

# PRIME

February 11, 2020

✓ **Corporate Relationship Department**

✓ **Bombay Stock Exchange 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 (East), Mumbai 400051

Dear Sir / Madam,

**Sub: Regulation 30 and 33 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 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company, at their Meeting held today, have taken on record the Unaudited Financial Results of the Company for the Quarter and Nine Months ended December 31, 2019.

Please find enclosed herewith the Unaudited Financial Results (Consolidated & Standalone) along with the Limited Review Report(s) by the Independent Auditors for the Quarter and Nine Months ended December 31, 2019 and Press Release.

Please note that the Unaudited Financial Results will be published in the newspapers as per the provisions of Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same will also be made available on website of the Company ([www.primesec.com](http://www.primesec.com)).

The Board Meeting commenced at 1.00 p.m. and concluded at 4.20 p.m.

Yours faithfully,

For **Prime Securities Limited**



**Ajay Shah**  
Company Secretary  
(ACS-14359)

Prime Securities Limited  
1109 / 1110, Maker Chambers V,  
Nariman Point, Mumbai 400 021.  
CIN: L67120MH1982PLC026724  
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**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Prime Securities Limited**

1. We were engaged to review the accompanying statement of unaudited consolidated financial results ('the Statement') of Prime Securities Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 31 December 2019 and the consolidated year to date results for the period 1 April 2019 to 31 December 2019, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We have taken into account the requirements of Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Because of the matters described in the Basis for Disclaimer of Conclusion paragraph, however, we were not able to obtain sufficient appropriate evidence to provide a basis for our conclusion on the Statement

We have also taken into account the requirements of performing procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.





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

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#### 4. Basis for Disclaimer of Conclusion

- a) As stated in Note 4(a) to the accompanying Statement, the Group's financial assets as at 31 December 2019 includes trade receivables aggregating to Rs. 750.00 lakhs (Prime Securities Limited: Rs. 375.00 lakhs, Primesec Investment Limited: Rs. 375.00 lakhs) (net of provision of Rs 125 lacs each) (30 September 2019: Rs. 1000.00 lakhs, 31 March 2019: Rs. 1000.00 lakhs) which have been outstanding for a substantial period and in respect of which confirmations/ statements from the respective debtor has not been received. The management has assessed that the aforesaid trade receivables as recoverable and no adjustments are required to the carrying value of the aforesaid balance. However, in the absence of sufficient appropriate evidence to support the management's assessment on the adjustment and recoverability of the balance trade receivable and lack of any other relevant alternate evidence, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these trade receivables in accordance with the requirements of Ind AS 109, 'Financial Instruments', and the consequential impact on the accompanying consolidated financial results.

The above matter is also reported as an Emphasis of Matter by another firm of Chartered Accountants vide their report dated 11 February 2020 on the financial results of Primesec Investment Limited, a subsidiary of the Company, which is reproduced as under:

"The Company has not received confirmation of account from a debtor whose outstanding balance is Rs. 500.00 Lacs. However, a provision of Rs. 125.00 Lacs for doubtful debt is made in line with the Company's policy, instituted from the current quarter, of quarterly provisioning for 25% of the amount outstanding in respect of debtor balance outstanding for more than six months."

- b) As stated in Note 4(a) to the accompanying Statement, the Group's financial asset as at 31 December 2019 includes Advances to parties aggregating to Rs. 327.90 lakhs (30 September 2019: Rs. 327.50 lakhs, 31 March 2019: Rs. 327.50 lakhs) which have been outstanding for a substantial period of time and in respect of which confirmations/ statements from the respective party has not been received. The management has assessed that the aforesaid advances are fully recoverable and no adjustments are required to the carrying value of the aforesaid balance. However, in the absence of sufficient appropriate evidence to support the management's assessment as above and lack of any other relevant alternate evidence, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the aforesaid balance in accordance with the requirements of Ind AS 109, 'Financial Instruments' and the consequential impact on the accompanying consolidated financial results.
- c) As stated in Note 4(b) of the accompanying consolidated financial results, the Group had incorrectly adopted Ind AS from 1 April 2017 instead of 1 April 2019 and considered transition date as 1 April 2016 which is not in compliance with Companies (Indian Accounting Standards) (Amendment) Rules, 2016, dated 30 March 2016. Further, the management is currently in the process of ascertaining the impact of changing the transition date from 1 April 2016 to 1 April 2018, and accordingly no adjustments have been made in the results for the current quarter. Accordingly, in the absence of quantification of the impact of the above non compliance, we are unable to comment on the adjustments, if any, that may be required to the opening reserves as on 1 April 2018 and consequential impact, if any, on the accompanying overall consolidated financial results.



