

# PRIME

May 17, 2016

**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, 5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra Kurla Complex, Bandra (East),  
Mumbai 400051

Dear Sir,

**Sub: Regulation 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 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board of directors of the Company, at their meeting held today, have approved the audited financial results (standalone and consolidated) of the Company for the year ended March 31, 2016.

Please find attached the following:

1. Audited financial results (standalone and consolidated) for the year ended March 31, 2016;
2. Audit report by the statutory auditors on standalone and consolidated financial results;
3. Form A / Form B (standalone and consolidated);
4. Segmental results for the consolidated financial results for the year ended March 31, 2016;
5. Statement of assets and liabilities (standalone and consolidated) as on March 31, 2016.

Please note that the audited 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.

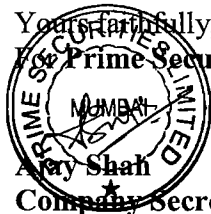
This is for your information and records.

Yours faithfully,

For Prime Securities Limited

Ajay Shah

Company Secretary



**Prime Securities Limited**

1109 / 1110, Maker Chambers V,  
Nariman Point, Mumbai 400 021.

CIN: L67120MH1982PLC026724

Tel : +91-22-6184 2525

Fax: +91-22-2497 0777

# 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



## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2016

	Amt Rs. Lacs			
	Quarter ended 31-Mar-16 (Audited)	Quarter ended 31-Mar-15 (Audited)	Period ended 31-Mar-16 (Audited)	Period ended 31-Mar-15 (Audited)
<b>1. Income from Operations</b>				
Income from Operations	575	32	1,041	232
Other Operating Income	-	-	-	-
<b>Total Income from Operations</b>	<b>575</b>	<b>32</b>	<b>1,041</b>	<b>232</b>
<b>2. Expenses</b>				
Employee Benefit Expense	70	74	118	128
Depreciation & Amortisation Expense	6	6	63	35
Fixed Assets Written-off	(2)	-	70	-
Other Expenses	72	51	212	201
<b>Total Expenses</b>	<b>146</b>	<b>131</b>	<b>463</b>	<b>364</b>
<b>3. Profit / (Loss) from Operations before Other Income, Finance Cost &amp; Exceptional Items</b>	<b>429</b>	<b>(99)</b>	<b>578</b>	<b>(132)</b>
4. Other Income	(7)	269	1,056	591
<b>5. Profit / (Loss) from Ordinary Activities before Finance Cost and Exceptional Items</b>	<b>422</b>	<b>170</b>	<b>1,634</b>	<b>459</b>
6. Finance Cost	-	22	1	23
7. Diminution in Value of Investments	-	-	-	-
8. Loss on Sale of Investments	-	55	165	928
<b>9. Profit / (Loss) from Ordinary Activities before Tax</b>	<b>422</b>	<b>93</b>	<b>1,468</b>	<b>(492)</b>
<b>10. Tax Expenses</b>				
- Current Tax	(146)	-	63	-
- Income Tax of Earlier Years	-	-	-	-
<b>11. Net Profit / (Loss) for the Period</b>	<b>568</b>	<b>93</b>	<b>1,405</b>	<b>(492)</b>
12. Paid-up Equity Share Capital (Face Value Rs. 5/- each)	1,328	1,328	1,328	1,328
13. Reserves (excluding Revaluation Reserves)	-	-	-	3,898
<b>14. Earnings per Share (in Rs. not annualised) (Equity Shares of FV of Rs. 5/- each)</b>				
- Basic EPS before and after Extraordinary Items	2.14	0.35	5.31	(1.86)
- Diluted EPS before and after Extraordinary Items	2.14	0.35	5.31	(1.86)

