 2021
At amortised cost		
- Interest on borrowings	10	11
- Interest on lease liabilities (Refer note 32)	33	27
Total	43	38

24 Impairment on financial instruments

	Year ended March 31, 2022	Year ended March 31, 2021
Trade receivables - at amortised cost	7	178
Total	7	178

25 Employee benefits expense

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, bonus and allowances	1,656	1,398
Contribution to provident and other funds (Refer note 38)	19	15
Contribution towards Gratuity Fund	9	6
Gratuity (Refer note 38)	14	6
Compensated absences	42	52
Employee share based payments (Refer notes 29)	153	369
Staff welfare expenses	11	5
Total	1,904	1,852

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

26 Other expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Repairs and maintenance - others	13	27
Rates and taxes	1	4
Insurance	31	12
Electricity	4	3
Travelling, conveyance and car hire	16	5
Membership and Subscription	63	37
Legal and professional fees	171	82
Payment to Auditors (Refer note 39)	32	34
Directors' sitting fees	59	52
Commission to Non-Executive Directors	16	18
Spend towards Corporate Social Responsibility (CSR) activities (Refer note 34)	52	67
GST Expenses	-	24
Miscellaneous expenditure	78	45
Total	536	410

27 Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit after tax for the year attributable to equity shareholders of company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The relevant details as described above are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Basic Earnings per Share		
Profit attributable to equity shareholders (₹ in lakhs) (A)	1,698	821
Nominal value per share (₹)	5	5
Weighted average number of equity shares outstanding during the year (B)	2,82,09,551	2,65,15,325
Earnings per share (Basic) (₹) [(A) / (B)]	6.02	3.10
Diluted earnings per share		
Profit after tax for the year (₹ in lakhs) (A)	1,698	821
Weighted average number of equity shares used in computing basic earnings per share	2,82,09,551	2,65,15,325

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

27 Earnings per share (contd.)

	Year ended March 31, 2022	Year ended March 31, 2021
Effect of potential equity shares for stock options outstanding	21,88,570	7,58,649
Weighted number of equity shares used in computing diluted earnings per share [B]	3,03,98,121	2,72,73,974
Earnings per share (Basic/ Diluted) (₹) [(A) / (B)]	5.59	3.01

28 Contingent Liabilities and commitment to the extent not provided for in respect of:

A. Contingent Liabilities

Particulars	March 31, 2022	March 31, 2021
Claims against the company not acknowledged as debt	-	-
Guarantees excluding financial guarantees	-	-
Other money for which the company is contingently liable*	175	175

* Pertains to demands raised by Tax Authorities for A.Y. 2017-18 in respect of addition to income on account of write back of loan balance. The Company has filed appeal against the Demand order and based on the advise from their tax advisors, the Company is reasonably certain about sustaining its position in the appeal.

B. Commitment

Particulars	March 31, 2022	March 31, 2021
Uncalled liability on shares and other investments partly paid		
Partly paid up shares of Steel Infra Solutions Pvt. Ltd.	135	-

29 Employees Stock Option Schemes (ESOS)

The Company's stock based compensation plan for director / employees comprises ESOS 2018, which have been instituted for all eligible directors / employees of the Company and its subsidiaries. ESOS 2018 permits allocation of an aggregate of 4,500,000 equity shares of the face value of ₹5/- per share to the eligible directors / employees of the Company and its subsidiaries, on the recommendation of the Nomination and Remuneration Committee, at an Exercise Price, which shall be at 10% discount to the three months average market price on the Grant Date. "

The number of options granted, exercised and lapsed under the above schemes is set out below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Weighted Average Exercise Price	No of Shares	Weighted Average Exercise Price
ESOS 2018				
Options outstanding, beginning of the Year	36,35,000	33.37	25,90,000	35.79

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

29 Employees Stock Option Schemes (ESOS) (contd.)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Weighted Average Exercise Price	No of Shares	Weighted Average Exercise Price
Add: Granted during the Year	-	-	10,50,000	27.40
Less: Exercised during the Year	1,10,500	33.21	-	-
Less: Lapsed during the Year	-	-	5,000	34.70
Options outstanding, end of the Year	35,24,500	33.38	36,35,000	33.37

The Company has its accounting policy for ESOPs valuation at fair value method for appropriate presentation of financial statements.

