

# PRIME

July 24, 2021

**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 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 2020-21.

This is for your record and information.

Thanking you,

Yours faithfully,  
For **Prime Securities Limited**

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

Prime Securities Limited

Annual  
Report 20/21



3

The aggregation of the  
power of Consolidation,  
Creative solutions and Cash  
flows into a compelling  
value proposition

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Our C<sup>3</sup> strategy

At Prime Securities, the interplay of the three Cs in our business has helped us grow through one of the most challenging economic phases of India's existence.

At the outset, we resolved to protect, extend cautiously and consolidate around what we already possessed.

We continued to explore the complex through creative and bespoke solutions.

We focused on generating free cash in our business, a corollary of which was the high dividend pay-out to our shareholders.

# Prime Securities Limited.

Engaged in providing  
customised, well  
thought through  
solutions for clients.

Helping them emerge  
nimble and stronger.

## 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

The Company is engaged in providing services that address the apex of the consulting pyramid in terms of organisational 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

Prime comprises a small focused team of 12 (as on March 31, 2021) with key executives involved in every transaction without the people-intensity and overheads of large organisations. The Company's agility is reflected in an agile,

nimble, market-driven team constantly responding to market stimuli and client needs.

## Management

An employee driven, board managed Company, including N. Jayakumar (Managing Director and Group CEO), its senior management team comprising S. R. Sharma (Chief Financial Officer) and Akshay Gupta (Director, CEO & CIO, Prime Research & Advisory Limited). The Company is headquartered in Mumbai, India's financial capital.

## Customers

The Company has long-standing relationships with domestic and international clients, including corporations, foreign institutional investors, financial institutions, banks, mutual funds, insurance companies and high net worth individuals.

## Listing

The Company has been listed on the NSE and the BSE since 1994. The Company enjoyed a market capitalisation of ₹110.7 Cr as on March 31, 2021.

# 3Cs of our business



CREATIVE  
SOLUTIONS  
CONSOLIDATE  
CASH FLOW

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N. JAYAKUMAR,  
Managing Director and Group CEO

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## CREATIVE SOLUTIONS

Whether it was a case of a debt restructuring for an Indian auto ancillary's Canadian subsidiary, with a private debt fund from North America, without any employee of Prime so much as leaving their house, over a nine month period, or the correction of an Asset Liability mismatch of a large diversified, Real Estate-dominated NBFC, involving the raising of fresh long-term debt of close to a billion dollars, creativity was the need of the hour and the game-changer for deal closures. Team Prime operated through this period with grace, maturity, client centricity and creativity, factors not lost in the financial results for the year.



## CONSOLIDATION

Nurturing employees, especially during the pandemic, was not just our duty, was actually the first fundamental ask of the Company. Mental health has been glossed over by most media, but that is what has come under the hammer during these turbulent times. A caring, sensitive environment that allows employees to work from anywhere, operate whenever, manage however, has been instrumental in bringing together and consolidating our Team Prime.

Offices have been redefined, homes have been repurposed and work-life balance restructured, but Team Prime has become stronger, closer and significantly more potent.

Spends on technology may have been enhanced, travel and overheads significantly reduced but employee compensation has been untouched, another aspect that consolidates employee trust and belief towards the organisation.

Clients, their family, their employees, have all been affected by the pandemic - yet, during this period Team Prime has been available to every single client, for any or all their needs - resulting in substantial consolidation of the corporate relationship with Team Prime, notwithstanding the outcome of the deal / opportunity.



## CASH FLOW

At Prime, we believe that the index of what all we attempt to achieve for our clients must reflect ultimately, unambiguously, in one number – cash flow.

Debt elimination to cash build up for two years' expenses, to building up a healthy Treasury- have been the unspoken corollary of our activity. We are fortunate that a significant percentage of our market capitalisation is represented by the cash and cash equivalents that we have on our Balance Sheet. Clearly, surpluses beyond that need to be returned to shareholders, something enshrined in our dividend policy of a pay-out ratio of 70 to 85% of post tax profits. Earnings multiples of high pay-out companies are much higher than others, a stock market truism through the ages. Free cashflow is a metric that we at Prime virtually worship.





# Prime over the years

## Income from operations (₹ Cr)

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

## EBITDA (₹ Cr)

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

## Cash Profit (₹ Cr)

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

## Profit (or loss) before tax (₹ Cr)

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

# Ratios

## Balance Sheet ratios

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

## Profitability ratios

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

## Liquidity and solvency ratios

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

**110.7**    **50.2**  
 Market capitalisation,  
 March 31, 2021  
 (₹ Cr)                      Enterprise  
 value, March  
 31, 2021 (₹  
 Cr)

## CHAIRMAN'S LETTER TO SHAREHOLDERS



PRADIP DUBHASHI  
Chairman

Dear shareholders,

***“When the going gets tough,  
the tough get going!”***

This was a line in a popular advertisement of Mahindra & Mahindra for their off-roaders in the 70s. I spent sixteen exciting years of my life with that Group and that line has stayed with me. And I was frequently reminded of it during the tough times of the year gone by. Especially, the way the home-bound Team Prime responded to the uncertain business environment was nothing short of the ‘Tough getting going’! I am happy today to present the 38th Annual Report that is an outcome of the sustained and disciplined effort of Team Prime.

## Business Environment

Much has been said on the state of the economy and business; one thing that was overarching was the uncertainty. The already-slowing economy was made worse by the unknowable play of the Corona virus. The economy stalled in Q1FY21 due to the lock-down that was imposed and, as later reported, the GDP growth was minus 24%. Many economists including some international ones made dire predictions of GDP decline of 15% for the whole year. However, the payout was uncertain and unpredictable; the Indian economy declined by half of the projected rate of decline.

The policy responses of the Government were not a replica of what most advanced economies implemented. And that, together with the fall in the labour participation rate, with 60% of our economy being consumption dependent, the forecasts for the current year were of falling a structural growth rate. The forecasts have now 'recovered' to a GDP growth of 8%-10% for FY'22. Contrary to expectations even the NPAs of the banking sector were about 7.5% for March'21, about half the earlier dire predictions. Slippage on incremental loans is now estimated at a creditable 2.5% only. These

swings in forecasts and outcomes continue to be a recipe for confusion. When there is turbulence such as this, the 'only dependable advantage is a superior capacity for reinventing the business continually before circumstances force you to', as Prof. Gary Hamel advised in an HBR article nearly twenty years ago.

## Performance

Team Prime has responded to the uncertainty by continuing to reinvent its offerings and sectors it served. Its revenue mix by sectors is a good indicator of its response to the prevailing uncertainty. In FY 2019-20, the revenue from the Services sector was nearly 80%; in the year under review, that has moderated to about 63% of the total. The Manufacturing sector that experienced a weak investment sentiment due to lower capacity utilisation in FY 2020-21, accounted for only 5% of the annual revenue of the Company, about 1/3rd in percentage terms of the year earlier. Team Prime targeted the Infrastructure and Housing segments, which accounted for 31% of the revenue compared to only 8% in the previous year.

Difficult business conditions, however, took their toll on revenue; the revenue on a consolidated basis was ₹4,528 lakh; down about 39% from the previous year. However,

Team Prime was able to contain the costs well and improve productivity tremendously; the fall in PBT was less than 1% compared to the last year (₹1,065 lakh from ₹1,074 lakh). The PAT, in fact, improved by 4% to ₹821 lakh from ₹789 lakh in FY 2019-20. The net margin, on a percentage basis, improved from 10.97% in FY 2019-20 to 17.29% in FY 2020-21.

## Rewarding the shareholder

The highlight of this year is that the Management, despite the administrative hurdles created by the lockdowns, have succeeded in putting a closure to the 'Scheme of Arrangement' that was spelt out in the last annual report. That, together with this FY 2020-21 performance, has enabled the Board to consider payment of dividend to our patient shareholders. The board has decided to recommend ₹4.50 per share that has an element for making up for the past, by way of a special dividend of ₹2.75 per share and a normal dividend of ₹1.75 per share. Team Prime's hard work has made this possible and I hope it will go at least some distance in alleviating the drought of nearly 15 years.

## Governance

As you are aware, your company is one of the

rare few in India that doesn't have a 'promoter' as defined in the SEBI regulations. And that puts additional burden of responsibility on the Board. In fact, your Board with four Independent Directors has to be constantly proactive to define what is in stakeholders' interest and lead by way of enabling policies that empower the management to work for the collective good. It is this deep sense of responsibility towards collective good that has enabled the Board to reduce the inevitable dissonance along the way and help the Management achieve as they have been doing in the last few years.

I must acknowledge the sterling role played by the Independent Directors on the board as enshrined in various regulations. In a recent discussion on a TV channel, a veteran of a leading proxy advisory firm speaking on the recent SEBI guidelines, said that 'Independence cannot be legislated; independence is in the character'; perhaps not his exact words but this is what he meant. How true! My colleagues are a good testimony to that assertion. As you may have read that the SEBI has recently issued stricter guidelines on the working of the Independent Directors that include their enhanced representation on various committees. I must say that

your Board including the Management led by Mr. N. Jayakumar has been ahead of the curve in this matter; your Board has been meeting the tough new criteria specified from as early as year 2016! No less. In the future too, I assure you that the Board will continue to strengthen the governance through policy measures as regulations evolve or, if and when situations emerge that require a response.

### **CSR Initiatives**

As I have reported every year, your Management has been very empathetic to the social causes whether CSR regulations mandated or otherwise. During the year under review, your Company continued to support the institutions namely Azad Foundation (training women for financial independence), Autism Research Centre (behavioural training for autistic children), Cankids (support for cancer-stricken kids) and Vidya Foundation (literacy initiative for poor children). Your Management deserves kudos for their unswerving commitment to social causes.

### **Going Forward**

With vaccination going on at pace and the second wave having abated as we speak, there is scope for optimism. There is a talk of the third wave but SUTRA,

an inter IIT analyst group has boldly predicted that the third wave if and when it comes would be milder and in the worst scenario in their model it would be no worse than the first that we saw last year. Let us hope that is the case. In any case, the public health infrastructure is vastly better prepared and I hope life returns to near normal in the coming quarters.