### Notes :

- The above results were reviewed by Audit Committee and taken on record by the Board of Directors at its Meeting held on May 17, 2016.
- The figures for the quarter ended March 31, 2016 and March 31, 2015 are the balancing figures between the audited figures in respect of the full financial year and published unaudited year-to-date figures upto third quarter ended December 31 of the respective financial year.
- The figures for the previous year ended March 31, 2015 are for a period of eighteen months.
- Income from Operations includes fees received during the period and Other Income includes amount written-back (net of write-offs).
- The Auditors of the Company in their audit report for the year ended March 31, 2016 has recorded their views about the following:
  - No adjustments have been made in the carrying value of the assets and liabilities in the financial statements prepared on a going concern basis. *Management clarification: The management is in discussions with a lender for a restructuring of debt obligations. Also, the Company has completely shifted focus to non-fund based advisory work.*
  - No provision has been made in the carrying value of financial exposure in the subsidiary having regard to the erosion in the net worth. *Management clarification: The management is confident of generating sufficient income to restore its network.*
  - Assignment of loan to subsidiary company pending consent of lender. *Management clarification: The Company is in the process of negotiating terms with the lender.*
  - Unable to ascertain impact of outstanding inter-corporate deposits received by the Company, in respect of which confirmation of balances, terms of repayment & charges of interest are not available. *Management clarification: These are unsecured advances, terms of which the Company is in the process of negotiation.*
  - Non-provision of interest on certain secured loans, which would have increased the amount of secured loans had the provision been made. *Management clarification: The Company is in process of negotiating terms with secured lenders.*
  - Write-back of an unsecured loan. *Management clarification: The said unsecured loan is no longer payable in the of the opinion of the management.*
  - Non-provision for diminution in the value of non-current investments. *Management clarification: No provision for diminution is required as the same is of temporary in nature in the opinion of the management.*
- The Company does not have any identifiable segment as required by Accounting Standard 17 issued by ICAI.
- Previous period figures have been re-grouped / re-classified wherever necessary.

Mumbai  
May 17, 2016

For Prime Securities Limited  
*N. Jayakumar*  
N. Jayakumar  
Managing Director

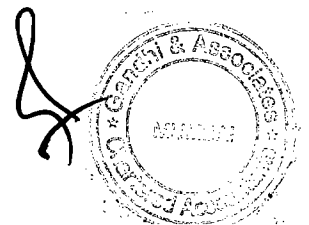
**INDEPENDENT AUDITORS' REPORT**

**The Board of Directors  
Prime Securities Limited**

1. We have audited the accompanying Statement of Standalone Financial Results of **PRIME SECURITIES LIMITED** ('the Company') for the year ended 31<sup>st</sup> March 2016 ('the Statement') being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors has been prepared on the basis of the related financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act 2013 as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.
3. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text 'Gandhi & Associates' around the perimeter and '1' in the center.

5. *Basis for qualified opinion:*
- (a) *The Company has not provided for interest of Rs. 1016.10 Lacs for the year on certain secured loans as in the opinion of the management the same would not be payable in view of ongoing negotiations with the lenders. Had the Company made such provision, the profit for the year would have been lower by that amount.*
  - (b) *The Company has written-back Rs. 875.00 Lacs being part of an unsecured loan based on the management's assessment of the situation. Had the Company not made such write-back, the profit for the year would have been lower by that amount.*
  - (c) *An unsecured loan of Rs. 525.00 Lacs is categorized as interest-free Short-term Borrowings which cannot be validated in absence of confirmation of balance and terms of repayment/interest. Accordingly, the impact on the financial statements of the categorization of the loan and non-provision of interest thereon remains unascertained.*
6. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and,
  - (ii) *subject to clauses 5 (a) to (c), gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India, of the net profit and other financial information of the Company for the year ended 31<sup>st</sup> March 2016.*
7. The Statement includes the results for the Quarter ended 31<sup>st</sup> March 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
8. *Emphasis of Matter: Our opinion is not modified in respect of the following:*
- (a) *The Company's financial statements are prepared on going concern basis notwithstanding doubts as regards the Company's ability to meet its financial obligations as and when they fall due. The appropriateness of the said basis is interalia dependent on the Company's ability to generate cash from revenue streams and disposing-off investments to meet its liabilities in normal course of business. Relying on the management's representation on the above, no adjustments have been made to the carrying value of the assets and liabilities in the accompanying financial statements.*
  - (b) *The Company has substantial financial exposure in its subsidiary Primesec Investments Limited whose net worth has been eroded; but having regard to the preparation of the subsidiary's accounts on a going concern basis, no provision/adjustment is made to the carrying amount of financial exposure in the subsidiary.*

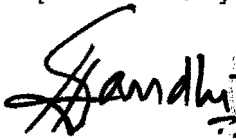


- (c) A loan of Rs. 2318.39 Lacs is assigned to a subsidiary company subject to consent of the lender.
- (d) Diminution of Rs. 1194.64 Lacs in value of non-current investments (other than in subsidiary companies) is not provided as in opinion of the management the same is temporary in nature.