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

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## 5. Disclaimer of Conclusion

Because of the significance of the matter described in the Basis for Disclaimer of Conclusion paragraph above, we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether anything has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular(s), and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement. Accordingly, we do not express our conclusion on the Statement.

6. In addition to the matters described in Basis for Disclaimer of Conclusion paragraph above, we draw attention to

a. Note 5(a) and Note 5(b) to the accompanying consolidated financial results regarding the restatement in accordance with the principles of Ind AS 8 on account of: (i) adjustment of expenses relating to share based payments for quarter ended 30 September 2019 and (ii) reclassification of a residential flat under dispute, from 'Property, Plant and Equipment' to 'Other Receivable' and adjustment of the related depreciation expense till 31 March 2018 in the Opening Reserves and for all subsequent periods in the statement of profit and loss.

b. Note 4(a) to the Statement, the following Emphasis of Matter is given by another firm of Chartered Accountants vide their report dated 11 February 2020 on the financial results of Primesec Investment Limited, a subsidiary of the holding Company, reproduced by us as under:

"The Company has not received confirmation of account from parties to whom advances are given whose aggregate outstanding is Rs. 134.90 Lakhs. No provision for doubtful advances is considered necessary by the Company as in the opinion of its management the amount will be fully realized in ordinary course of business."

c. Note 4(a) to the Statement, the following Emphasis of matter is given by another firm of Chartered Accountants vide their report dated 11 February 2020 on the financial results of Prime Research & Advisory Limited, a subsidiary of the holding Company, reproduced by us as under:

"The Company has not received confirmation of account from a debtor whose outstanding balance is Rs. 295.00 Lacs. However, a provision of Rs. 73.75 Lacs for doubtful debt is made in line with the Company's policy, instituted from the current quarter, of quarterly provisioning for 25% of the amount outstanding in respect of debtor balance outstanding for more than six months."

7. We did not review the interim financial results of two subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 1345 lakhs and ₹ 2965, total net profit after tax of ₹ 183 and ₹ 624, total comprehensive income/(loss) of ₹ 1 lakh and ₹ (1) lakh, for the quarter and year to date period ended on 31 December 2019, respectively, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our review of the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors.





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

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8. The Statement includes the interim financial results of two subsidiaries, which have not been reviewed by their auditors, whose interim financial information reflects total revenues of ₹ 26 lakhs and ₹ 36 lakhs, net profit/(loss) after tax of ₹ (6) lakhs and ₹ 1 lakh, total comprehensive income Nil for the quarter and year to date period ended 31 December 2019 respectively, as considered in the Statement, and have been furnished to us by the Holding Company's management. Our review of the Statement in so far as it relates to the aforesaid subsidiaries, is based solely on such unreviewed financial information. According to the information and explanations given to us by the management, such interim financial information are not material to the Group.
9. The review of unaudited consolidated quarterly and year to date financial results for the period ended 31 December 2018 and audit of consolidated financial results for the year ended 31 March 2019 included in the Statement was carried out and reported by Gandhi & Associates LLP, Chartered Accountant who have expressed modified conclusion vide their review report dated 14 February 2019 and modified opinion vide their audit report dated 18 May 2019 respectively, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.