Particulars	ESOS 2018
Date of Grant	Various Dates
Date of board approval	May 29, 2018
Date of shareholders' approval	September 24, 2018
Number of options granted	46,17,000
Method of settlement	Equity Shares
Vesting period	18 Months & 30 Months
Vesting pattern	50 % : 50%
Weighted average remaining contractual life	
Granted but not vested	0.65 Years
Vested but not exercised	4.07 Years
Weighted average share price at the date of exercise for stock options exercised during the year	₹103.94
Exercise period	5 years from vesting date
Vesting conditions	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time.
Weighted average fair value of options as on grant date	27.80

The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options during the year are as follows:

Sr. No.	Particulars	ESOS 2018
(A)	Risk-free rate	5.95% - 6.10%
(B)	Expected life of options	6.5 years - 7.5 years
(C)	Expected volatility	67.61% - 66.90%
(E)	Weighted average share price	₹28.05 Per Share

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

29 Employees Stock Option Schemes (ESOS) (contd.)

Sr. No.	Particulars	ESOS 2018
(F)	Weighted average exercise price	Grant Date 13-Nov-2018 - ₹34.70 Per Share
		Grant Date 18-May-2019 - ₹36.50 Per Share
		Grant Date 20-May-2020 - ₹27.40 Per Share
(G)	Method used to determine expected volatility	Based on the returns generated on equity shares of Company for the period from FY. 2013 to FY. 2020

Expense on Employee Stock Options Scheme debited to the Statement of Profit and Loss during the year is ₹153 lakhs (Previous year ₹369 lakhs). The Carrying amount of ESOP reserve as on March 31, 2022 is ₹952 lakhs (March 31, 2021 ₹830 lakhs).

The company provides the sensitivity analysis to show the impact to the Company's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the company's estimation by the stated percentages.

Impact on the income statement of a change in leaver assumptions	Year ended March 31, 2022	Year ended March 31, 2021
(+) 5%	-	-
(-) 5%	8	18

30 Borrowings:

Secured loans:

a) Term Loan from Bank:

Term loan of ₹20 lakhs (March 31, 2021 ₹33 lakhs) from the Bank is secured against Vehicles of the Group.

b) Term of Repayment

Term Loan from Bank is repayable in equal monthly instalment, the last instalment is due on September 15, 2023 as per repayment schedule having interest rate of 8.70% p.a.

31 Related Party Disclosures:

Names of related parties and their relationships:

Enterprises in which Key Management Personnels and the relatives exercise significant influence:

Gateway Entertainment Limited
Judith Investments Private Limited
Statin Enterprise LLP

Key Management Personnels:

Mr. N. Jayakumar
Mr. Ajay Shah
Mr. S R Sharma (CFO in Prime Securities Limited)
Mr. Akshay Gupta (Executive Director of Prime Research & Advisory Limited)

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

31 Related Party Disclosures: (contd.)

Independent Directors:

Mr. Pradip Dubhashi

Ms. Alpana Parida

Ms. Namrata Kaul

Ms. Smita Cawas Affinwalla

The following transactions were carried out with the related parties in the ordinary course of business and are on arm's length basis:

(₹ in lakhs)

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
1	Remuneration paid to Key Managerial Personnel			
	Mr. N Jayakumar	Key Management Personnel	454	658
	Mr. Akshay Gupta	Key Management Personnel	323	276
	Mr. S R Sharma	Key Management Personnel	93	85
	Mr. Ajay Shah	Key Management Personnel	64	47
2	Payment to Independent Directors			
	- Sitting Fees	Independent Directors	59	52
	- Commission	Independent Directors	16	18

Outstanding Balance

(₹ in lakhs)

Sr. No.	Nature of Transaction [receivable/(payable)]	Relationship	Balance as on	
			Current Year	Previous Year
1	Ex-gratia to Key Managerial Personnel	Key Management Personnel	351 (Credit)	289 (Credit)

Note:

As the liabilities for gratuity and leave compensation are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel is not included above.

32 Leases

As a lease the Company classified property lease as operating lease under Ind AS 116. These include office premises taken on lease. The lease generally are with a periodicity of one to thirteen years. Lease include conditions such as non-cancellable period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation of price.

The Company has taken various office premises on operating lease for the period which ranges from 12 months to 60 months with an option to renew the lease by mutual consent on mutually agreeable terms.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

32 Leases (contd.)

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2021 is 10.00 %.