**For GANDHI & ASSOCIATES**

**Chartered Accountants**

[FRN: 102965W]



**Milind Gandhi**

**Partner**

**Membership No. 043194**



Place: Mumbai

Dated: 17<sup>th</sup> May 2016

**Form A**  
**(Pursuant to Clause 33(3)(d) of the SEBI (Listing Obligations and Disclosures) Regulations, 2015)**


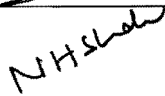
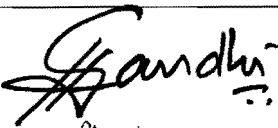
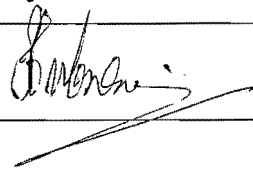
1.	Name of the Company	Prime Securities Limited
2.	Annual financial statement for the year ended	March 31, 2016
3.	Type of Audit observation	<p><b>Emphasis of Matter in the Statutory Auditor's Report on Stand Alone Financial Statement</b></p> <p>1) The Company's financial statements are prepared on going concern basis notwithstanding doubts as regards the Company's ability to meet its financial obligations as and when they fall due. The appropriateness of the said basis is inter-alia dependent on the Company's ability to generate cash from revenue streams and disposing-off investments to meet its liabilities in normal course of business. Relying on the management's representation on the above, no adjustments have been made to the carrying value of the assets and liabilities in the accompanying financial statements.</p> <p>2) The Company has substantial financial exposure in its subsidiary Primesec Investments Limited whose net worth has been eroded; but having regard to the preparation of the subsidiary's accounts on a going concern basis, no provision/adjustment is made to the carrying amount of financial exposure in the subsidiary.</p> <p>3) A loan of Rs. 2318.39 lacs is assigned to a subsidiary company subject to consent of the lender.</p> <p>4) Diminution of Rs. 1194.64 lacs in value of non-current investments (other than in subsidiary companies) is not provided as in opinion of the management the same is temporary in nature.</p>

**Prime Securities Limited**

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CIN: L67120MH1982PLC026724

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4.	Frequency of observation	Point No. 1 - Appearing since FY ended September 30, 2013 Point No. 2 - Appearing since FY ended September 30, 2013 Point No. 3 - Appearing for the first time Point No. 4 - Appearing since FY ended September 30, 2013
5.	Signed by	
	Mr. N. Jayakumar (Managing Director)	
	Mr. Nikhil Shah (Chief Financial Officer)	
	Mr. Milind Gandhi, M/s. Gandhi & Associates, Chartered Accountants (Auditor of the Company)	
	Mr. Pradip Dubhashi (Audit Committee Chairman)	

**Prime Securities Limited**

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**Form B**  
**(Pursuant to Clause 33(3)(d) of the SEBI (Listing Obligations and Disclosures) Regulations, 2015)**


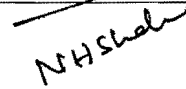

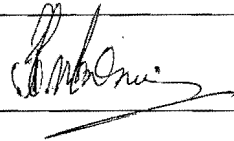
1.	Name of the Company	Prime Securities Limited	
2.	Annual financial statement for the year ended	March 31, 2016	
3.	Type of Audit observation	Qualified Opinion	
4.	Frequency of qualification	Point No. 1 - Appearing since FY ended September 30, 2013 Point No. 2 - Appearing for the first time Point No. 3 - Appearing since FY ended September 30, 2013	
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	<b>Basis for Qualified Opinion in the Statutory Auditor's Report on Stand Alone Financial Statement</b>	<b>Management Response</b>
		1. The Company has not provided for interest of Rs. 1,016.10 lacs for the year on certain secured loans as in the opinion of the management the same would not be payable in view of ongoing negotiations with the lenders. Had the Company made such provision, the profit for the year would have been lower by that amount.	The management is in the process of re-negotiating the terms with the lender and the management is of the opinion that the same may not be payable pursuant to a proposed restructuring / settlement of the loan and accordingly, the same is not expected to have any material impact on the financial statements.
		2. The Company has written-back Rs. 875.00 Lacs being part of an unsecured loan based on the management's assessment of the situation. Had the Company not made	The management has written-back the said loan as it was no longer payable in the opinion of the management.