Meantime your Management is exploring ways to improve business development, client and investor coverage. Most promisingly, it has started focusing on opportunities to serve the start-up ecosystem and that has already started yielding results. Getting in at the ground floor with a start-up ensures that the Company is able to lock-in the relationship for subsequent rounds of fund raising. This makes for efficiency in client relationship, service continuity and enhancement at low incremental costs. Not to forget the excitement quotient of dealing with youthful technocracy and entrepreneurship. I assure you there are exciting times ahead.

With best wishes,  
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 EMPOWER WOMEN

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An institution that enhances  
women livelihood opportunities

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## Rationale

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%.

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 and 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 half of the women Azad worked with were from disadvantaged caste groups and 13% from minority religious groups and 88% below the poverty line (as per World Bank norms). 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 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 which we can deploy in various ways without restriction - no strings attached. Prime's encouragement, acknowledgement and understanding has empowered us to empower other. There are few impeccable donors of this kind. ”

**Shrinivas Rao, Azad Foundation**

26

% return on investment in training women drivers

3,000+

Women trained

1,500+

Women engaged as professional drivers

8,24,88,000

₹, cumulative annual remuneration of 400 women drivers engaged with Sakha



INITIATIVE

# HELPING VIDYA EDUCATE THE MARGINALISED

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Mainstreaming marginalised children

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VIDYA is committed to transform marginalised children through education and skill building. Since 2009, the NGO enrolled 1,000+ students from the pre-primary level to the 12th standard in academics and extra-curricular activities with the objective to connect them with the external world. Over the years, the NGO engaged students with the cleaning of Yamuna banks, sharing with the needy etc, focusing on their holistic development.

Nearly 93% of India's population did not receive any vocational or technical training according to Periodic Labour Force Survey.

VIDYA is a non-profit NGO. Across 34 years, VIDYA has influenced 3,75,000 lives,

more than half comprising girls and women. The institution was started with the founder teaching a class of five girls in her home on the campus of IIT Delhi, which has now grown to 78 projects across Delhi, Gurugram, Bangalore, Mumbai and Pune.

The NGO addresses literacy in a multifaceted way – encompassing academics, vocational training, mental and physical well-being, life skills, awareness building to a fast-evolving global society, communication skills and values. The vision of the NGO is to be the fountain-head for empowering and transforming lives through education.

“Vidya School is a registered CBSE English Medium School, ranked among the top 10 in Gurgaon. Our philosophy of 'Educate, Empower and Transform' believes in providing holistic education for the less privileged children living in the vicinity of the school. The VIDYA School Gurugram is currently providing high-quality public-school education at par with the nation's best institutions to over 1000 children from nearby slum areas. Our beneficiaries excel in higher education and have successfully enrolled in esteemed colleges and universities. Prime Securities' support and assistance of ₹7.5 lakh to our school came a long way in helping us during the pandemic through availability of devices and distribution of dry ration, thereby ensuring continued education of our children.”

**Ila Sarin, Vidya School, Gurgaon**

INITIATIVE

# SUPPORTING AUTISM RESEARCH & TRAINING CENTRE

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Supporting a relatively under-funded area

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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 trains trainers, helped create a body of shareable knowledge, developed the 'home school' concept, provides course content and collaboration with experts (national and international). RCK comprises doctors, finance experts and corporate professionals who collaborated to make the project viable.

“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

# HELPING COMMUNITIES MITIGATE THE COVID-19 IMPACT

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We, at Prime, have taken the initiative to support mitigation efforts for COVID-19 through support for two key institutions, the Prime Minister Cares Fund and the Shrimad Rajchandra Love and Care (SRLC), an organisation that supports the remote, underprivileged tribal areas of southern Gujarat, whose overall socio-economic development is exceedingly disadvantaged when compared with the other parts of the country.

This initiative is being managed by Shrimad Rajchandra Hospital (SRH); a charitable, multi-speciality hospital located in Dharampur that offers a wide range of high-quality medical services rarely seen in rural areas. SRH ranks among the best-staffed, best-equipped hospitals in the area, and is designated by the Government of Gujarat as a First Referral Unit.

In the fight against the COVID-19 pandemic, two state-of-the-art ventilators have been pledged to the Government Civil Hospital in nearby Valsad. 60 doctors and 90 nurses from government hospitals and health centres have undergone extensive training in SRH on the use of ventilators. 200 PPE kits have been donated to the Government (GMERS) Medical College and Hospital in Valsad.

As a part of the Corona virus relief initiative, Shrimad Rajchandra Love and Care (SRLC) volunteers have worked across multiple cities of India have undertaken various activities. In Dharampur, volunteers have traversed several remote villages to distribute monthly ration kits, cooked meals and buttermilk to families in need as well as the local police force in the form of cooked meals.

“ We serve those people affected by COVID-19 by delivering food packages in Dharavi to providing beds, sanitizers and even quarantine centres. We addressed livelihoods for the under-served, especially young tribal widows. The main message of our Guruji is ‘*Agar virus contagious hain toh hum apna compassion ko aur bhi contagious banaayenge*’. Prime Securities assisted our Mumbai initiative, where apart from our other initiatives, we serviced migrant workers with cooked meals, clothes and footwear. Prime helped fund the hospital treatment of several unwell patients. ”

**Bijal Mehta, Shrimad Rajchandra Love and Care (SRLC)**

INITIATIVE

# HELPING CANKIDS COUNTER CANCER

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An institution that addresses  
child cancer

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## Rationale

Cancer is one of the biggest health challenges faced by humankind.

Each child who dies prematurely as a result of cancer represents a loss to the family and threat to family cohesion that could lead to a long-term societal depletion impacting economic growth, workforce participation and human capital.

Cankids Kidscan – National Society for Change for Childhood Cancer in India, aims is to ensure that families of children with cancer get best access to care along with the right treatment, support and holistic care – through appropriate knowledge of where to go, timely diagnosis and treatment, shared care and continuity of care, working at all levels Primary health care, district and tertiary cancer centres. To do so along with all relevant stakeholders including State Governments, Hospital

managements, health professionals, other Not-for profits, parents, survivors and Civil society.

The space that the institution addresses is deeply relevant on account of very poor access to healthcare, low awareness of how to address the challenge and the different sensitivity required to address this disease in children. The result is that the institution's signature program You are Not Alone (YANA) provides holistic support to a child cancer victim and the family from the moment of detection, through diagnosis, treatment and after and the focus on improving Access2Care at all levels.

## Building blocks

The building blocks of YANA and Access2Care comprise:

**Cankids Hospital Support Units:** Partnerships with childhood cancer treating hospitals, providing

dedicated manpower and social support services thereby facilitating the best treatment, care and support to children with cancer and their families.

**Cankids Care Centers:** The institution also provides low Home away from Homes where child patients and their families can stay while undergoing treatment, special school for child patients and a paediatric palliative care centre in Delhi.

## Change For Childhood Cancer State Projects:

Working with all relevant stakeholders, especially State Governments to ensure children are diagnosed in time and their families are guided and referred to appropriate treatment centers, and treated with speed and receive shared care, but also to drive manpower and healthcare systems strengthening at all levels to achieve global survival rates and save lives.

“Prime Securities has supported Cankids and Children with cancer since 2017-18 for the treatment of children with cancer. In 2021 the Company donated Rs 12.5 Lakhs for Canshala. It is the Right of the child with cancer to Education and to his Childhood. Canshala is the one and only special school for health impaired children with cancer which we run in Mumbai in a public private partnership with the Bombay Municipal Corporation (MCGM).

The Canshala initiative keeps children with cancer learning during treatment and gets them back to school and college after. It also provides students with uniforms, books, school van and a Government Registration Number (GRN). When schooling became online in 2020, we provided students with tablets, our teachers held online classrooms and access to the DIKSHA and other platforms of the government. A big thank you from Aditya Jha from Bihar, being treated for blood cancer at Tata Hospital, Satyabhama from Jharkhand Ekta Deshmukh from Palghar district Maharashtra and many other kids with cancer and from all of us at Cankids.”

**Gini Gulati**, Director, Resource Mobilisation, CANKIDS



# Our Board of Directors

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## **Mr. Pradip Dubhashi**

*Chairman & Independent Director, Prime Securities*

Mr. 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, chemicals and specialties, software and biotechnology. He has consulted for Indian and foreign companies. He was also nominated on the Boards of Directors of various companies including as a nominee director of financial institutions. He has attended several courses conducted by IIM Ahmedabad, IEEE, NCST, ASCI, among others, in advanced finance, management and technology areas.



## **Mr. N. Jayakumar**

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

Mr. 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). Prior to joining Prime, he was head of the Investment Banking Group at Citibank, having previously spent several years in money markets and securities trading. He is a recognised face on various business TV channels and for equity research, wealth management, private equity, wealth restructuring, Indian economy and stock markets.



### **Ms. Alpana Parida**

*Independent Director, Prime Securities*

Ms. Alpana Parida graduated from IIM Ahmedabad in 1985 and has a degree in Economics from St. Stephens College, Delhi University. Ms. Parida served as the President of DY Works, India's oldest and largest branding firm headquartered in Mumbai with offices in Delhi and Singapore. Previously, she served as head of marketing at Tanishq. She has more than two decades of experience in retail and marketing communications in the US and in India. She conducts branding workshops for large corporates. She has been an Independent Non-Executive Director at Cosmo Films Limited since February 2014.



### **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. Her career of over 30 years has been divided 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. She 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 is a graduate of 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*

Ms. Namrata Kaul has over 30 years of 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. Prior to that, she was 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. She had earlier 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**

*Director, CEO & CIO, Prime Research & Advisory and Director, Prime Securities*

Mr. Akshay Gupta has a B.E Electronics and Communication degree from University of Delhi and FMS – Marketing and Finance from FMS Delhi more than 22 years of experience in Banking, Asset Management and Capital Markets with last 14 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 six years, 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.

# Management Team

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## **Mr. S. R. Sharma**

*Chief Financial Officer, Prime Securities*

Mr. Sharma graduated from IIT Delhi as a Chemical Engineer and received his post graduate diploma in management, PGDM from IIM Ahmedabad. He has a wide experience across multiple sectors including industrial and specialty chemicals, FMCG and financial services. 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.