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



**Sudhir N. Pillai**  
Partner  
Membership No. 105782

**UDIN: 20105782AAAABB8060**

**Place:** Mumbai  
**Date:** 11 February 2020

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

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**Annexure 1**

**List of entities included in the Statement**

1. Primesec Investments Limited
2. Prime Research & Advisory Limited
3. Prime Commodities Broking (India) Private Limited
4. Prime Funds Management Limited



# PRIME SECURITIES LIMITED - CONSOLIDATED

Regd. Office : 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 (CIN: L67120MH1982PLC026724)

Tel: +91-22-61842525 Fax: +91-22-24970777 Website: www.primesec.com Email: prime@primesec.com

## STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the Quarter ended			For the Period ended		
	31-Dec-19 (Unaudited)	30-Sep-19 (Unaudited) (Refer note 5)	31-Dec-18 (Unaudited) (Refer note 5)	31-Dec-19 (Unaudited)	31-Dec-18 (Unaudited) (Refer note 5)	31-Mar-19 (Audited) (Refer note 5)
<b>I Revenue from operations</b>						
Fee and commission income	1,352	1,876	1,341	4,285	3,242	4,586
<b>II Other income</b>	<b>33</b>	<b>11</b>	<b>9</b>	<b>54</b>	<b>69</b>	<b>109</b>
<b>III Total income (I+II)</b>	<b>1,385</b>	<b>1,887</b>	<b>1,350</b>	<b>4,339</b>	<b>3,311</b>	<b>4,695</b>
<b>Expenses</b>						
1) Finance cost	3	6	6	16	14	17
2) Fees and commission expense	552	240	173	1,063	647	695
3) Impairment on Financial Assets	339	178	-	517	-	138
4) Net loss on fair value changes	(16)	78	10	138	(22)	(41)
5) Employee benefit expense	315	743	336	1,356	875	1,327
6) Depreciation & amortisation expense	21	21	10	66	17	30
7) Other expenses	111	89	116	267	323	442
<b>IV Total expenses</b>	<b>1,327</b>	<b>1,356</b>	<b>651</b>	<b>3,423</b>	<b>1,854</b>	<b>2,608</b>
<b>V Profit / (loss) before tax (III - IV)</b>	<b>59</b>	<b>532</b>	<b>699</b>	<b>916</b>	<b>1,457</b>	<b>2,087</b>
<b>VI Tax expenses / (credits)</b>						
- Current tax	104	77	148	258	313	445
- Deferred tax liabilities / (assets)	(1)	(1)	-	(0)	-	(4)
<b>VII Profit / (Loss) after tax from continuing operations (V - VI)</b>	<b>(45)</b>	<b>456</b>	<b>551</b>	<b>657</b>	<b>1,144</b>	<b>1,647</b>
<b>VIII Other comprehensive income</b>						
A. (I) Items that will not be reclassified to profit or loss						
(a) Remeasurement of defined employee benefit plans	(1)	(4)	3	(8)	(6)	(10)
(II) Income Tax relating to items that will not be reclassified to profit or loss	0	-	-	2	-	2
B. (I) Items that will be reclassified to profit or loss						
(II) Income Tax relating to items that will be reclassified to profit or loss						
<b>IX Total Comprehensive Income for the period / year (VII-VIII) (Comprising profit / (loss) and other Comprehensive Income for the period / year)</b>	<b>(46)</b>	<b>452</b>	<b>554</b>	<b>651</b>	<b>1,138</b>	<b>1,638</b>
<b>X (i) Paid-Up Equity Share Capital (Face Value Rs. 5/- each)</b>	<b>1,330</b>	<b>1,330</b>	<b>1,330</b>	<b>1,330</b>	<b>1,330</b>	<b>1,330</b>
<b>(ii) Other Equity</b>						<b>2,238</b>
<b>XI Earning/(loss) per Equity Share for continuing operation (face value Rs.5 per equity share) (Rs. not annualised for the quarters and period ended)</b>						
- Basic (amount in Rs.)	(0.17)	1.72	2.08	2.48	4.31	6.21
- Diluted (amount in Rs.)	(0.17)	1.71	2.07	2.45	4.31	6.19






Notes:

- 1 The above consolidated financial results have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. The consolidated financial results were reviewed by Audit Committee and taken on record by the Board of Directors at its Meeting held on February 11, 2020.
- 2 Employee benefit expense include employee stock option expenses and ex-gratia
- 3 Other Comprehensive Income represents net actuarial gain / (loss) on employee defined benefit obligation.
- 4 Independent Auditors in their Limited Review Report for the Quarter ended December 31, 2019 has recorded their conclusion about the following:
  - a) Non receipt of confirmation of account from certain debtors and advances . *Management clarification: Management is confident of receiving the amount in the ordinary course of business.*
  - b) The Company had voluntarily adopted Ind AS from April 1, 2017 and comparative financial information for the year ended March 31, 2017 and transition date opening balance sheet as at April 1, 2016 were prepared in accordance with Ind AS. The company being SEBI Registered Merchant banker and is covered as a NBFC as per the definition given under Companies (Indian Accounting Standards) (Amendments) Rules 2016 with a net worth of less than Rs. 500 Crores, should adopt Ind AS from April 1, 2019 with transition date April 1, 2018. Further, the Ministry of Corporate Affairs (MCA), vide its notification dated October 11,2018 issued Division III of Schedule III, which provides the format for financial Statements of Non-Banking Financial Companies, as defined in the Companies (Indian Accounting Standards) (Amendments) Rules 2016. These Consolidated Financial Results have been prepared in accordance with the same. The corresponding figures for the quarter and nine months period ended December 2018, year ended March 2019, quarter ended September 2019 and quarter and period ended December 2019 have also undergone a reclassification to comply with the requirements of the Division III.
- 5 In accordance with the requirements of Indian Accounting Standards (IND AS) – 8, “Accounting Policies, Changes in Accounting Estimates and Errors” – management has restated certain account balances for the comparative periods in order to comply with the accounting principles enunciated under the relevant IND-AS’s.
  - a) Employee Benefit Expenses for the quarter ended September 30, 2019 aggregating to Rs. 789 lakhs, have been adjusted on account of de-recognition of expenses pertaining to share based payment transactions of Rs. 49.58 lakhs for the quarter.
  - b) Depreciation Expense for the quarter and nine months ended 31 December 2018 aggregating to Rs. 12 lakhs, Rs. 23 lakhs respectively, year ended 31 March 2019 aggregating to Rs. 39 lakhs and quarter ended 30 September 2019 aggregating to Rs. 23 lakhs have been adjusted on account of reversal of depreciation expense pertaining to reclassification of PPE to ‘other Receivable’ as per Ind AS 16 to the financial asset to the tune of Rs. 1.65 lakhs and Rs. 4.93 lakhs respectively for the quarter and nine months ended 31 December 2018, Rs. 9.31 lakhs for the year ended 31 March 2019 and Rs. 1.65 lakhs for the quarter ended 30 September 2019.
- 6 The Group has identified two reportable segments (i) Financial Advisory & Intermediation services and (ii) Brokerage from mutual fund distribution as per Ind AS 108. However, the segment "Brokerage from mutual fund distribution" does not exceed the quantitative thresholds as prescribed by paragraph 13 of Ind AS 108. Hence, the entity has not reported separate information for each operating segment.

Mumbai  
February 11, 2020



For Prime Securities Limited  
  
N. Jayakumar  
Managing Director & Group CEO



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

**To the Board of Directors of Prime Securities Limited**

1. We were engaged to review the accompanying statement of standalone unaudited financial results ('the Statement') of Prime Securities Limited ('the Company') for the quarter ended 31 December 2019 and the year to date results for the period 01 April 2019 to 31 December 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We have taken into account the requirements of the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. Because of the matters described in the Basis for Disclaimer of Conclusion paragraph, however, we were not able to obtain sufficient appropriate evidence to provide a basis for our conclusion on the Statement.
4. **Basis for Disclaimer of Conclusion**
  - a) As stated in Note 4(a) to the accompanying Statement, the Company's financial assets as at 31 December 2019 includes trade receivable aggregating to Rs. 375.00 lakhs (net of provision of Rs. 125 lakhs) (30 September 2019: Rs. 500.00 lakhs, 31 March 2019: Rs. 500.00 lakhs) which have been outstanding for a substantial period of time and in respect of which confirmations/ statements from the respective debtor has not been received. The management has assessed that the aforesaid trade receivables as recoverable and no adjustments are required to the carrying value of the aforesaid balance. However, in the absence of sufficient appropriate evidence to support the management's assessment as above and lack of any other relevant alternate evidence, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these trade receivable in accordance with the requirements of Ind AS 109, 'Financial Instruments', and the consequential impact on the accompanying standalone financial results.