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		such write-back, the profit for the year would have been lower by that amount.	
		3. An unsecured loan of Rs. 525.00 Lacs is categorized as interest-free Short-term Borrowings which cannot be validated in absence of confirmation of balance and terms of repayment/interest. Accordingly, the impact on the financial statements of the categorization of the loan and non-provision of interest thereon remains unascertained.	The management is in the process of renegotiating terms of these unsecured advances and the same is not expected to have any material impact on the financial statements.
	Additional comments from the board / audit committee chair	Nil	
5.	Signed by		
	Mr. N. Jayakumar (Managing Director)		
	Mr. Nikhil Shah (Chief Financial Officer)		
	Mr. Milind Gandhi, M/s. Gandhi & Associates, Chartered Accountants (Auditor of the Company)		
	Mr. Pradip Dubhashi (Audit Committee Chairman)		

# 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



## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2016

Amt Rs. Lacs

	Quarter ended 31-Mar-16 (Audited)	Quarter ended 31-Mar-15 (Audited)	Period ended 31-Mar-16 (Audited)	Period ended 31-Mar-15 (Audited)
<b>1. Income from Operations</b>				
Income from Operations	575	32	1,041	269
Other Operating Income	-	8	-	33
<b>Total Income from Operations</b>	<b>575</b>	<b>40</b>	<b>1,041</b>	<b>302</b>
<b>2. Expenses</b>				
Employee Benefit Expense	79	80	149	250
Depreciation & Amortisation Expense	12	12	85	51
Fixed Assets Written-off	(2)	-	70	-
Other Expenses	81	57	225	320
<b>Total Expenses</b>	<b>170</b>	<b>149</b>	<b>529</b>	<b>621</b>
<b>3. Profit / (Loss) from Operations before Other Income, Interest &amp; Exceptional Items</b>	<b>405</b>	<b>(109)</b>	<b>512</b>	<b>(319)</b>
<b>4. Other Income</b>	<b>125</b>	<b>269</b>	<b>973</b>	<b>637</b>
<b>5. Profit / (Loss) before Interest and Exceptional Items</b>	<b>530</b>	<b>160</b>	<b>1,485</b>	<b>318</b>
<b>6. Finance Cost</b>	<b>-</b>	<b>22</b>	<b>1</b>	<b>266</b>
<b>7. Diminution in Value of Investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Loss on Sale of Investments</b>	<b>-</b>	<b>128</b>	<b>-</b>	<b>1,263</b>
<b>9. Other Provision / Write-offs / (Debts written off earlier now recovered)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>297</b>
<b>10. Profit / (Loss) from Ordinary Activities before Tax</b>	<b>530</b>	<b>10</b>	<b>1,484</b>	<b>(1,508)</b>
<b>11. Tax Expenses</b>				
- Current Tax	(146)	-	64	1
- Deferred Tax	-	-	-	12
<b>12. Net Profit / (Loss) for the Period</b>	<b>676</b>	<b>10</b>	<b>1,420</b>	<b>(1,521)</b>
<b>13. Paid-up Equity Share Capital (Face Value Rs. 5/- each)</b>	<b>1,328</b>	<b>1,328</b>	<b>1,328</b>	<b>1,328</b>
<b>14. Reserves (excluding Revaluation Reserves)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15. Earnings per Share (in Rs. not annualised) (Equity Shares of FV of Rs. 5/- each)</b>				
- Basic EPS before and after Extraordinary Items	2.55	0.04	5.37	(5.75)
- Diluted EPS before and after Extraordinary Items	2.55	0.04	5.37	(5.75)