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## **Mr. Ajay Shah**

*Sr. Vice President - Legal & Company Secretary*

Ajay Shah joined Prime Securities Limited in July 2001 as a Company Secretary and Compliance Officer and is presently the Vice President – Legal & Company Secretary. He has hands on experience of 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. Prior to joining Prime, he was associated with Asian Star Company Limited as Company Secretary.

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## **Arun Shah**

*Executive Director – Investment Banking*

Arun Shah is a graduate with Chemistry as major; and a Chartered Accountant by profession. His experience over the 4 decades has taken him to the fields of Foreign exchange risk management, Financial restructuring, innovative funding evaluation, corporate laws and direct and indirect taxes.

He has been actively involved as an executive and non executive chairman and vice chairman of large listed business groups. His experience covers FMCG, EPC, Software and services and Lifestyle business establishments.

The depth and variety of his experience makes him a useful member of critical assignments undertaken by the Company.

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## **Mr. Ganesh Agarwal**

*Executive Director - Investment Banking*

Ganesh Agarwal is a Chartered Accountant with almost 16 year's 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.

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## **Mr. Apurva Doshi**

*Sr. Vice President - Investment Banking*

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. Prior to 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 began 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.

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## **Mr. Nischay Saraf**

*Sr. Vice President - Investment Banking*

Nischay Saraf is a Chartered Accountant with an experience of over 13 years. Has 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.

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## **Mr. Ranen Gandhi**

*Managing Partner – Prime Research & Advisory*

Ranen Gandhi is a Certified Financial Planner and has worked in Mutual Fund, Life Insurance and Stock Broking segments over last 25 years. Significant part of his career has been with ICICI Prudential MF, in Retail Sales & Investments, and during his last role he was heading Emerging Markets and Agency. He has also been part of been 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 P & L of Central Zone.

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## **Rajat Chopra**

*Managing Partner – Prime  
Research & Advisory*

Rajat is self-driven, result oriented senior executive with over 20 years of experience in Insurance, retirement solutions, 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 part of various committees and represent 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. In his last role he was associated with Star Union Daiichi as Vice president where he was heading strategic alliances across country and Zonal Business Head for North Zone with P & L responsibility. He is an MBA and pursued CFA Level 2.

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## **Mr. Deepak Dubey**

*Vice President -  
Investment Banking*

Deepak Dubey has 13 years of corporate banking experience with HDFC Bank, RBL Bank and Yes Bank. Post Graduate from IRMA Anand and BE 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, Pharma, Food Processing, Education and Services Industry.

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## **Rachit Goel**

*Vice President – Investment  
Banking*

Rachit has over 13 years of multi-sector experience focused towards Mergers & Acquisitions, Corporate Restructuring, Private Equity and Capital Markets. Previously, 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 is an MBA (Finance) and done his Bachelors in Commerce (Hons.) from University of Delhi.

# 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 Chandio & 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

## 38TH ANNUAL GENERAL MEETING

Tuesday, August 17, 2021  
@ 3.30 p.m.  
via two-way Video Conferencing facility or  
other audio visual means

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**STATUTORY  
SECTION**

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 38th Annual General Meeting of the Members of Prime Securities Limited ("the Company") will be held on Tuesday, August 17, 2021 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, 2021 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, 2021 together with the Reports of the Independent Auditors thereon.

**2. Declaration of Dividend:**

To declare a Dividend of ₹4.50 per Equity Shares of ₹5/- each for the Financial Year ended March 31, 2021.

**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. Payment of Remuneration to Mr. N. Jayakumar as Managing Director & Group CEO:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 & any other applicable provision(s), if any, read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, and pursuant to the recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals as may be necessary, the approval of the members be and is hereby accorded to the payment of remuneration to Mr. N. Jayakumar (DIN: 00046048), as Managing Director & Group CEO of the Company, with effect from February 11, 2021, on the terms and conditions set out in the explanatory statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the remainder of his term, with liberty and power to the Board of Directors (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to alter and vary the terms and conditions of the said appointment and payment of remuneration

in such manner as may be agreed to between the Board and Mr. N. Jayakumar.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and / or expedient in connection therewith or incidental thereto and take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

**5. Payment of Commission to Non-Executive Directors:**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), a sum not exceeding 1% per annum of the Net Profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, for each

of the Five Financial Years of the Company, commencing from April 1, 2021, be paid to and distributed by way of Commission amongst the Independent & Non-Executive Directors of the Company or some or any of them, in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of Directors.

**RESOLVED FURTHER THAT** the Commission shall be in addition to the fees payable to a Director for attending the Meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other Meetings.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and / or expedient in connection therewith or incidental thereto and take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

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Registered Office:  
1109/1110, Maker Chambers V,  
Nariman Point, Mumbai 400021  
CIN: L67120MH1982PLC026724  
Email: prime@primesec.com  
Website: www.primesec.com  
Mumbai, June 24, 2021

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

Ajay Shah  
Sr. Vice President – Legal  
& Company Secretary  
(ACS-14359)

## NOTES:

1. In view of the continuing COVID-19 pandemic and the resultant restrictive measures, the General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 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 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021 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 members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("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. 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.
4. Explanatory statement setting out the material facts, pursuant to Section 102 of the Act, in respect of item nos. 4 and 5 of the notice set out above, is annexed hereto.
5. 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.
6. At the 36th AGM held on September 27, 2019, members have approved the appointment of M/s. Walker Chandiook & 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.
7. The Register of Members and Transfer Books of the Company in respect of the Equity Shares of the Company will remain closed from Tuesday, August 10, 2021 to Tuesday, August 17, 2021 (both days inclusive) for the purpose of 38th AGM and dividend.
8. 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 Thursday, August 19, 2021 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 Monday, August 9, 2021; 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 Monday, August 9, 2021.
9. 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 Friday, August 6, 2021.

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](mailto:prime@primesec.com) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) by 11.59 p.m. IST on Friday, August 6, 2021. 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](mailto:prime@primesec.com) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) by 11.59 p.m. IST on Friday, August 6, 2021.

10. 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.
- 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.
11. 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 and no Dividend has been declared thereafter, which has remained unclaimed for a period of Seven Years. The details of the unclaimed dividends are available on the of IEPF authority's website at [www.iepf.gov.in](http://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](http://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.

12. 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](mailto:rnt.helpdesk@linkintime.co.in) for assistance in this regard.
13. 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.
14. 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. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.
15. 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. 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.
16. 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.
17. 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](http://www.primesec.com) and may also be accessed from the financial section of the websites of the Stock Exchanges i.e. BSE Limited ([www.bseindia.com](http://www.bseindia.com)), National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and on the website of NSDL at [www.evoting.nsdl.com](http://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.
18. 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](http://www.primesec.com) by mentioning their DP ID & client ID / folio number. The same will be replied by the Company suitably.
19. The Company, pursuant to Regulation 39 read with Schedule VI to the SEBI Listing Regulations has already sent a reminder to members 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.
20. The Company has designated an exclusive e-mail id ([prime@primesec.com](mailto: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.
21. 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, August 10, 2021.
- 22. 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, August 14, 2021 at 9.00 a.m. (IST) and ends on Monday, August 16, 2021 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, August 10, 2021, 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	<p>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: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> 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 &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p>



Type of members	Login method
	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 &amp; voting during the meeting.</p>
<p>Individual members holding securities in demat mode with CDSL</p>	<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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> 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 <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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>
<p>Individual Members (holding securities in demat mode) login through their DPs</p>	<p>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 &amp; voting during the meeting.</p>

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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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](http://www.evoting.nsdl.com).
    - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
  - 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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-1020-990 and 1800-22-44-30.

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](mailto: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](mailto: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](mailto: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](mailto:prime@primesec.com) before 3.00 p.m. on Saturday, August 14, 2021. 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](mailto:evoting@nsdl.co.in) / 1800-1020-990/1800-224-430 or contact Mr. Amit Vishal, Senior Manager – NSDL or Mr. Sagar Ghosalkar, Assistant 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.
23. 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, August 10, 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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](http://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, August 10, 2021 may follow steps mentioned below under "Access to NSDL e-Voting system".

24. 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.
25. 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.
26. 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 scrutinizer, 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.
27. 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.
28. The results declared along with the Report of the Scrutinizer shall be placed on the website of the Company ([www.primesec.com](http://www.primesec.com)) and on the website of NSDL ([evoting@nsdl.co.in](mailto: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 nos. 4 and 5 of the accompanying notice.

### Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board had re-appointed Mr. N. Jayakumar as Managing Director & Group CEO of the Company, not liable to retire by rotation, for a further period of 5 (Five) years with effect from February 11, 2021 till February 10, 2026, which was approved by the shareholder at their 37th AGM held on September 22, 2020.

The Board, while re-appointing Mr. N. Jayakumar as Managing Director & Group CEO of the Company, considered his background, experience and contributions to the Company. Mr. N. Jayakumar is associated with the Company since 1992 and he was designated as a President of the Company since 2002. He is a qualified professional with expertise in Corporate Finance and Investment Management and has vast experience in advising in areas of financial restructuring, evaluation of business plans / joint venture proposals / acquisitions, fund raising and strategic alliances. He is with the Company for more than 27 years handling corporate relationships. Before joining the Company, he had 7 years of experience in Citibank, N.A. as Vice President, Head – Merchant Banking Group & Corporate Finance, India.

The main terms and conditions relating to re-appointment, remuneration, perquisites, etc. as set out in the memorandum of understanding entered into between the Company and Mr. N. Jayakumar, which are subject to the approval of the members of the Company, are as follows:

#### Term

Period of Appointment – 5 (Five) years effective February 11, 2021

#### Nature of Duties

Mr. N. Jayakumar as Managing Director & Group CEO shall devote his whole time and attention to

the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and / or subsidiaries including performing duties as assigned to Managing Director & Group CEO from time to time by serving on the boards of such associated companies and / or subsidiaries or any committee of such a Company.

#### Basic Salary

Current basic salary of ₹13 lakh per months upto a maximum of ₹24 lakh per month. The increment will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee depending on Company performance as well as individual performance.