Information about leases for which the company is a lessee are presented below:

(A) Right-of-use assets

Right-of-use assets relate to building that are presented separately within property and equipment

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	211	251
Addition during the period	106	80
Adjustments due to modification in lease arrangements	(5)	-
Deletion during the period	(65)	(18)
Depreciation charge for the period	(62)	(103)
Closing balance	185	211

(B) Movement of Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	243	260
Addition during the period	98	80
Deletion during the period	(65)	(18)
Finance Cost	33	27
Payment of lease liabilities	(86)	(106)
Closing balance	224	243

(C) Future minimum lease payments under non-cancellable operating lease were payable as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one month	7	8
Between one and three months	14	16
Between three months and one year	63	71
Between one and five years	178	190
More than five years	-	-
Total	262	285

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

32 Leases (contd.)

(D) Amounts recognised in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	33	27
Depreciation of ROU lease asset	62	103
Gain / (loss) on termination of leases	-	-
Rent concession related to COVID-19	-	-

(E) Amounts recognised in Statement of Cash Flow

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Cash outflow for leases	86	106

Company has considered entire lease term for the purpose of determination of Right of Use assets and lease

33 Segment Information :

The Group has only one segment i.e. Financial Advisory & Intermediation services. There are no separate reportable segments in terms of Ind AS 108.

All assets of the Company are domiciled in India.

Revenue of 1,868 lakhs (March 31, 2021 : 3,160 lakhs) is derived from three external customers (two external customers in PY) and revenue from each such customer constitutes more than 10% of the Group's revenue.

34 Corporate Social Responsibility

As required by Section 135 of Companies Act, 2013 and rules therein, a Corporate social responsibility committee has been formed by the Company, The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the Company during the year 2021-22 ₹25 lakhs (Previous year ₹29 lakhs).

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

34 Corporate Social Responsibility (contd.)

(b) Amount spent during the year on:

Particulars	2021-22	2020-21
(i) Amount required to be spent by the company during the year	25	29
(ii) Amount of expenditure incurred		
- Construction / acquisition of any asset	-	-
- On purposes other than above	52	67
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	30
(v) Reason for shortfall	NA	Note - 2
(vi) Nature of CSR activities	Note - 1	Note - 1
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-

Note - 1 Contribution to Various Trusts for Medical, Training and skill development of women, children and special abled persons.

Note - 2 The shortfall is on account of merged entity for March 31, 2020, pending evaluation of the project under CSR.

35 Revenue from contracts with customers

The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in the contract
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, we satisfy a performance obligation.

I. Nature of Services

Merchant Banking and Advisory Services

The Company derives main revenue from corporate advisory services. The company specialize in providing value added advice and services to our clients on complex strategic and financial decisions and transactions focused around Fund Raising, Mergers & Acquisitions, Equity & Debt Private Placements, Initial Public Offerings, Corporate Advisory, and Capital Restructuring.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

35 Revenue from contracts with customers (contd.)

II. Contract Balances

Trade Receivables. The outstanding balance as on March 31, 2022 : ₹55 lakhs, 31 March 2021: ₹78 lakhs. (Refer note 5)

III. Performance obligations and timing of revenue recognition

Income from corporate advisory services is recognised upon rendering of services.

36 Financial instruments – Fair values and risk management

A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2022	Fair Value Through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised	Total Carrying Value
Financial assets				
Cash and cash equivalents	-	-	1,035	1,035
Bank balance other	-	-	5,590	5,590
Trade receivables	-	-	55	55
Other receivables	-	-	393	393
Investments	2,081	2,275	-	4,356
Other financial assets	-	-	450	450
Total	2,081	2,275	7,523	11,879
Financial liabilities				
Trade payables	-	-	18	18
Borrowings	-	-	504	504
Other financial liabilities	-	-	980	980
Total	-	-	1,502	1,502

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

March 31, 2021	Fair Value Through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised	Total Carrying Value
Financial assets				
Cash and cash equivalents	-	-	2,306	2,306
Bank balance other	-	-	2,108	2,108
Trade receivables	-	-	78	78
Other receivables	-	-	393	393
Investments	1,672	-	-	1,672
Other financial assets	-	-	128	128
Total	1,672	-	5,013	6,685
Financial liabilities				
Trade payables	-	-	227	227
Borrowings	-	-	33	33
Other financial liabilities	-	-	707	707
Total	-	-	967	967