**Notes:**

1. The above results were reviewed by Audit Committee and taken on record by the Board of Directors at its Meeting held on May 17, 2016.
2. The figures for the quarter ended March 31, 2016 and March 31, 2015 are the balancing figures between the audited figures in respect of the full financial year and published unaudited year-to-date figures upto third quarter ended December 31 of the respective financial year.
3. The figures for the previous year ended March 31, 2015 are for a period of eighteen months.
4. Income from Operations includes fees received during the period and Other Income includes amount written-back (net of write-offs).
5. The Auditors of the Company in their audit report for the year ended March 31, 2016 has recorded their views about the following:
  - a) No adjustments have been made in the carrying value of the assets and liabilities in the financial statements prepared on a going concern basis. *Management clarification: The management is in discussions with a lender for a restructuring of debt obligations. Also, the Company has completely shifted focus to non-fund based advisory work.*
  - b) Unable to ascertain impact of outstanding inter-corporate deposits received by the Company, in respect of which confirmation of balances, terms of repayment & charges of interest are not available. *Management clarification: These are unsecured advances, terms of which the Company is in the process of negotiation.*
  - c) Non-provision of interest on certain secured loans, which would have increased the amount of secured loans had the provision been made. *Management clarification: The Company is in the process of negotiating the terms with the secured lenders.*
  - d) Non-provision for debtors outstanding on account of dispute and ongoing litigation with stock exchanges. *Management clarification: In view of the pending litigations and uncertainty of its outcome, no provision is required.*
  - e) Write-back of an unsecured loan. *Management clarification: The said unsecured loan is no longer payable in the of the opinion of the management.*
  - f) Non-provision for diminution in the value of non-current investments. *Management clarification: No provision for diminution is required as the same is of temporary in nature in the opinion of the management.*
  - g) Non-provision of interest levied by the stock exchange. *Management clarification: The Company is in the process of negotiating with the stock exchange.*
6. Previous period figures have been re-grouped / re-classified wherever necessary.

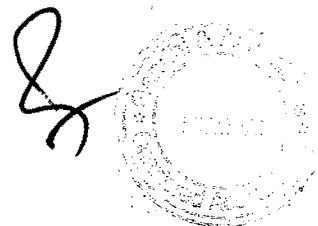
Mumbai  
May 17, 2016

For Prime Securities Limited  
  
N. Jayakumar  
Managing Director

**INDEPENDENT AUDITORS' REPORT**

**The Board of Directors  
Prime Securities Limited**

1. We have audited the accompanying Statement of Consolidated Financial Results of **PRIME SECURITIES LIMITED** (the Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the Group) for the year ended 31<sup>st</sup> March 2016 (the Statement) being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors has been prepared on the basis of the related consolidated financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act 2013 as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.
3. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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5. We did not audit the financial statement of four subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 17,151.60 Lacs as at 31<sup>st</sup> March 2016, total revenues of Rs. 320.15 Lacs for the year ended 31<sup>st</sup> March 2016 and total loss after tax of Rs. 33.06 Lacs for the year ended 31<sup>st</sup> March 2016 as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.
6. *Basis for qualified opinion:*
- (a) *No provision for interest of Rs. 1,583.73 Lacs has been made on certain loans and payables as in the opinion of the management the same would not be payable in view of ongoing negotiations with the respective parties. Had such provision been made, the profit for the year would have been lower by that amount.*
- (b) *A sum of Rs. 875 Lacs has been written-back out of an unsecured loan based on the management's assessment of the situation. Had it not been written-back, the profit for the year would have been lower by that amount.*
- (c) *No provision is considered necessary by the management in respect of debts amounting to Rs. 12,306.03 Lacs which are outstanding on account of dispute and ongoing litigation with the stock exchange. Accordingly, the impact on the financial statements, if any, cannot be ascertained if the same or part thereof is subsequently determined doubtful of recovery.*
- (d) *An unsecured loan of Rs. 525.00 Lacs is categorized as interest-free Short-term Borrowings which cannot be validated in absence of confirmation of balance and terms of repayment/interest. Accordingly, the impact on the financial statements of the categorization of the loan and non-provision of interest thereon remains unascertained.*
7. 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 referred to in paragraph 5 above, the Statement:

- (i) includes the results of the following entities:

Name of the Entity	Relationship
Prime Broking Company (India) Limited	Wholly owned subsidiary
Prime Research & Advisory Limited	
Prime Commodities Broking (India) Limited	
Primesec Investments Limited	

- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015; and,
- (iii) *subject to clauses 6 (a) to (d)*, gives the true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally



accepted in India, of the consolidated net profit and other financial information of the Group for the year ended 31<sup>st</sup> March 2016.