#### Benefits, Perquisites and Allowances

Details of benefits, perquisites and allowances are as follows:

- a) House Rent Allowances aggregating upto 80% of the basic salary.
- b) Cars with driver, maintained by the Company and reimbursement of Company car running and maintenance expenses, reasonably incurred exclusively for the business of the Company.
- c) Telecommunication facilities including mobile, broadband, internet and fax.
- d) Reimbursement of travelling and entertainment expenses reasonably incurred by him exclusively for the business of the Company.
- e) Reimbursement of medical expenses actually incurred by him and his family.
- f) Company's contribution to provident fund as per the rules.

- g) Benefit of a Company group mediclaim policy.
- h) Benefit of a Company group term insurance policy.
- i) Gratuity as per the gratuity scheme of the Company.
- j) Leave on full remuneration as per the rules of the Company. Leave earned but not availed by him would be encashable in accordance with the rules of the Company.

Perquisite shall be evaluated as per Income tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. The perquisites namely contribution to provident fund, gratuity and encashment of leave shall not be included in the computation of the ceiling on remuneration.

#### Performance Bonus

Performance bonus upto ₹400 lakh per year, as may be recommended by Nomination and Remuneration Committee and decided by the Board of Directors, based on the prescribed performance evaluation criteria.

#### Minimum Remuneration

Notwithstanding anything to the contrary hereinabove, where in any financial year during the currency of his tenure as Managing Director & Group CEO, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary, benefits, perquisites and allowances, performance bonus,

as may be recommended by Nomination and Remuneration Committee and approved by the Board of Directors, pursuant to the provisions of the Schedule V to the Companies Act, 2013.

Pursuant to provisions of Sections 196, 197 and 198 read with Schedule V of the Act, Nomination & Remuneration Committee and the Board have accorded their approval for the payment of remuneration to Mr. N. Jayakumar and there is no default 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 statements for the year ended March 31, 2021:

(₹ in lakh)

Particulars	Year ended	Year ended
	31-Mar-2021	31-Mar-2020
Income from Operations and other Income	2,997	4,998
Operating Profit (before interest, depreciation & tax)	930	524
Profit before Tax	827	460
Profit after Tax (Total Comprehensive Income)	665	305



Consolidated audited financial statements for the year ended March 31, 2021:

(₹ in lakh)

Particulars	Year ended	Year ended
	31-Mar-2021	31-Mar-2020
Income from Operations and other Income	4,528	7,446
Operating Profit (before interest, depreciation & tax)	1,233	1,195
Profit before Tax	1,065	1,074
Profit after Tax (Total Comprehensive Income)	823	783

- e) Foreign investments or collaborations, if any:  
Not applicable.
- 2) Information about the Appointee:
- a) Background details:  
Mr. N. Jayakumar, aged 60 years, is Bachelor of Technology, Mechanical Engineering (I.I.T. Delhi) (1978-1983) & P.G.D.M. (MBA), IIM Ahmedabad (1983-1985). He is associated with the Company since 1992 and he was designated as a President of the Company since 2002. He is a qualified professional with expertise in Corporate Finance and Investment Management and has vast experience in advising in areas of financial restructuring, evaluation of business plans / joint venture proposals / acquisitions, fund raising and strategic alliances. He is with the Company for more than 28 years handling corporate relationships. Before joining the Company, he had 7 years of experience in Citibank, N.A. as Vice President, Head-Merchant Banking Group & Corporate Finance, India. As a Managing Director, he shall carry out such functions, exercise such powers and perform such duties as the Board shall from time to time in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, he shall have the general control of the business of the Company and be vested with the management and day-to-day affairs of the Company.
- b) Past Remuneration  
Mr. N. Jayakumar has been appointed as Managing Director of the Company with effect from February 12, 2011. In view of adverse financial situation of the Company in the earlier years, Mr. N. Jayakumar had refrained from drawing any remuneration from the Company since December 2012 till December 31, 2016. For the Financial Year ended on March 31, 2021, March 31, 2020 and March 31, 2019, the Company has paid ₹658.41 lakh, ₹601.86 lakh and ₹251.05 lakh respectively as remuneration to Mr. N. Jayakumar.
- c) Recognition or Awards:  
Nil
- d) Job profile and his suitability:  
Same as above in item no. a) hereinabove.
- e) Remuneration proposed:  
The Company proposes to pay the remuneration to Mr. N. Jayakumar as per the special resolution proposed to be passed by the members in the AGM of the Company.
- f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:  
Taking into consideration the size of the Company, the profile of Mr. N. Jayakumar, the responsibilities shouldered by him and industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterparts in the industry.
- g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:  
Besides the remuneration proposed to be paid to him and his holding in the Company, Mr. N. Jayakumar does not have any other 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:

Fully described in the explanatory statement as stated above.

#### b) Disclosures in the Board of Director's Report under the heading "Corporate Governance" included in Annual Report 2020-21:

The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2020-21 of the Company.

The memorandum of understanding entered into between the Company and Mr. N. Jayakumar is available for inspection to

the members between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, Sundays and public holidays, for the purpose the members can send an e-mail from their registered email ID to prime@primesec.com by mentioning their DP ID & client ID / folio number.

Except Mr. N. Jayakumar, none of the Directors or any Key Managerial Personnel of the Company or relatives of any of them are, in any way, concerned or interested in this resolution.

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

### Item No. 5

The Members of the Company at their 33rd Annual General Meeting held on September 19, 2016 had approved, by way of a special resolution, the payment of remuneration by way of Commission to Independent & Non-Executive Directors of the Company, of a sum not exceeding 1% per annum of the Net Profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013, for a period of Five Financial Years, commencing April 1, 2016. It is proposed to extend the remuneration for further period of Five Financial Years, commencing from April 1, 2021, provided that the remuneration in the form of Commission shall not exceed 1% per annum of the Net Profits of the Company computed in accordance with the provisions of the Companies Act, 2013.

This Commission will be distributed amongst all or some of the Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013. This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, a fresh approval of the Members is sought, by way of a special resolution under the applicable provisions of the Companies Act, 2013, for payment of remuneration by way of Commission to the Independent & Non-Executive Directors of the Company, for a period of Five

Financial Years commencing from April 1, 2021.

The Directors other than the Managing Director of the Company are deemed to be concerned or interested in this resolution to the extent of the remuneration that may be received by them.

Registered Office:

1109/1110, Maker Chambers V,  
Nariman Point, Mumbai 400021  
CIN: L67120MH1982PLC026724  
Email: prime@primesec.com  
Website: www.primesec.com  
Mumbai, June 24, 2021

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

**Ajay Shah**  
**Sr. Vice President – Legal**  
**& Company Secretary**  
(ACS-14359)

## Additional Information of Directors seeking Appointment / Re-appointment at 38th 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 22 years of experience in Banking, Asset Management and Capital Markets with last 14 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 1.78% of the total shareholding.

### Note:

For other details, such as Number of Board / Committee Meetings attended during FY 2020-21, 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 38th Annual Report on the business and operations along with the Audited Financial Statements for the Financial Year ended March 31, 2021.

## FINANCIAL PERFORMANCE

(₹ lakh)

Particulars	Consolidated		Standalone	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenues from Operations	4,363	7,445	2,995	4,998
Other Income	165	1	2	-
<b>Total Income</b>	<b>4,528</b>	<b>7,446</b>	<b>2,997</b>	<b>4,998</b>
Total Expenses	3,463	6,372	2,170	4,538
<b>Profit / (Loss) before Tax</b>	<b>1,065</b>	<b>1,074</b>	<b>827</b>	<b>460</b>
Tax Expenses	244	285	165	149
<b>Profit / (Loss) after Tax</b>	<b>821</b>	<b>789</b>	<b>662</b>	<b>311</b>
Other Comprehensive Income / (Loss) (Net of Tax)	2	(6)	3	(6)
<b>Total Comprehensive Income</b>	<b>823</b>	<b>783</b>	<b>665</b>	<b>305</b>

## COVID-19 pandemic

We continued to work from home and comply with the directives of the Government. We had put in place the infrastructure for WFH at the start of the pandemic and continue to operate in a virtual mode given the ongoing pandemic and Government guidelines.

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 comprised dual controls.

Work from home did not come in the way of our business and we reported a strong year as far as revenues were 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 added advisory mandates for foreign exchange, treasury management and investments for clients.

We continue our policy of being financially prudent and maintain liquidity to cover expenses for 18 to 24 months.

As we write this, we are in the midst of a devastating second wave. We are again in a lockdown that we hope will not extend for long. The key difference this time is the start of the vaccination process. While there are vaccine shortages, the pace of vaccination is expected to pick up as more vaccines receive approval.

The second wave has been difficult for the entire country with our healthcare system coming under tremendous pressure and many lives lost. The impact to the economy and industry cannot be immediately assessed. It is difficult to forecast the course of the COVID-19 virus and it is our estimation that the economy will recover following lockdown cessation. In view of this, we do not anticipate a slow-down in the demand for our services.

## OVERVIEW OF COMPANY'S FINANCIAL & OPERATIONAL PERFORMANCE

Despite the two 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 'network' strength.

The year under review saw the RBI and Government take steps to alleviate the stress on corporate Balance Sheets. RBI placed a moratorium on loan and interest repayments and created funding avenues that corporates were able to take advantage of. The Government suspended the operation of the Insolvency and Bankruptcy Code (IBC) for most of the year. Your Company was able to take recourse to the many schemes to help clients get access to fresh funds and refinancing.

Consolidated income was ₹4,528 lakh for the Year ended March 31, 2021 compared to ₹7,446 lakh in the previous financial year. Consolidated Profit after Tax for the Year ended March 31, 2021 was ₹821 lakh as compared to ₹789 lakh during the previous financial year.

Standalone income was ₹2,997 lakh for the Year ended March 31, 2021 compared to ₹4,998 lakh in the previous financial year. Standalone Profit after Tax for the Year ended March 31, 2021 was ₹662 lakh compared to ₹311 lakh 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.

### 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](http://www.primesec.com).

### DIVIDEND AND RESERVES

The Board of Directors recommend a dividend of ₹4.50 per equity share of face value of ₹5/- each for the FY 2020-21, subject to the approval of the Members at the 38th Annual General Meeting. This includes a one-time dividend of ₹2.75 per equity share. In the previous year, the Company had not declared any dividend.