March 31, 2022	Fair value through Profit and Loss / Other Comprehensive Income				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	1,035	1,035
Bank balance other	-	-	-	-	5,590	5,590
Trade receivables	-	-	-	-	55	55
Other receivables	-	-	-	-	393	393
Investments	1,575	506	2,275	4,356	-	-
Other financial assets	-	-	-	-	450	450
	1,575	506	2,275	4,356	7,523	7,523
Financial liabilities						
Trade payables	-	-	-	-	18	18
Borrowings	-	-	-	-	504	504
Other financial liabilities	-	-	-	-	980	980
	-	-	-	-	1,502	1,502

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

March 31, 2021	Fair value through Profit and Loss / Other Comprehensive Income				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	2,306	2,306
Bank balance other	-	-	-	-	2,108	2,108
Trade receivables	-	-	-	-	78	78
Other receivables	-	-	-	-	393	393
Investments	1,121	551	-	1,672	-	-
Other financial assets	-	-	-	-	128	128
	1,121	551	-	1,672	5,013	5,013
Financial liabilities						
Trade payables	-	-	-	-	227	227
Borrowings	-	-	-	-	33	33
Other financial liabilities	-	-	-	-	707	707
	-	-	-	-	967	967

B) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

The hierarchy is used as follows:

- **Level 1:**

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1

- **Level 2:**

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- **Level 3:**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

C) Valuation techniques used to determine fair value:

Significant valuation techniques used to value financial instruments include:

The carrying amounts of cash and cash equivalent, trade receivables, other financial assets, loans, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

The following tables show the valuation techniques used in measuring fair values.

Type	Valuation technique
Listed Equity Investments & Bonds (Level 1)	The valuation has been done using the quoted price in active market.
Investments in Bonds (Level 2)	The valuation has been done based on discounted cash flow method using observable market data.
Unquoted equity instrument (Level 3)	The valuation has been done as per Valuation report.

D) Fair value of financial instrument measured at amortised cost

Fair value of financial asset and liabilities are equal to their carrying amount.

Note:

During the periods mentioned above, there have been no transfers amongst the hierarchy levels.

E) Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board of Directors have adopted an Enterprise Risk Management Policy framed by the Company, which identifies the risk and lays down the risk minimization procedures. The Management reviews the Risk management policies and systems on a regular basis to reflect changes in market conditions and the Company's activities, and the same is reported to the Board of Directors periodically. Further, the Company, in order to deal with the future risks, has in place various methods / processes which have been imbibed in its organizational structure and proper internal controls are in place to keep a check on lapses, and the same are been modified in accordance with the regular requirements.

The Audit Committee oversees how Management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal auditors.

The Company has exposure to the following risk arising from financial instruments:

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

For trade receivables, the company individually monitors outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company monitors each loans and advances given and makes any specific provision wherever required.

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

The Company uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables, as per which 25% provision is made for 90 days past due, 50% for 180 days past due and 100% provision for 1 year past due receivables.

The movement in expected credit loss:

Particulars	Carrying amount (₹ in lakhs)	
	March 31, 2022	March 31, 2021
Opening balance	181	14
Acquired through business combination	-	-
Impairment loss recognised	7	167
Closing balance	188	181

Ageing of Impairment loss

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021
Less than 1 year	7	-
1-2 years	-	167
2-3 years	-	-
More than 3 years	-	-

Management believes that the unimpaired amounts which are past due are collectible in full.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

Cash and cash equivalents and other Bank balances

The Company held cash and cash equivalents and other bank balances of ₹6,625 lakhs as on March 31, 2022 (March 31, 2021, ₹4,414 lakhs). The cash and cash equivalents are held with banks with good credit ratings.

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

March 31, 2022	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade payables	18	18	18	-	-	-	-
Borrowings	504	504	491	7	6	-	-
Other financial liabilities	980	980	788	33	76	83	-

(₹ in lakhs)

March 31, 2021	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade payables	227	227	227	-	-	-	-
Borrowings	33	33	6	7	14	6	-
Other financial liabilities	707	707	500	38	79	90	-

The gross outflows disclosed in the above tables represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

36 Financial instruments – Fair values and risk management (contd.)

iii) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

Currency risk

The Company has insignificant amount of foreign currency denominated assets. Accordingly, the exposure to currency risk is insignificant.

Interest rate risk

The Company's investments are primarily in fixed rate interest instruments. Accordingly, the exposure to interest rate risk is also insignificant.

Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer or the market. The Company exposed to price risk from its investment in Mutual Funds, Equity Shares, Bonds classified in the balance sheet at fair value through profit and loss or fair value through other comprehensive income.

Particulars	March 31, 2022		March 31, 2021	
	Profit & Loss	Other Comprehensive Income	Profit & Loss	Other Comprehensive Income
Exposure to price risk	2,081	2,275	1,672	-

Sensitivity analysis

The table below sets out the effect on profit or loss and Other Comprehensive Income due to reasonable possible weakening / strengthening in prices of 5% :

Particulars	March 31, 2022		March 31, 2021	
	Change in Statement of Profit & Loss	Change in Other Comprehensive Income	Change in Statement of Profit & Loss	Change in Other Comprehensive Income
5% increase in the prices	104	114	84	-
5% decrease in the prices	(104)	(114)	(84)	-

Decrease in prices by 5% will have equal and opposite impact in financial statements. Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the investment portfolio as on the reporting date.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

37 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using debt to equity ratio.

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Borrowings	504	33
Gross Debt	504	33
Less: Cash & Bank Balance	(4,404)	(1,640)
Net debt (A)	-	-
Total equity (B)	11,145	5,721
Net debt to equity ratio (A) / (B)	0.00%	0.00%

38 Employee Benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The contributions to the Provident Fund and Family Pension Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

The Company recognised ₹19 lakhs for year ended March 31, 2022 (₹15 lakhs for year ended March 31, 2021) provident fund contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan:

Gratuity

The Company participates in the Employees Gratuity scheme, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(₹ in lakhs)

A) Particulars	Gratuity	
	March 31, 2022	March 31, 2021
Defined benefit obligation	178	125
Fair value of Plan Assets at the end of the year	78	64
Net Obligation at the end of the year	100	61

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

38 Employee Benefits (contd.)

B) Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(₹ in lakhs)

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening balance	125	107	64	54	61	53
Included in profit or loss	-	-	-	-	-	-
Current service cost	19	9	-	-	19	9
Past service cost	-	-	-	-	-	-
Interest cost / (income)	9	7	5	4	4	4
	152	124	69	57	84	66
Included in OCI						
Remeasurement loss (gain):	-	-	-	-	-	-
Actuarial loss / (gain) arising from:	-	-	-	-	-	-
Demographic assumptions	(0)	-	-	-	(0)	-
Financial assumptions	9	0	-	-	9	0
Experience adjustment	16	1	-	-	16	-
Return on plan assets excluding interest income	-	-	-	4	-	(4)
	178	125	69	62	109	62
Other						
Contributions paid by the employer	-	-	9	3	(9)	(3)
Benefits paid	-	-	-	-	-	-
Closing balance	178	125	78	64	100	60
Represented by						
Net defined benefit asset	-	-	-	-	(78)	(64)
Net defined benefit liability	-	-	-	-	178	125
	-	-	-	-	100	61

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

38 Employee Benefits (contd.)

C) Plan assets

Plan assets comprise the following:

Particulars	March 31, 2022	March 31, 2021
Fund managed by Insurance Company	78	64
	78	64

D) Defined benefit obligations

i) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	March 31, 2022	March 31, 2021
Discount rate	7.28%	6.88%
Expected Rate of Return on Plan Assets	3.63%	3.41%
Salary escalation rate	6.00%	5.00%
Employee Turnover	2.00%	2.00%
Mortality rate	N.A.	N.A.
	Indian Assured Lives	Indian Assured Lives
	Mortality (2012-14)	Mortality (2006-08)
	Urban	Ult.

Assumptions regarding future mortality have been based on published statistics and mortality tables.

ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(15)	18	(11)	12
Future salary growth (1% movement)	18	(16)	13	(11)
Rate of employee turnover (1% movement)	1	(1)	1	(1)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

38 Employee Benefits (contd.)

Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2022 were as follows

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2022, i.e. ₹9 lakhs

Expected future benefit payments	(₹ in lakhs)
March 31, 2022	4
March 31, 2023	5
March 31, 2024	14
March 31, 2025	6
March 31, 2026	74
Thereafter	310

Compensated Absences:

The Compensated Absences is payable to all eligible employees for each day of accumulated leave on death or on resignation. Compensated Absences debited to Statement of Profit and Loss during the year amounts to ₹42 lakhs (March 31, 2021 ₹52 lakhs). Accumulated provision for leave encashment aggregates ₹61 lakhs (March 31, 2021 ₹46 lakhs).