8. The Statement includes the results for the Quarter ended 31<sup>st</sup> March 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
9. *Emphasis of Matter: Our opinion is not modified in respect of the following:*
- (a) *The Group's financial statements are prepared on going concern basis notwithstanding doubts as regards the Group's ability to meet its financial obligations as and when they fall due. The appropriateness of the said basis is interalia dependent on the Group's ability to generate cash from revenue streams and disposing-off investments to meet its liabilities in normal course of business. Relying on the management's representation on the above, no adjustments have been made to the carrying value of the assets and liabilities in the accompanying financial statements.*
  - (b) *Interest levied by a stock exchange amounting to Rs. 118.04 lacs but not accounted by the Group as the same is being disputed and negotiated, the outcome of which is not ascertainable.*
  - (c) *Balance due to a stock exchange could not be verified in absence of documentation pertaining to pledge of shares invoked by them.*
  - (d) *Diminution of Rs. 1,748.41 Lacs in value of non-current investments is not provided as in opinion of the management the same is temporary in nature.*
10. *Based on our audit conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 5 above and subject to clauses 6 (a) to (d), nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.*

**For GANDHI & ASSOCIATES**

**Chartered Accountants**

[FRN: 102965W]

*M. Gandhi*

**M. Ind Gandhi**

**Partner**

**Membership No. 043194**



Place: Mumbai

Dated: 17<sup>th</sup> May 2016

## Form A

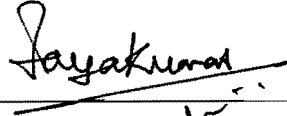
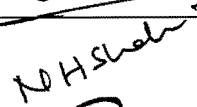
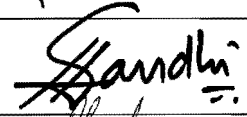
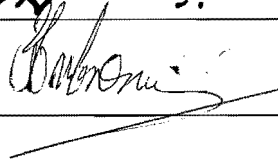
(Pursuant to Clause 33(3)(d) of the SEBI (Listing Obligations and Disclosures) Regulations, 2015

1.	Name of the Company	Prime Securities Limited
2.	Annual financial statement for the year ended	March 31, 2016
3.	Type of Audit observation	<p><b>Emphasis of Matter in the Statutory Auditor's Report on Consolidated Financial Statement</b></p> <ol style="list-style-type: none"> <li>1) The Group's financial statements are prepared on going concern basis notwithstanding doubts as regards the Group's ability to meet its financial obligations as and when they fall due. The appropriateness of the said basis is inter-alia dependent on the Group's ability to generate cash from revenue streams and disposing-off investments to meet its liabilities in normal course of business. Relying on the management's representation on the above, no adjustments have been made to the carrying value of the assets and liabilities in the accompanying financial statements.</li> <li>2) Interest levied by a stock exchange amounting to Rs. 118.04 lacs but not accounted by the Group as the same is being disputed and negotiated, the outcome of which is not ascertainable.</li> <li>3) Diminution of Rs. 1,748.41 lacs in value of non-current investments is not provided as in opinion of the management the same is temporary in nature.</li> <li>4) Balance due to a stock exchange could not be verified in absence of documentation pertaining to pledge of shares invoked by them</li> </ol>
4.	Frequency of observation	<p>Point No. 1 - Appearing since FY ended September 30, 2013            Point No. 2 - Appearing for the first time            Point No. 3 - Appearing since FY ended September 30, 2013            Point No. 2 - Appearing for the first time</p>

### Prime Securities Limited

1109 / 1110, Maker Chambers V,  
 Nariman Point, Mumbai 400 021.  
 CIN: L67120MH1982PLC026724

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

5. Signed by	
Mr. N. Jayakumar (Managing Director)	
Mr. Nikhil Shah (Chief Financial Officer)	
M/s. Gandhi & Associates (Auditor of the Company)	
Mr. Pradip Dubhashi (Audit Committee Chairman)	

**Prime Securities Limited**

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## Form B

(Pursuant to Clause 33(3)(d) of the SEBI (Listing Obligations and Disclosures) Regulations, 2015)