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 at March 31, 2021 continued to stand at ₹1,329.94 lakh. The outstanding Equity Shares remained the same at 2,65,15,325 Equity Shares of face value of ₹5 each. During the year under review, the Company did not issue Equity Shares.

### 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**

During the Year under review, the Members of the Company, at the 37th Annual General Meeting held on September 22, 2020, approved the re-appointment of Mr. N. Jayakumar (DIN: 00046048) as Managing Director & Group CEO, for a fresh term of five years from February 11, 2021, not liable to retire by rotation.

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 reappointment. 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.

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, six 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) the 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, Practicing 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, Practicing 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, 2021 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 ₹4,528 lakh compared to ₹7,446 lakh in the previous year, which comprises Investment Banking and Advisory Fees of ₹2,794 lakh, Restructuring Advisory Fees of ₹1,275 lakh, Gain on Sale of Investment of ₹20 lakh, Income from Dividend, Interest & Other Income of ₹230 lakh, Net gain on investment measured as fair value of ₹44 lakh, Sundry Balance Written-back (Net) of ₹163 lakh and Net gain on foreign currency transactions of ₹2 lakh. Consolidated Net Profit after Tax for the Year under review was ₹821 lakh as compared to ₹789 lakh 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, 2021 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](http://www.primesec.com)). Separate Audited Financial Statements of each of the Subsidiaries are available on the website of the Company ([www.primesec.com](http://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 ₹1,545 lakh as compared to ₹2,449 lakh in the previous year. This includes Advisory Fees of ₹1,275 lakh, Income from Dividend, Interest & Other Income of ₹95 lakh, Gain on Sale of Investment of ₹11 lakh, Net Gain on Fair Value Changes of ₹1 lakh and Sundry Balance Written-back (Net) of ₹163 lakh. During the year, PRAL earned Net Profit after Tax of ₹173 lakh as compared to ₹481 lakh 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](http://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](http://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, 2021. 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, 2021, 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, 2021 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.primesec.com](http://www.primesec.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](http://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 Chandio & 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 FY 2020-21 forms part of his 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, 2021. 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 36,35,000 Options are outstanding as at March 31, 2021.

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 CAD 1,33,256 and expenditure of foreign exchange were USD 27,740.

### **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 2021-22 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) No Equity Shares (including Sweat Equity Shares) were issued to employees of 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  
June 24, 2021

**Pradip Dubhashi**  
Chairman

**N. Jayakumar**  
Managing Director & Group CEO

## 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").

The following describes the performance of the key segments of the Capital Markets:

#### Capital Markets and Financial Services Industry

Our business is inextricably linked to the capital markets, both equity and debt. In the year gone by equity and debt capital markets were buoyant and aided in our transaction flow and execution. Corporate earnings too were much better than expected considering the limitations placed on them by the Covid 19 pandemic. Mid and small sized businesses have been heavily impacted due to lockdowns and liquidity crunch over the last year. The availability of capital in public and private markets is gradually beginning to improve. At the same time, for banks, GNPA's are still on the rise. The ongoing PSB integration is expected to have a positive impact with improved balance sheets and better decision making. At the same time there is improvement in the financing environment, largely driven by select large PSBs.

#### Record Stock Markets Performance

March-April 2020 saw one of the most dramatic stock market crashes in history. In barely four trading days, the Dow Jones Industrial Average (DJIA) plunged 6,400 points, an equivalent of roughly 26%. Indian markets were not insulated either. Markets across large, mid, and small caps corrected sharply from their peaks. In March- April FY20 the benchmark Nifty index fell from around 12,219 to 7,735, a fall of almost 37% in just 27 trading days. Since then, on the back of generous liquidity injections by global Central Banks led by

the Federal Reserve of US, markets globally saw a massive rebound. From the March low of 7,735 the benchmark Nifty index climbed to an all-time high of 15,115 points in February 2021, doubling from its low. An upbeat market for equities will help in executing fund raising mandates.

#### Corporate Earnings

Initially, the fear was that corporate earnings would come under stress. However, after falling almost 30% in the first quarter, revenues rebounded in the following quarter, tracking the year ago period. Sadly, the brunt of the pandemic impact was on the small and medium enterprises, even as large organisations were able to weather the pandemic disruptions well. Organisations focused on managing their costs better and even as revenues stagnated margin improvements drove earnings during the year. The IT sector was a bright spot, adapting as it did to work from home. Buoyant earnings underpin investors interest in equity capital markets. With good earnings and improved ratings, appetite for lending by banks has improved.

#### Foreign Direct Investment

India has seen a consistent increase in FDI inflows over the last 8 years with cumulative FDI doubling from USD 36 Bn in 2013-14 to USD 74.4 Bn in 2019-20. FDI equity inflows grew by 40% in the first nine months of FY 2020-21 (\$51.47 Bn) compared to the year ago period (\$36.77 Bn). FDI flows are an important element in the growth of the economy. India has been able to attract FDI in its Services Sector and high-skill manufacturing sectors - Automobile manufacturing, Chemicals, Drugs and Pharmaceuticals - constituting 89% of FDI inflow. However, it has had limited success, in comparison to its peers, in attracting FDI in low-skill manufacturing sectors- textiles and apparel, leather, footwear and furniture. This has been reflected in India's exports performance as well as having limited impact on job creation, a key economic goal. This has driven improved valuations and a demand for new investments.

### A Vibrant Start-up Eco-system

India has also developed an active, progressive startup ecosystem with a number of unicorns, firms that have reached a valuation of over \$ 1 Bn. Just in four days in April 2021, the country minted at least six new startups with a valuation of \$1 Bn or more, called unicorns because they're supposed to be such rarities. The investment platform Groww raised money at a valuation of more than \$1 Bn, messaging bots startup Gupshup hit \$1.4 Bn, digital pharmacy API Holdings Pvt. was valued at close to \$1.5 Bn, app developer Mohalla Tech surpassed \$2.1 Bn, social commerce startup Meesho Inc. also reached \$2.1 Bn and financial-technology provider Cred rounded out the blessing of unicorns at \$2.2 Bn.

Your company has also been active in this space having raised funds for a gaming start-up. We will continue to focus on this segment in the forthcoming year.

We have seen a rapid rise in the use of smartphones, and an explosive growth of inexpensive internet services both critical to an exploitation of the internet opportunity in a market of 1.3 Bn people. This is likely to sustain and be a source of deal flow

### Retail Participation Ramped Up Sharply

Last year retail brokerage accounts grew 20%. The trend is sustaining. The volume of activity on the NSE attributable to retail investors went up from 39% of the total in 2019-20 to 46% in FY 2020-21 till January. A number of new service providers leveraging digital technologies are also driving retail participation. Over the past two years retail flows into the market, directly and through mutual funds are 25% higher than FII flows. They are also more stable. We see increased flow of IPOs as well as secondary equity issuances, both in the retail and institutional segments

### A Vibrant IPO Market

Fund mobilisation from primary markets hit an all-time record in FY 2020-21 (FY21) with funds raised from equity markets at ₹1,88,900 Cr (₹1.88 trillion) as compared to ₹91,670 Cr raised in FY20.

The prospects for FY22, too, looks strong with around 32 issues in the process of having

approvals or getting them from SEBI for an estimated total fund raise of ₹41,000 Cr. We will continue to pursue IPO mandates

### Global Supply Chains

Supply chains were severely disrupted in early 2020, at first because of pandemic related factors, the limitations on aircraft movement, 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. There is a shortage of electronic chips needed for automobiles, that will impact auto production across the world and manufacturers see this disruption lasting a year or more. India is particularly vulnerable in its pharmaceutical sector, with nearly 60% 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.

## 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, there is the risk of uneven outcomes. Recent disruptions to trade, stress on logistics as seen in the shortage of containers and sharp increases in shipping costs, hang a shadow on recovery. We expect capital flows to be robust. But should the recovery be delayed, or the world experience another wave of infections we could encounter serious economic disruptions including an impact on capital flows. This will 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 stabilised 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 2021-22. 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 ₹4,528 lakh for the financial year under review as against previous year ₹7,446 lakh. This drop of around 39% was largely on account of several transactions not closing during the year under review. Consolidated Profit after Tax and Exceptional Items was at ₹821 lakh as compared to ₹789 lakh. Operating profit margins improved from 17% to 23%. At the same time, cash and cash equivalents, including investments having maturities in excess of three months, have increased from ₹1,829 lakh to ₹6,076 lakh, reflecting an improved operational performance.

We make suitable provisions for any receivable outstanding for more than 60 days. Debtors

amounts to only ₹78 lakh, 1.7% of revenues for the year, which have been subsequently collected.

Return on average net worth (RONW) for the year under review is at 16.02% as compared to 19.48% for the previous year.

Your Company operates in only one segment, financial advisory services. We are debt free and have no interest expense.

### Covid-19

At the time of writing India is experiencing a massive second wave of infections, necessitating further lockdowns and restrictions on intra-state and inter-state movements. This appears to be having a positive effect as positivity rates come down. Unfortunately, the size of the second wave has been such that it has placed our health care system under unbearable stress, with shortages of hospital beds, drugs and oxygen all across the country. Civil society and industry have come together to alleviate the shortages which appear to be more of a supply chain issue rather than of availability.

We had started "working from home" (WFH) in March 2020 and continue to do so in line with Government directives. Our experience with this has been very positive with improved productivity and no slowdown in our service to customers. We will continue to WFH during this period of severe turmoil.

Vaccines are the way forward as has been shown by the US, UK and Israel. We are hopeful that vaccination rates will rise sharply. In the meantime, it is incumbent on us all to maintain proper protocols, masking and social distancing.

### 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.

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For and on behalf of the Board of Directors

Mumbai  
June 24, 2021

**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 Six Directors, comprising of Four 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. Three out of Four 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 a 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. Alpana Parida as an Independent Directors for First term of Five consecutive years from February 14, 2019 to February 13, 2024.