39 Auditors' Remuneration (excluding taxes)

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Payment to Auditor		
Audit Fees	30	34
Tax Audit Fees	1	-
Other Services (includes out of pocket expenses)*	2	1
Total	33	35

* Other Services include fees for Certifications

40 Income Tax Expense

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Amounts recognised in statement of profit or loss		
Current tax		
Current year (a)	406	219

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

40 Income Tax Expense (contd.)

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Changes in estimates related to prior years (b)	10	0
Deferred tax (c)		
Origination and reversal of temporary differences	28	25
Tax expense (a)+(b)+(c)	444	245
B. Tax recognised in other comprehensive income		
Deferred Tax on remeasurement of defined benefit liability	7	(1)
	7	(1)
C. Reconciliation of effective tax		
Profit before tax	2,142	1,065
Tax at the rate of 29.12%	624	296
Net Disallowance of Expenses	(19)	35
Impact due to differential tax rates	5	-
Current and brought forward losses	(2)	-
Difference due to MAT	(202)	(113)
Tax adjustment of earlier year	10	-
Deferred Tax	28	25
Effective tax	444	244
Effective Tax Rate (%)	20.71	22.93
D. Recognised deferred tax assets and liabilities		
Deferred tax assets and liabilities are attributable to the following:		
Difference between book depreciation and tax depreciation	25	25
Lease Rent adjustment as per Ind AS 116	11	9
Net Mark-to-Market Loss/(Gain) on investments (net)	(260)	(5)
Gain / (loss) on investments	(1)	(0)
Share issue expenses	0	-
Provision for Doubtful Debt (ECL)	2	-
Provision for Gratuity	28	17
Provision for compensated absence	17	13
Net Deferred Tax Expense	(178)	58

Note:

The Company's reconciliation of the effective tax rate is based on its domestic tax rate applicable to respective financial years.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

40 Income Tax Expense (contd.)

Amounts recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Before Tax	Tax (expenses) benefit	Net of tax	Before Tax	Tax (expenses) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	(26)	7	(18)	3	(1)	2
Items that are or may be reclassified subsequently to profit or loss						
Fair value gain on Financial Assets carried at FVTOCI	925	(215)	709	-	-	-
Total	899	(208)	691	3	(1)	2

41 Movement of Deferred Tax

(₹ in lakhs)

Particulars	As at March 31, 2022	Recognised through Other Comprehensive Income	Recognised through Profit and Loss	As at March 31, 2021
Deferred tax asset on account of:				
Lease Rent adjustment as per Ind AS 116	11	-	2	9
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	25	-	(0)	25
Net Mark-to-Market Loss/(Gain) on investments (net)	(260)	(215)	(40)	(5)
Provision for Doubtful Debt (ECL)	2	-	2	-
Gain / (loss) on investments	(1)	-	-	-
Share issue expenses	0	-	-	-
Provision for gratuity	28	7	4	17
Provision for compensated absences	17	-	5	13
Total Deferred tax assets (A)	(178)	(208)	(27)	58
Total Deferred tax liability (B)	-	-	-	-
Net Deferred Tax Assets / (Liability) (A) - (B)	(178)	(208)	(27)	58

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

42 Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial Assets						
Cash and Cash Equivalents	1,035	-	1,035	2,306	-	2,306
Bank Balance other than Cash and Cash Equivalents above	5,166	424	5,590	658	1,450	2,108
Receivables						
- Trade Receivables (Net)	55	-	55	78	-	78
- Other Receivables	-	393	393	-	393	393
Loans	-	-	-	-	-	-
Investments	881	3,475	4,356	888	784	1,672
Other Financial Assets	407	43	450	70	58	128
Total financial assets (A)	7,544	4,335	11,879	4,000	2,685	6,685
Non-financial assets						
Current Tax Assets (Net)	-	697	697	-	959	959
Deferred Tax Assets (Net)	-	-	-	28	30	58
Property, Plant and Equipment	-	292	292	-	313	313
Other Intangible assets	-	2	2	-	3	3
Capital work-in-progress	-	65	65	-	-	-
Other non-financial assets	136	0	136	124	-	124
Total Non-financial Assets (B)	136	1,056	1,192	152	1,305	1,457
Total Assets (C) = (A) + (B)	7,680	5,391	13,071	4,152	3,990	8,142

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial liabilities						
Payables						
Trade payables						