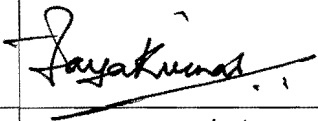
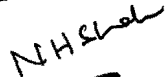
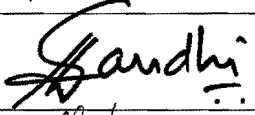
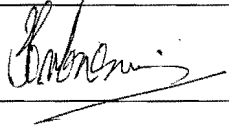
1.	Name of the Company	Prime Securities Limited	
2.	Annual financial statement for the year ended	March 31, 2016	
3.	Type of Audit observation	Qualified Opinion	
4.	Frequency of qualification	Point No. 1 - Appearing since FY ended September 30, 2013 Point No. 2 - Appearing for the first time Point No. 3 - Appearing since FY ended September 30, 2013 Point No. 4 - Appearing since FY ended September 30, 2013	
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	<b>Qualified Opinion in Statutory Auditor's Report on Consolidated Financial Statement</b>	<b>Management Response</b>
		1. No provision for interest of Rs. 1,583.73 lacs has been made on certain loans and payables as in the opinion of the management the same would not be payable in view of ongoing negotiations with the respective parties. Had such provision been made, the profit for the year would have been lower by that amount.	The management is in the process of re-negotiating the terms with the lender and is of the opinion that the same may not be payable pursuant to a proposed restructuring / settlement of the loan and accordingly, the same is not expected to have any material impact on the financial statements.
		2. A sum of Rs. 875 Lacs has been written-back out of an unsecured loan based on the management's assessment of the situation. Had it not been	The management has written-back the said loan as it was no longer payable in the

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		written-back, the profit for the year would have been lower by that amount.	opinion of the management.
		3. No provision is considered necessary by the management in respect of debts amounting to Rs. 12,306.03 lacs which are outstanding on account of dispute and ongoing litigation with the stock exchange. Accordingly, the impact on the financial statements, if any, cannot be ascertained if the same or part thereof is subsequently determined doubtful of recovery.	In view of the pending litigation and uncertainty of its outcome the management is of the opinion that no provision for doubtful recovery is required.
		4. An unsecured loan of Rs. 525.00 Lacs is categorized as interest-free Short-term Borrowings which cannot be validated in absence of confirmation of balance and terms of repayment/interest. Accordingly, the impact on the financial statements of the categorization of the loan and non-provision of interest thereon remains unascertained.	The management is in the process of renegotiating terms of these unsecured advances and the same is not expected to have any material impact on the financial statements.
	Additional comments from the board / audit committee chair	Nil	
5.	Signed by		
	Mr. N. Jayakumar (Managing Director)		
	Mr. Nikhil Shah (Chief Financial Officer)		
	M/s. Gandhi & Associates (Auditor of the Company)		
	Mr. Pradip Dubhashi (Audit Committee Chairman)		

# PRIME SECURITIES LIMITED

Regd. Office : 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021 (CIN: U67120MH1994PLC076046)  
Tel: +91-22-61842525 Fax: +91-22-24970777 Website: www.primesec.com Email: prime@primesec.com.

**PRIME**

## SEGMENTWISE REVENUES, RESULTS AND CAPITAL EMPLOYED (CONSOLIDATED)

Amt Rs. Lacs

PARTICULARS	Period	Period
	ended 31-Mar-16	ended 31-Mar-15
<b>1. Segement Revenue</b>		
a. Merchant Banking	1,040.56	269.14
b. Broking	-	-
c. Unallocated	2,660.33	(517.43)
<b>Total</b>	<b>3,700.89</b>	<b>(248.29)</b>
Less: Inter Segment Revenue	-	-
<b>Net Income from Operations</b>	<b>3700.89</b>	<b>(248.29)</b>
<b>2. Segement Results</b>		
<b>[Profit/(Loss) before Tax &amp; Finance Cost]</b>		
a. Merchant Banking	576.06	(156.95)
b. Broking	(15.03)	(1,155.43)
c. Unallocated	923.20	(520.57)
<b>Total</b>	<b>1,484.23</b>	<b>(1,832.95)</b>
Less:		
i. Finance Cost	0.78	266.47
ii. Other Unallocable Expenditure net off	-	-
iii. Unallocable Income	-	-
iv. Extraordinary Item	-	(591.91)
<b>Total Profit / (Loss) before Tax</b>	<b>1,483.45</b>	<b>(1,507.51)</b>
<b>3. Capital Employed</b>		
<b>[Segment Assets - Segment Liabilities]</b>		
a. Merchant Banking	278.07	814.83
b. Broking	2,034.76	1,893.33
c. Unallocated	(2,353.12)	(4,168.18)
<b>Total Capital Employed in Segments</b>	<b>(40.29)</b>	<b>(1,460.02)</b>