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, 2021:

Director Name (DIN)	Category (\$)	Board Meetings during 2020-21		Attendance at last Annual General Meeting held on September 22, 2020	Other Directorships in India (@)	Committee positions in Other Companies in India (**)	
		Held	Attended			Member	Chairman
Mr. Pradip Dubhashi (01445030)	NED-I	6	6	Yes	6	1	Nil
Mr. N. Jayakumar (00046048)	MD	6	6	Yes	7	Nil	Nil

Director Name (DIN)	Category (\$)	Board Meetings during 2020-21		Attendance at last Annual General Meeting held on September 22, 2020	Other Directorships in India (@)	Committee positions in Other Companies in India (**)	
		Held	Attended			Member	Chairman
Ms. Alpana Parida (06796621)	NED-I	6	6	Yes	7	2	1
Ms. Namrata Kaul (00994532)	NED-I	6	6	Yes	10	1	Nil
Ms. Smita Affinwalla (07106628)	NED-I	6	6	Yes	5	1	Nil
Mr. Akshay Gupta (01272080)	NED	6	6	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.

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:</p> <p>a) The Mandhana Retail Ventures Limited (Independent Director)</p> <p>Other Companies:</p> <p>a) Primesec Investments Limited (Independent Director)</p> <p>b) Roop Automotives Limited (Independent Director)</p> <p>c) Divgi Torqtransfer Systems Private Limited (Director)</p> <p>d) Microline (India) Private Limited (Director)</p> <p>e) Unmanned &amp; Autonomous Vehicles Association (Director)</p>	<p>Chairperson:</p> <p>a) Corporate Social Responsibilities Committee of Primesec Investments Limited</p> <p>Member:</p> <p>a) Audit Committee of The Mandhana Retail Ventures Limited</p> <p>b) Nomination and Remuneration Committee of The Mandhana Retail Ventures Limited</p>
Mr. N. Jayakumar	<p>Listed Companies:</p> <p>None</p> <p>Other Companies:</p> <p>a) Prime Research &amp; Advisory Limited (Director)</p> <p>b) Primesec Investments Limited (Director)</p> <p>c) Prime Commodities Broking (India) Limited (Director)</p> <p>d) Judith Investments Private Limited (Director)</p> <p>e) Gateway Entertainment Limited (Director)</p> <p>f) Primary Cuisine Private Limited (Director)</p> <p>g) Statin Enterprise LLP (Designated Partner)</p>	<p>Chairperson:</p> <p>None</p> <p>Member:</p> <p>a) Corporate Social Responsibilities Committee of Primesec Investments Limited</p>

Director	Other Directorships and Category of Directorship	Chairpersonship / Membership of Committees in Other Companies
Ms. Alpana Parida	<p>Listed Companies:</p> <ul style="list-style-type: none"> <li>a) Cosmo Films Limited (Independent Director)</li> <li>b) GRP Limited (Independent Director)</li> </ul> <p>Other Companies:</p> <ul style="list-style-type: none"> <li>a) Primesec Investments Limited (Independent Director)</li> <li>b) Isagro (Asia) Agrochemicals Private Limited (Director)</li> <li>c) FSN E-Commerce Ventures Private Limited (Director)</li> <li>d) Tiivra Ventures Private Limited (Director)</li> <li>e) Brilloca Limited (Director)</li> </ul>	<p>Chairperson:</p> <ul style="list-style-type: none"> <li>a) Stakeholder Relationship Committee of Cosmo Films Limited</li> </ul> <p>Member:</p> <ul style="list-style-type: none"> <li>a) Corporate Social Responsibilities Committee of Cosmo Films Limited</li> <li>b) Audit Committee of Cosmo Films Limited</li> <li>c) Audit Committee of GRP Limited</li> <li>d) Nomination and Remuneration Committee of GRP Limited</li> <li>e) Corporate Social Responsibilities Committee of Primesec Investments Limited</li> </ul>
Ms. Namrata Kaul	<p>Listed Companies:</p> <ul style="list-style-type: none"> <li>a) Havells India Limited (Independent Director)</li> <li>b) Schneider Electric Infrastructure Limited (Independent Director)</li> </ul> <p>Other Companies:</p> <ul style="list-style-type: none"> <li>a) Prime Research &amp; Advisory Limited (Independent Director)</li> <li>b) Synergetics Management &amp; Engineering Consultants Private Limited (Director)</li> <li>c) Bhopal Smart City Development Corporation Limited (Director)</li> <li>d) Vivriti Capital Private Limited (Director)</li> <li>e) Vivriti Asset Management Private Limited (Director)</li> <li>f) Fusion Micro Finance Private Limited (Director)</li> <li>g) Padup Ventures Services Limited (Individual Partner)</li> <li>h) Care India Solutions for Sustainable Development (Director)</li> </ul>	<p>Chairperson:</p> <ul style="list-style-type: none"> <li>a) Audit Committee of Vivriti Capital Private Limited</li> <li>b) Nomination and Remuneration Committee of Vivriti Capital Private Limited</li> <li>c) Nomination and Remuneration Committee of Fusion Micro Finance Private Limited</li> </ul> <p>Member:</p> <ul style="list-style-type: none"> <li>a) Nomination and Remuneration Committee of Schneider Electric Infrastructure Limited</li> <li>b) Audit and Finance Committee of Schneider Electric Infrastructure Limited</li> <li>c) Nomination and Remuneration of Havells India Limited</li> <li>d) Audit Committee of Fusion Micro Finance Private Limited</li> <li>e) Audit and Finance of Care International</li> <li>f) Audit and Finance of Care India Solutions for Sustainable Development</li> <li>g) Fund-Raising Committee of Care India Solutions for Sustainable Development</li> </ul>

Director	Other Directorships and Category of Directorship	Chairpersonship / Membership of Committees in Other Companies
Ms. Smita Affinwalla	<p>Listed Companies: None</p> <p>Other Companies:            a) Prime Research &amp; Advisory Limited (Independent Director)            b) HDB Financial Services Limited (Independent Director)            c) Avameh Consulting Private Limited (Director)            d) Illuminos Consulting Private Limited (Director)            e) Micro Units Development &amp; Refinance Agency Limited (Director)</p>	<p>Chairperson:            a) Nomination and Remuneration Committee of HDB Financial Services Limited</p> <p>Member:            a) Corporate Social Responsibilities Committee of HDB Financial Services Limited            b) Audit Committee of HDB Financial Services Limited</p>
Mr. Akshay Gupta	<p>Listed Companies: None</p> <p>Other Companies:            a) Prime Research &amp; Advisory Limited (Director, CEO &amp; CIO)            b) Prime Funds Management Limited (Director)</p>	<p>Chairperson: None</p> <p>Member: None</p>

#### 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	✓		

**Board Meetings:**

During the FY 2020-21, Six Board Meetings were held on April 9, 2020, May 29, 2020, June 19, 2020, August 18, 2020, November 5, 2020 and February 4, 2021. 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](http://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.
  - 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.
- 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.
  - 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.

of which are Non-Executive & Independent Directors. All Members are financially literate and having accounting and related financial management expertise.

During the FY 2020-21, the Members of Audit Committee met 4 (Four) times on June 19, 2020, August 18, 2020, November 5, 2020 and February 4, 2021. 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:

#### Composition & Meetings:

As of the year ended March 31, 2021, Audit Committee comprises of Four Members, all

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.

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 September 22, 2020.

#### 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, 2021, 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 FY 2020-21, the Members of Nomination and Remuneration Committee

met 1 (One) time on May 20, 2020. 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. Alpna Parida	NED-I	Chairperson	1	1
Ms. Namrata Kaul	NED-I	Member	1	1
Ms. Smita Affinwalla	NED-I	Member	1	1

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

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 September 22, 2020.

### 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](http://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 33rd Annual General Meeting held on September 19, 2016. 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)
Mr. Pradip Dubhashi	Nil	1.00	11.20	Nil
Mr. N. Jayakumar (S)	660.83	Nil	Nil	Nil
Ms. Alpana Parida	Nil	1.00	10.40	Nil
Ms. Namrata Kaul	Nil	Nil	9.40	Nil
Ms. Smita Affinwalla	Nil	1.00	10.40	Nil
Mr. Akshay Gupta	Nil	Nil	Nil	12.00

# Includes performance bonus for FY 2019-20, paid in FY 2020-21.

\* Commission for FY 2019-20, paid in FY 2020-21.

§ 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.

As of the year ended March 31, 2021, 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 21.43% 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 1.78% 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, 2021, Stakeholders Relationship Committee comprises of 3 (Three) Members, all of which are Non-Executive & Independent Directors.

During the FY 2020-21, the Members of Stakeholders Relationship Committee met 1 (One) time on March 31, 2021. 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

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

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 September 22, 2020 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	70	70
KYC Updation	38	38
Dividend Related	33	33
Change of Address	36	36
Correction of Data	15	15
Demat / Remat	3	3
SEBI Complaints	1	1
<b>Total</b>	<b>196</b>	<b>196</b>

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](http://www.primesec.com)).

**Composition & Meetings:**

As of the year ended March 31, 2021, 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 FY 2020-21, the Members of Corporate Social Responsibility Committee met 1 (One) time on March 29, 2021. 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, 2021, Stakeholders Relationship 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 FY 2020-21, the Members of Risk Management Committee met 1 (One) time on January 28, 2021. The details of composition and attendance of each Member at the Risk Management Committee Meeting is given below:

Name	Category (#)	Designation	No. of Meetings Attended	
			Held	Attended
Mr. Pradip Dubhashi	NED-I	Chairperson	1	1
Ms. Namrata Kaul	NED-I	Member	1	1
Mr. Akshay Gupta	NED	Member	1	1
Mr. S. R. Sharma	CFO	Member	1	1

# NED-I means Non-Executive & Independent Director, NED means Non-Non-Executive & Independent Director and CFO means Chief Financial Officer.

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 September 22, 2020 to answer queries of the security holders.

**4. Meeting of Independent Directors:**

The Independent Directors on the Board of Directors of Company met 1 (One) time on March 31, 2021 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
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.
2017-2018	September 24, 2018	Victoria Memorial School for the Blind, Mumbai 400034	2.00 p.m.

(b) Extraordinary General Meeting:

No Extraordinary General Meeting was held during the financial year under review.

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

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.