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

42 Maturity Analysis of Assets and Liabilities (contd.)

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
- Total Outstanding dues of Micro enterprises and small enterprises	-	-	-	-	-	-
- Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	18	-	18	227	-	227
Borrowings	500	6	506	13	20	33
Other financial liabilities	819	159	978	538	169	707
Total Financial Liabilities (A)	1,337	165	1,502	778	189	967
Non Financial Liabilities						
Provisions	61	100	161	46	61	107
Deferred Tax Liabilities (Net)	-	178	178	-	-	-
Other non-financial liabilities	85	-	85	1,347	-	1,347
Total Non-Financial Liabilities (B)	146	278	424	1,393	61	1,454
Total Liabilities (C) = (A) + (B)	1,483	443	1,926	2,171	250	2,421

43 Assets pledged as security

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Property, Plant and Equipment (Vehicle)	64	56
Cash & Cash equivalents (Fixed deposits)	703	-
Total assets pledged as security	767	56

44 Changes in liabilities arising from financing activities

Particulars	As at April 1, 2020	Cash flows	Others	As at March 31, 2021	Cash flows	Others	As at March 31, 2022
Borrowings (Other than debt securities)	44	(11)	-	33	471	-	504

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

- 45** During the year ended March 31, 2022, the company has raised funds through the preferential issue, amounting ₹4,038 lakhs through allotment of 45,50,000 equity shares of face value ₹5 each fully paid up, at a price of ₹88.75 each, including premium of ₹83.75 each. The proceeds received by the company is temporarily invested in Fixed deposit with bank.
- 46** The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On May 24, 2022 the Board of Directors of the Company have proposed a dividend of ₹2.25 (P.Y. ₹4.5) per equity share of ₹5 each in respect of the financial year ended March 31, 2022, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹701 lakhs (P.Y. ₹1,193 lakhs).
- 47** Amid continued COVID-19 pandemic and gradual phase out of restrictions, economic activities have started returning to normal. Employees of the Company 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 consolidated financial statement.
- 48** a). The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b). The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, except as stated hereunder:

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Date	Amount	Date	Amount
Invested in				
Jalpak Food India Private Limited (Intermediary)	04-12-2021	160	-	-
Further invested by intermediary				
White Spread Foods Private Limited (Subsidiary of Jalpak Food India Private Limited)	27-12-2021	50	-	-
	03-01-2022	100	-	-
	01-02-2022	10	-	-

The company is in compliance with relevant provisions of the Foreign Exchange Management Act 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the prevention of Money-Laundering Act 2002, (15 of 2003).

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

49 The disclosure on the following matters required under Section III amended not being relevant or applicable in case of the Company for the year ended March 31, 2022, same are not covered:

- a). The company has not traded or invested in crypto currency or virtual currency during the financial year.
- b). No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- c). The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- d). The Company has not entered into any scheme of arrangement.
- e). No satisfaction of charges are pending to be filed with ROC.
- f). There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- g). The Company has not entered into any transaction with Company struck off under section 248 of the Companies Act, 2013.
- h). The Company has taken overdraft facility from bank on security of Fixed deposits and hence there is no requirement for filling of any periodical return or information to any authorities.
- i). The Company does not have any step down subsidiaries hence compliance of layer of companies are not applicable.
- j). Disclosure of ratios, is not applicable to the Company as it is in merchant banking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.
- k). Disclosures of immovable property not in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/director	Property held since which date*	Reason for not being held in the name of the company*
Other Receivable	Building	393	Mr. Anil Mithalal Shah	No	Under Litigation (From 1995)	Under Litigation

* In the earlier year, pursuant to the order of the Hon'ble High Court, the possession of the flat was handed over to the Official Assignee. An appeal was filed by the Company against the said order whereby the said order was set aside. Pursuant to the fresh chamber summons filed by the Company for removing attachment, the Official Assignee has been directed not to sell or dispose-off the flat. The Company has been legally advised that the said developments will not have a bearing on the Company's title to the flat and consequently there is no impairment in the value of the asset and the Company is not likely to have any further claim or liability against the said flat.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

50 On December 17, 2021, the Company had intimated to the stock exchanges under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 about an interim order passed by the sole arbitrator, containing certain directions against the Company, in an arbitration between two parties, having no relationship to the Company and the subsequent stay order obtained by the Company against such order. Subsequently, the sole arbitrator has passed an Award dated January 21, 2022 ('the Award'), in the arbitration proceedings and set aside all interim orders passed therein. Accordingly, appeal filed by the Company in respect of the earlier stay order became infructuous and the appeal was withdrawn by the Company.