For Prime Securities Limited

*Sayakumar*  
S. Jayakumar  
Managing Director

Mumbai  
May 17, 2016

# PRIME SECURITIES LIMITED

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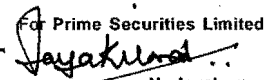


## AUDITED STATEMENT OF ASSETS AND LIABILITIES

Amt Rs. Lacs

PARTICULARS	Stand Alone		Consolidated	
	Period ended 31-Mar-16	Period ended 31-Mar-15	Period ended 31-Mar-16	Period ended 31-Mar-15
<b>A. EQUITY &amp; LIABILITIES</b>				
<b>1. Shareholder's Fund</b>				
a. Share Capital	1,327.85	1,327.85	1,327.85	1,327.85
b. Reserves and Surplus	5,301.99	3,897.79	(1,368.14)	(2,787.87)
<b>Sub-Total (Shareholder's Funds)</b>	<b>6,629.84</b>	<b>5,225.64</b>	<b>(40.29)</b>	<b>(1,460.02)</b>
<b>2. Minority Interest</b>	-	-	-	-
<b>3. Non-current Liabilities</b>				
a. Long-term Borrowings	400.00	1,713.34	400.00	1,713.34
b. Deferred Tax Liability (Net)	-	-	3.84	3.84
c. Long-term Provisions	155.54	138.73	162.09	144.23
<b>Sub-Total (Non-current Liabilities)</b>	<b>555.54</b>	<b>1,852.07</b>	<b>565.93</b>	<b>1,861.40</b>
<b>4. Current Liabilities</b>				
a. Short-term Borrowings	4,024.95	6,956.48	8,492.06	9,260.87
b. Trade Payables	114.89	101.84	9,142.46	10,532.10
c. Other Current Liabilities	78.64	93.56	2,084.42	3,913.69
d. Short-term Provisions	19.53	13.54	20.16	14.17
<b>Sub-Total (Current Liabilities)</b>	<b>4,238.01</b>	<b>7,165.42</b>	<b>19,739.10</b>	<b>23,720.83</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>11,423.40</b>	<b>14,243.13</b>	<b>20,264.74</b>	<b>24,122.21</b>
<b>B. ASSETS</b>				
<b>1. Non-current Assets</b>				
a. Fixed Asset	285.87	417.07	305.94	459.14
b. Non-current Investments	4,713.23	5,024.61	4,922.94	5,666.50
c. Deferred Tax Assets (Net)	-	-	-	-
d. Long-term Loans & Advances	189.66	567.37	554.27	982.92
e. Other Non-current Assets	-	7,500.00	-	-
<b>Sub-Total (Non-current Assets)</b>	<b>5,188.76</b>	<b>13,509.05</b>	<b>5,783.15</b>	<b>7,108.56</b>
<b>2. Current Assets</b>				
a. Current Investments	17.80	17.80	17.80	17.80
b. Trade Receivables	-	-	12,306.03	12,354.08
c. Cash & Cash Equivalents	61.04	23.36	467.22	325.42
d. Short-term Loans & Advances	6,152.22	689.34	1,292.51	3,918.32
e. Other Current Assets	3.58	3.58	398.03	398.03
<b>Sub-Total (Current Assets)</b>	<b>6,234.64</b>	<b>734.08</b>	<b>14,481.59</b>	<b>17,013.65</b>
<b>TOTAL ASSETS</b>	<b>11,423.40</b>	<b>14,243.13</b>	<b>20,264.74</b>	<b>24,122.21</b>

Mumbai  
May 17, 2016

For Prime Securities Limited  
  
 N. Jayakumar  
 Managing Director