The following Special Resolutions were passed at the 35th Annual General Meeting of the Company held on September 24, 2018:

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

ii) Appointment of Mr. Vineet Suri as Executive Director & Payment of Remuneration.

iii) Alteration and Adoption of Memorandum and Articles of Association.

iv) Implementation of Employee Stock Option Scheme 2018.

v) Extension of benefits of Employee Stock Option Scheme 2018 to the Eligible Employees / Directors of the Subsidiaries.

vi) Granting of Options exceeding 1% of Issued Capital to identified Employees under Employee Stock Option Scheme 2018.

(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 FY 2020-21 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](http://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](http://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](http://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](http://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):

Not applicable

### (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, 2021 is given below. No payments have been made to any network firms / network entities, of which the statutory auditor is a part.

(₹ lakh)

Particulars	Company	Subsidiaries	Total
Statutory Audit fees	30.54	3.00	33.54
Other services	1.10	Nil	1.10
Reimbursement of expenses	Nil	1.00	1.00

## (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](http://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:**

- 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.
- The Company's Financial Results and other official news release are displayed on the Company's website ([www.primesec.com](http://www.primesec.com)).
- At present, no formal presentations are made to analysts.

## 12. General Shareholder Information:

* AGM Date, Time and Venue	: Tuesday, August 17, 2021 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, 2021 to March 31, 2022
	i) First Quarter ending June 30, 2021 – on or before August 14, 2021
	ii) Second Quarter & Half-year ending September 30, 2021 – on or before November 14, 2021
	iii) Third Quarter & Nine Months ended December 31, 2021 – on or before February 14, 2022
	iv) Fourth Quarter and Year ended March 31, 2022 - during April 2022 to May 2022
* Date of Book Closure	: Tuesday, August 10, 2021 to Tuesday, August 17, 2021 (both days inclusive)
* Dividend payment date	: On and from Thursday, August 19, 2021
* 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 2021-2022
* 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	: 95.19% of the total shareholding has been dematerialized as on March 31, 2021
* Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact of equity	: None except 36,35,000 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](http://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:

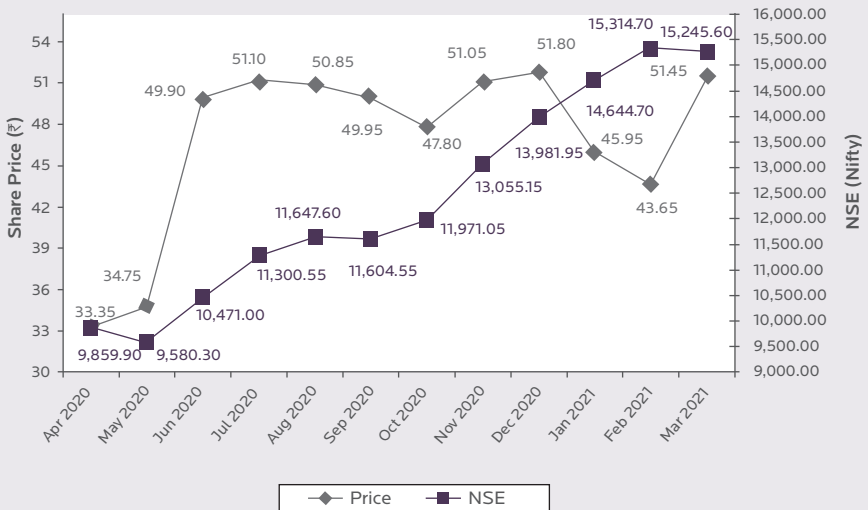
The Company has appointed M/s. K. V. S. & Company, Chartered Accountant, as an Internal Auditor pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The Internal Audit plan is approved by the Audit Committee and the Internal Auditor presents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

**Annexure I to Report on Corporate Governance**  
**Market Price Data: High / Low from April 2020 to March 2021**

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
April 2020	34.45	26.80	1,17,330	33.35	26.75	4,63,838
May 2020	34.90	27.70	65,607	34.75	27.75	4,10,066
June 2020	49.60	34.20	2,83,903	49.90	34.50	10,68,778
July 2020	50.95	46.25	6,31,865	51.10	46.10	11,43,307
August 2020	50.85	45.10	6,98,682	50.85	45.40	11,01,473
September 2020	50.15	43.50	2,94,639	49.95	43.85	5,36,159
October 2020	48.15	43.30	1,29,454	47.80	43.40	5,05,620
November 2020	50.65	43.20	2,49,981	51.05	43.05	8,58,908
December 2020	51.65	45.05	3,02,324	51.80	45.05	6,62,205
January 2021	45.90	39.60	1,96,164	45.95	39.50	9,23,315
February 2021	44.20	40.05	31,59,383	43.65	40.05	6,06,628
March 2021	50.80	40.05	24,36,267	51.45	39.95	9,31,503

**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, 2021)**

Number of Equity Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares Held	Percentage of Shareholdings
Upto 500	18,272	91.55	23,70,441	8.94
501 – 1,000	767	3.84	6,35,023	2.39
1,001 – 2,000	378	1.89	5,86,863	2.21
2,001 – 3,000	135	0.68	3,41,518	1.29
3,001 – 4,000	64	0.32	2,30,753	0.87
4,001 – 5,000	67	0.34	3,12,587	1.18
5,001 – 10,000	121	0.60	9,14,696	3.45
Above 10,000	155	0.78	2,11,23,444	79.67
<b>Total</b>	<b>19,959</b>	<b>100.00</b>	<b>2,65,15,325</b>	<b>100.00</b>

**Annexure IV to Report on Corporate Governance**  
**Shareholding Pattern of the Company (As on March 31, 2021)**

Category	Number of Shares	% of Share Capital
<b>A Shareholding of Promoter and Promoter Group</b>		
1) Indian	Nil	Nil
2) Foreign	Nil	Nil
<b>Sub-Total</b>	<b>Nil</b>	<b>Nil</b>
<b>B Public Shareholding</b>		
1) Institutions		
a) Mutual Funds & UTI	10,400	0.04
b) Financial Institutions / Banks	3,72,100	1.40
c) Foreign Institutional Investors / Foreign Portfolio Investors	3,303	0.01
d) Any Other (Foreign Banks)	900	0.00
<b>Sub-Total</b>	<b>3,86,703</b>	<b>1.45</b>
2) Non-Institutions		
a) i) Individual Shareholders holding nominal share capital upto ₹2 lakh	61,06,282	23.03
ii) Individual Shareholders holding nominal share capital in excess of ₹2 lakh	77,29,380	29.15
b) NBFCs	Nil	Nil
c) Bodies Corporate	1,06,73,912	40.26
d) Clearing Members	3,20,308	1.21
e) Hindu Undivided Family	3,08,440	1.16
f) Non-Resident Indians	9,61,600	3.63
g) Overseas Bodies Corporate	28,600	0.11
h) Trusts	100	0.00
<b>Sub-Total</b>	<b>2,61,28,622</b>	<b>98.55</b>
<b>Grand Total</b>	<b>2,65,15,325</b>	<b>100.00</b>

**Annexure V to Report on Corporate Governance  
Top 10 Shareholders of the Company (As on March 31, 2021)**

Sr. No.	Name of Shareholder	Category	Number of Shares held	% of Total Equity Share Capital
1.	GKK Capital Markets Private Limited	Public	32,00,000	12.07
2.	Statin Enterprise LLP	Public	31,48,059	11.87
3.	Judith Investments Private Limited	Public	17,83,497	6.73
4.	Mahendra Jayantilal Shah	Public	13,94,181	5.26
5.	Kishore Hemandas Mulani	Public	8,96,630	3.38
6.	Koppara Sajeeve Thomas	Public	7,50,000	2.83
7.	Mohit Oswal	Public	5,56,347	2.10
8.	LKP Finance Limited	Public	5,28,898	1.99
9.	Akshay Gupta	Public	4,70,580	1.77
10.	N. Jayakumar	Public	4,14,928	1.56
	<b>Total</b>		<b>1,31,43,120</b>	<b>49.56</b>

For and on behalf of the Board of Directors

Mumbai  
June 24, 2021

**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, 2021 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, 2021, 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, 2021.
  - (ii) There are no significant changes in Accounting Policies during the Year ended March 31, 2021; and
  - (i) 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

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

**S. R. Sharma**  
Chief Financial Officer  
DIN: 03096740

Mumbai  
June 24, 2021

## 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, 2021, 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, 2021.

Yours faithfully,  
For Prime Securities Limited

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

Mumbai  
June 24, 2021

## 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 1st Floor, Construction 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](http://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, 2021 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	ALPANA PARIDA SHAH	06796621	27/03/2015
6	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  
UDIN:  
Date: June 24, 2021  
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, 2021 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 and Associates**  
Practising Company Secretaries

**Pramod S. Shah**  
Partner  
Membership No.: FCS 334  
C.O.P.: 3804

Date: June 24, 2021  
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](http://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:

- Mr. Pradip Dubhashi – Chairperson (Independent Director)
- Ms. Namrata Kaul – 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 ₹1,102.73 lakh.

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

₹22.05 lakh

- 5. Details of CSR Spent during the Financial Year:**

- Total amount to be spent for the Financial Year: ₹51.86 lakh (including unspent amount of ₹29.81 lakh of previous years);
- Amount unspent: ₹ Nil;

c. Manner in which the amount was spent during the FY 2020-21:

(₹ in lakh)

Sr. No.	CSR Project / Program	Sector Covered	District and State where Project / Program was Undertaken	Amount Outlay (Budget)	Amount Spent	Cumulative Expenditure upto the reporting period	Amount spent - Direct / Through implementing agency
1.	PM Cares Fund	Healthcare	Across India	25.00	25.00	25.00	Direct
2.	Project Landscape	Environment Sustainability	Mumbai	15.00	15.00	15.00	Direct
3.	Covid-19 relief measures	Healthcare	Across India	11.00	11.00	11.00	Direct
4.	Cancer Treatment	Healthcare	New Delhi	4.50	4.50	4.50	Direct
5.	Education for Blind Children	Child development and enhancing vocational skills	Mumbai	3.00	3.00	3.00	Direct

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

**Pradip Dubhashi**  
Chairman of CSR Committee

**N. Jayakumar**  
Managing Director & Group CEO

Mumbai  
June 24, 2021

## 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 MARCH 31, 2021

[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,

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 March 31, 2021, 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 March 31, 2021 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 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.