The Company is not party to the arbitration and the Award, passed by the sole arbitrator is not binding on the Company. Accordingly, the Company has challenged the Award and obtained a stay order on the Award. Currently, the matter is pending with the Dehradun Jurisdictional Court, India. Based on external legal advice obtained by the management, the Company has good merit in these litigations and the Company does not see any impact on the financial results due to the same.

51 Events after reporting date

There have been no events after the reporting date that require disclosure in these consolidated financial statements.

52 Principles And Assumptions Used For Consolidated Financial Statements And Proforma Adjustments

The Consolidated Financial Statements have been prepared by applying the principles laid in the Indian Accounting Standard (Ind AS) - 110 "Consolidated Financial Statements" and (Ind AS) - 28 "Investments in Associates and Joint Ventures" issued by the Institute of Chartered Accountants of India for the purposes of these Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and Summary of significant accounting policies and other explanatory information to the consolidated financial statements, together referred to in as 'Consolidated Financial Statements'.

The list of subsidiaries in the consolidated financial statement are as under :-

Prime Securities Limited ('the Company' or 'the holding company') shareholding in the following companies as on March 31, 2022 and March 31, 2021 is as under:

Name of the Entities	Country of incorporation	Proportion of ownership interest	
		As at March 31, 2022	As at March 31, 2021
Name of the Subsidiary Companies			
Direct Subsidiaries			
1 Prime Research & Advisory Limited	India	100%	100%
2 Prime Funds Management Limited	India	100%	100%

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

53 Additional Disclosure pertaining to Subsidiaries as per Division III of Companies Act, 2013

₹ in Lakhs

Sr. No.	Name of the Entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit / (Loss)	Amount	As % of Consolidated OCI	Amount	As % of Total Consolidated Income	Amount
Parent									
	Prime Securities Limited	83%	10,358	84%	1,420	101%	699	89%	2,119
Subsidiary Company									
Indian									
1	Prime Research & Advisory Limited	17%	2,108	16%	278	-1%	(8)	11%	270
2	Prime Funds Management Limited	0%	4	0%	(0)	0%	-	0%	(0)
Foreign									
		0%	-	0%	-	0%	-	0%	-
Total		100%	12,470	100%	1,698	100%	691	100%	2,389

54 The amounts reflected as "0" in the Financial Statements are values with less than rupees one lakh.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration Number : 001076N/N500013

Murad D. Daruwalla

Partner

Membership No 043334

Place : Mumbai

Date : May 24, 2022

For Prime Securities Limited

N. Jayakumar

Managing Director & Group CEO

(DIN: 00046048)

S. R. Sharma

Chief Financial Officer

Place : Mumbai

Date : May 24, 2022

Pradip Dubhashi

Chairman

(DIN: 01445030)

Ajay Shah

Company Secretary

(ACS-14359)

FORM AOC-1

Salient features of the financial statements of Subsidiaries / Associate Companies / Joint Ventures

[Pursuant to the first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]

Subsidiaries

Sr. No.	Name of Subsidiary	Prime Research & Advisory Limited	Prime Funds Management Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2021 to March 31, 2022	April 1, 2021 to March 31, 2022
2	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Indian Rupees	Indian Rupees
3	Share Capital	135	5
4	Reserve and Surplus	1,973	(1)
5	Total Assets	2,442	4
6	Total Liabilities (Excluding Minority interest)	334	-
7	Investment other than investment in Subsidiary	828	-
8	Turnover and Other Income	1,166	-
9	Profit Before Taxation	378	-
10	Provision for Taxation (incl Deferred Tax)	100	-
11	Profit after Tax	278	-
12	Dividend	-	-
13	% of shareholding	100%	100%

For and on behalf of the Board of Directors
Prime Securities Limited

N. Jayakumar

Managing Director & Group CEO
(DIN: 00046048)

Pradip Dubhashi

Chairman
(DIN: 01445030)

S. R. Sharma

Chief Financial Officer

Ajay Shah

Company Secretary
(ACS-14359)

Mumbai, May 24, 2022

PRIME

The logo consists of the word "PRIME" in a bold, blue, sans-serif font. To the right of the text is a red, curved swoosh that starts below the 'M' and arches upwards and to the right, ending under the 'E'.