## Prime Securities Limited

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

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- b) As stated in Note 4(a) to the accompanying Statement, the Company's financial asset as at 31 December 2019 includes advances against purchase of property aggregating Rs. 327.50 lakhs (30 September 2019: Rs. 327.50 lakhs, 31 March 2019: Rs. 327.50 lakhs) which have been outstanding for a substantial period of time and in respect of which confirmations/ statements from the respective party has not been received. The management has assessed that the aforesaid advances are fully recoverable and no adjustments are required to the carrying value of the aforesaid balance. However, in the absence of sufficient appropriate evidence to support the management's assessment as above and lack of any other relevant alternate evidence, we are unable to comment upon adjustments, if any, that are required to the carrying value of the aforesaid balance in accordance with the requirements of Ind AS 109, 'Financial Instruments' and the consequential impact on the accompanying standalone financial results.
- c) As stated in Note 4(b) of the accompanying standalone financial results, the Company had incorrectly adopted Ind AS from 1 April 2017 instead of 1 April 2019 and considered transition date as 1 April 2016 which is not in compliance with Companies (Indian Accounting Standards) (Amendment) Rules, 2016, dated 30 March 2016. Further, the management is currently in the process of ascertaining the impact of changing the transition date from 1 April 2016 to 1 April 2018, and accordingly no adjustments have been made in the results for the current quarter. Accordingly, in the absence of quantification of the impact of the above non compliance, we are unable to comment on the adjustments, if any, that may be required to the opening reserves as on 1 April 2018 and consequential impact, if any, on the accompanying overall standalone financial results

#### 5. Disclaimer of Conclusion

Because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraph above, we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether anything has come to our attention that cause us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular(s), and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement. Accordingly, we do not express our conclusion on the Statement.

#### 6. In addition to the matters described in Disclaimer of Conclusion paragraph above, we draw attention to

- a. Note 5 to the accompanying Statement, regarding the Company's investments and inter-Company deposit in Primesec Investments Limited, wholly owned subsidiary aggregating to Rs. 4,299.50 lakhs (30 September 2019: Rs. 4,793.99 lakhs, 31 March 2019: Rs. 4273.97 lakhs) as at 31 December 2019, which is considered to be as fully recoverable by the management based on the valuation performed by an independent valuation expert. However, these are dependent on certain assumptions and estimates considered by the management, the appropriateness of which is dependent upon the realisation of the related business plans.





**Prime Securities Limited**

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

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- b. Note 6(a) and Note 6(b) to the accompanying standalone financial results regarding the restatement in accordance with the principles of Ind AS 8 on account of: (i) adjustment of expenses relating to share based payments incurred towards certain employees of the subsidiaries of the Company for the quarter and nine months ended 31 December 2018, year ended 31 March 2019 and quarter ended 30 September 2019, with the carrying cost of investments in such subsidiaries and (ii) reclassification of a residential flat under dispute, from 'Property, Plant and Equipment' to 'Other Receivable' and adjustment of the related depreciation expense till 31 March 2018 in the Opening Reserves and for all subsequent periods in the statement of profit and loss. Our conclusion is not modified in respect of this matter.
- c. The review of standalone unaudited quarterly and year to date financial results for the period ended 31 December 2018 and audit of standalone financial results year ended 31 March 2019 included in the Statement was carried out and reported by Gandhi & Associates LLP, Chartered Accountant who have expressed modified conclusion vide their review report dated 14 February 2019 and modified opinion vide their audit report dated 18 May 2019 respectively, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



**Sudhir N. Pillai**

Partner

Membership No. 105782

UDIN: 20105782AAAABA2252

**Place: Mumbai**

**Date: 11 February 2020**

# PRIME SECURITIES LIMITED

Regd. Office : 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 (CIN: L67120MH1982PLC026724)

Tel: +91-22-61842525 Fax: +91-22-24970777 Website: www.primesec.com Email: prime@primesec.com

## STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the Quarter ended			For the Period ended		
	31-Dec-19 (Unaudited)	30-Sep-19 (Unaudited) (Refer Note 6)	31-Dec-18 (Unaudited) (Refer Note 6)	31-Dec-19 (Unaudited)	31-Dec-18 (Unaudited) (Refer Note 6)	31-Mar-19 (Audited) (Refer Note 6)
<b>I Revenue from Operations</b>						
Fee and commission income	12	808	518	1,325	1,038	1,038
II Other income	37	1	(4)	47	4	32
<b>III Total income (I+II)</b>	<b>49</b>	<b>809</b>	<b>514</b>	<b>1,372</b>	<b>1,042</b>	<b>1,070</b>
<b>Expenses</b>						
1) Finance cost	1	2	1	4	3	4
2) Fee and commission expense	46	107	13	175	35	50
3) Impairment on Financial Assets	186	61	-	186	-	77
4) Net Loss on Fair Value Changes	(16)	30	6	33	1	(41)
5) Employee Benefit Expense	143	459	89	716	338	496
6) Depreciation & Amortisation Expense	6	6	3	17	10	17
7) Other Expenses	27	58	34	174	148	194
<b>IV Total expenses</b>	<b>393</b>	<b>725</b>	<b>147</b>	<b>1,306</b>	<b>534</b>	<b>797</b>
<b>V Profit / (loss) before tax (III - IV)</b>	<b>(345)</b>	<b>85</b>	<b>367</b>	<b>66</b>	<b>508</b>	<b>273</b>
<b>VI Tax expenses / (credits)</b>						
- Current tax	(41)	8	73	34	112	51
- Deferred tax liabilities / (assets)	(1)	(2)	-	0	-	(21)
<b>VII Profit / (loss) after tax from continuing operations (V - VI)</b>	<b>(302)</b>	<b>79</b>	<b>294</b>	<b>32</b>	<b>396</b>	<b>243</b>
<b>VIII Other comprehensive income</b>						
A. (I) Items that will not be reclassified to profit or loss						
(a) Remeasurement of defined employee benefit plans	(1)	(5)	3	(7)	(6)	(9)
(II) Income Tax relating to items that will not be reclassified to profit or loss	1	1	(1)	2	-	2
B. (I) Items that will be reclassified to profit or loss						
(II) Income Tax relating to items that will be reclassified to profit or loss						
<b>IX Total Comprehensive Income for the period / year (VII-VIII) (Comprising profit / (loss) and other Comprehensive Income for the period / year)</b>	<b>(302)</b>	<b>74</b>	<b>296</b>	<b>27</b>	<b>390</b>	<b>236</b>
<b>X (i) Paid-Up Equity Share Capital (Face Value Rs. 5/- each)</b>	<b>1,330</b>	<b>1,330</b>	<b>1,330</b>	<b>1,330</b>	<b>1,330</b>	<b>1,330</b>
<b>(ii) Other Equity</b>						<b>6,038</b>
<b>XI Earning/(loss) per Equity Share for continuing operation (face value Rs.5 per equity share) (Rs. not annualised for the quarters and period ended)</b>						
- Basic (amount in Rs.)	(1.14)	0.30	1.11	0.12	1.49	0.92
- Diluted (amount in Rs.)	(1.13)	0.30	1.10	0.12	1.49	0.91





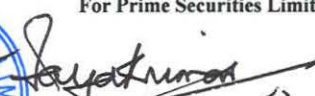
Notes:

- 1 The above consolidated financial results have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. The consolidated financial results were reviewed by Audit Committee and taken on record by the Board of Directors at its Meeting held on February 11, 2020.
- 2 Employee benefit expense include employee stock option expenses and ex-gratia
- 3 Other Comprehensive Income represents net actuarial gain / (loss) on employee defined benefit obligation.
- 4 Independent Auditors in their Limited Review Report for the Quarter ended December 31, 2019 has recorded their conclusion about the following:
  - a) Non receipt of confirmation of account from certain debtors and advances . *Management clarification: Management is confident of receiving the amount in the ordinary course of business.*
  - b) The Company had voluntarily adopted Ind AS from April 1, 2017 and comparative financial information for the year ended March 31, 2017 and transition date opening balance sheet as at April 1, 2016 were prepared in accordance with Ind AS. The company being SEBI Registered Merchant banker and is covered as a NBFC as per the definition given under Companies (Indian Accounting Standards) (Amendments) Rules 2016 with a net worth of less than Rs. 500 Crores, should adopt Ind AS from April 1, 2019 with transition date April 1, 2018. Further, the Ministry of Corporate Affairs (MCA), vide its notification dated October 11,2018 issued Division III of Schedule III, which provides the format for financial Statements of Non-Banking Financial Companies, as defined in the Companies (Indian Accounting Standards) (Amendments) Rules 2016. These Consolidated Financial Results have been prepared in accordance with the same. The corresponding figures for the quarter and nine months period ended December 2018, year ended March 2019, quarter ended September 2019 and quarter and period ended December 2019 have also undergone a reclassification to comply with the requirements of the Division III.
- 5 In accordance with the requirements of Indian Accounting Standards (IND AS) – 8, “Accounting Policies, Changes in Accounting Estimates and Errors” – management has restated certain account balances for the comparative periods in order to comply with the accounting principles enunciated under the relevant IND-AS’s.
  - a) Employee Benefit Expenses for the quarter ended September 30, 2019 aggregating to Rs. 789 lakhs, have been adjusted on account of de-recognition of expenses pertaining to share based payment transactions of Rs. 49.58 lakhs for the quarter.
  - b) Depreciation Expense for the quarter and nine months ended 31 December 2018 aggregating to Rs. 12 lakhs, Rs. 23 lakhs respectively, year ended 31 March 2019 aggregating to Rs. 39 lakhs and quarter ended 30 September 2019 aggregating to Rs. 23 lakhs have been adjusted on account of reversal of depreciation expense pertaining to reclassification of PPE to ‘other Receivable’ as per Ind AS 16 to the financial asset to the tune of Rs. 1.65 lakhs and Rs. 4.93 lakhs respectively for the quarter and nine months ended 31 December 2018, Rs. 9.31 lakhs for the year ended 31 March 2019 and Rs. 1.65 lakhs for the quarter ended 30 September 2019.
- 6 The Group has identified two reportable segments (i) Financial Advisory & Intermediation services and (ii) Brokerage from mutual fund distribution as per Ind AS 108. However, the segment "Brokerage from mutual fund distribution" does not exceed the quantitative thresholds as prescribed by paragraph 13 of Ind AS 108. Hence, the entity has not reported separate information for each operating segment.

Mumbai  
February 11, 2020



For Prime Securities Limited

  
N. Jayakumar  
Managing Director & Group CEO



**UNAUDITED FINANCIAL RESULTS**  
**NINE MONTHS ENDED DECEMBER 31, 2019**

**FINANCIAL HIGHLIGHTS**

(Consolidated)

- ❖ Total **Investment Banking and Financial Advisory Revenues** for the 9 months period ending December 31, 2019 were at **Rs. 4285 Lakhs (up 32%** compared to Rs. 3242 Lakhs for the 9 months period ending December 31, 2018).
- ❖ PBT for the 9 months period was at Rs. 916 Lakhs [ post non-recurring charges of:
  - a) impairment charge of Rs. 517 Lakhs
  - b) ESOS charge of Rs. 260 Lakhs and
  - c) Net loss on fair value changes of Rs. 138 Lakhs].
- ❖ On an **adjusted basis PBT** was **Rs. 1831 Lakhs (up 25%** as compared to adjusted PBT of Rs. 1464 Lakhs for the 9 months period ending December 31, 2018).
- ❖ Company continues to pursue only fee based advisory mandates in the areas of Debt and Equity Syndication, Balance Sheet Restructuring, Private Equity and Venture Capital Advisory and Mergers & Acquisitions.

Consequently, the Company's operations do not require significant capital.

The nature of Income arising out of Corporate Advisory Services is uncertain and lumpy; Investors should therefore be aware that quarter-on-quarter financial comparisons are not necessarily relevant.