**Pramod S. Shah** -Partner

**Pramod S. Shah & Associates**  
(Practising Company Secretaries)  
FCS No.: F334  
C P No.: 3804  
UDIN: F000334C000509887

Date: June 24, 2021  
Place: Mumbai

## 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	
		Name of the Director	Ratio
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	22.67 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 ₹24.68 lakh	
		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	7.58
		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	12.09
		Ajay Shah, Company Secretary	14.01
		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			

Sr. No.	Requirements	Disclosure	Ratio
		Name of the Director	
3.	The percentage increase in the Median Remuneration of Employees in the Financial Year	During FY 2021, the percentage increase in the median remuneration of employees as compared to previous year was 51.86	
4.	The number of Permanent Employees on the rolls of Company	There were 19 employees as on March 31, 2021	
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 27.26% for employees other than managerial personnel and 8.60% 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

Mumbai,  
June 24, 2021

**Pradip Dubhashi**  
Chairman

**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 ₹2740 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	17,83,500
d)	Options exercised	Nil
e)	The total number of shares arising as a result of exercise of option	Nil
f)	Options lapsed	9,82,000
g)	Variation of terms of options	Nil
h)	Money raised by exercise of options	Nil
i)	Total number of options in force	36,35,000
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	6 employees has received Options more than 5% of the Options granted during the FY 2020-21, totalling 10,00,000 Options
	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	1 identified employee granted Options exceeding 1% of the issued capital totalling 3,00,000 Options
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	₹2.43 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 ₹191 lakh and basic & diluted EPS is lower by ₹0.72 per share
m)	Weighted average exercise price and weighted average fair value	Weighted average exercise price – ₹33.69 Weighted average fair value – ₹28.05”
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	₹27.75

For and on behalf of the Board of Directors

Mumbai,  
June 24, 2021

**Pradip Dubhashi**  
Chairman

**N. Jayakumar**  
Managing Director & Group CEO

# 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 March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, 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.

### Emphasis of Matters

4. We draw attention to Note 29 of the accompanying standalone financial statements, which indicates that the Company had adopted Ind AS from April 1, 2017 instead of April 1, 2019 and the considered transition date as April 1, 2016 which is not in compliance with Companies (Indian Accounting Standards) (Amendment) Rules, 2016, dated March 30, 2016. However, management has assessed that the impact of applying the appropriate transition date as well as the possible impact of fines/penalty, if any, on account of such non-compliance on the standalone financial statement of the Company would not be material.
5. We draw attention to note 39 to the accompanying standalone financial statements, which states that pursuant to the Scheme of Merger (the 'Scheme') entered into between Prime Securities Limited ('the Transferee Company) and its erstwhile subsidiary companies, Primesec Investments Limited ('PIL) and Prime Commodities Broking India limited ('PCBIL') (jointly referred as 'the Transferor Companies'), as approved by the Hon'ble National Company Law Tribunal, Mumbai Bench, by order dated

May 13, 2021, the transferor companies have been merged with the Company and such merger transaction has been accounted for as per accounting prescribed under the scheme which is in line with the accounting principles given under Appendix C to Ind AS 103 applicable to common control business combinations. Accordingly, the comparative financial information for the year ended March 31, 2020 have been adjusted to reflect the aforesaid merger, as described in aforesaid note.

Our opinion is not modified in respect of these matters.

### Key Audit Matter

6. 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.
7. We have determined the matter described below to be the key audit matters to be communicated in our report

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>We refer to the Company's significant accounting policies in note 2(b) and the revenue related disclosure in note 36 of the standalone financial statements.</p> <p>The Company's revenue from operations arises from merchant banking and advisory services, which mainly includes Corporate &amp; 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><b>Our audit procedures to address this key audit matter included, but were not limited to, the following:</b></p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the Company's accounting policy for revenue recognition.</li> <li>• Evaluated the design and operating effectiveness of key controls over the revenue recognition process.</li> <li>• For the revenue contracts entered by the company, the following procedures were performed. <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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 recognized, by the performing enquiry with the management and inspecting supporting documents evidencing completion of such work.</li> <li>• Tested invoices, on sample basis, 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.</li> <li>• 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.</li> </ul> </li> </ul>

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

8. 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. These reports are 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

9. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. 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 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.

10. In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

12. Our objectives are to obtain reasonable assurance about whether the standalone 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.
13. As part of an audit in accordance with Standards on Auditing, 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 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;
- 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;

14. 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.
15. 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.
16. 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.

#### **Other Matter**

17. The comparative financial information of PIL and PCBIL for the year ended March 31, 2020, included in the accompanying standalone financial statements, are based on the financial statements of the respective transferor companies which were audited by other firms of Chartered Accountants, Gandhi & Associates LLP and Arun Bedekar & Co, respectively, whose reports dated June 18, 2020 expressed unmodified opinions on those financial statements. The adjustments made to the accompanying financial statements to give effect to the scheme of merger as described in paragraph 5 above

have been audited by us. Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

18. 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.
19. As required by the Companies (Auditor's Report) Order, 2016 ('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.
20. 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 March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls with reference to financial statements of the Company as on March

31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated June 24, 2021 as per Annexure II expressed 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 March 31, 2021;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021;
  - 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 March 31, 2021; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

**For Walker Chandiook & Co LLP**

Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Murad D. Daruwalla**

Partner

Membership No.: 043334

UDIN: 21043334AAAACM6440

Place: Mumbai

Date: June 24, 2021

## Annexure I

**Annexure I** to 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 21

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties which are included under the head 'Property, plant and equipment' are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under subsection (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including 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 to the appropriate authorities, though there has been a slight delay 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) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

## Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lakh)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	175	-	AY 2017-18	Commissioner of Income Tax (Appeals)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and/ provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the

requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Murad D. Daruwalla**

Partner

Membership No.: 043334

UDIN: 21043334AAAAACM6440

Place: Mumbai

Date: June 24, 2021



## Annexure II

**Annexure II** to 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 21

**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 2021, we have audited the internal financial controls with reference to 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 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 financial statements and such controls were operating effectively as at 31 March 2021, 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: 21043334AAAACM6440

Place: Mumbai

Date: June 24, 2021

**Balance Sheet** as at March 31, 2021  
(₹ in lakh, unless otherwise stated)

Particulars	Note no.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>I. Financial assets</b>			
a) Cash and cash equivalents	3	2,084	933
b) Bank balance other than (a) above	4	1,453	-
c) Receivables	5		
(i) Trade receivables		78	438
(ii) Other receivables		393	393
d) Loans	6	62	62
e) Investments	7	2,133	1,131
f) Other financial assets	8	76	1,357
<b>Sub total (I)</b>		<b>6,279</b>	<b>4,314</b>
<b>II. Non-financial assets</b>			
a) Current tax assets (net)	9	787	483
b) Deferred tax assets (net)	10	52	80
c) Property, plant and equipment	11(a)	192	282
d) Other intangible assets	11(b)	1	1
e) Other non-financial assets	12	63	116
<b>Sub total (II)</b>		<b>1,095</b>	<b>962</b>
<b>TOTAL ASSETS (I + II)</b>		<b>7,374</b>	<b>5,276</b>
<b>LIABILITIES AND EQUITY</b>			
<b>I. Financial liabilities</b>			
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		227	5
b) Borrowings	14	17	23
c) Other financial liabilities	15	196	262
<b>Sub total (I)</b>		<b>440</b>	<b>290</b>
<b>II. Non-financial liabilities</b>			
a) Provisions	16	418	529
b) Other non-financial liabilities	17	1,312	286
<b>Sub total (II)</b>		<b>1,730</b>	<b>815</b>
<b>III. Equity</b>			
a) Equity share capital	18	1,326	1,326
b) Other equity		3,878	2,845
<b>Sub total (III)</b>		<b>5,204</b>	<b>4,171</b>
<b>TOTAL LIABILITIES AND EQUITY (I + II + III)</b>		<b>7,374</b>	<b>5,276</b>

Summary of significant accounting policies and other explanatory information to the financial statements. 1 to 51

This is the Balance Sheet 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

Place : Mumbai  
Date : June 24, 2021

**Pradip Dubhashi**  
Chairman  
(DIN: 01445030)

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

**Murad D. Daruwalla**  
Partner  
Membership No 043334

Place : Mumbai  
Date : June 24, 2021

## Statement of Profit and Loss for the year ended March 31, 2021

(₹ in lakh, unless otherwise stated)

Particulars	Note no.	Year ended March 31, 2021	Year ended March 31, 2020
<b>I. Revenue from operations</b>			
i) Interest income	19	135	59
ii) Rental income		-	4
iii) Fee & Commission income	20	2,794	4,935
iv) Net gain on fair value changes	21	43	-
v) Gain on sale / redemption of investments (net)	22	23	-
<b>Total Revenue from operations (I)</b>		<b>2,995</b>	<b>4,998</b>
<b>II. Other Income</b>			
i) Net gain on foreign currency transactions and translations		2	-
<b>Total other income (II)</b>		<b>2</b>	<b>-</b>
<b>III. Total income (I + II)</b>		<b>2,997</b>	<b>4,998</b>
<b>IV. Expenses</b>			
i) Finance costs	23	26	13
ii) Fees & commission expense		286	978
iii) Net loss on fair value changes		-	129
iv) Impairment on financial instruments	24	178	1,705
v) Employee benefits expense	25	1,259	1,183
vi) Depreciation and amortisation expense		77	51
vii) Other expenses	26	344	479
<b>Total expenses (IV)</b>		<b>2,170</b>	<b>4,538</b>
<b>V. Profit before tax</b>		<b>827</b>	<b>460</b>
<b>VI. Tax expense</b>			
i) Current tax		138	129
ii) Earlier year tax		0	(2)
iii) Deferred tax		27	22
<b>Total Tax expense (VI)</b>		<b>165</b>	<b>149</b>
<b>VII. Profit / (Loss) after tax (V) - (VI)</b>		<b>662</b>	<b>311</b>
<b>VIII. Other comprehensive income</b>			
Item that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) of the defined benefit plans		4	(9)
Deferred tax on remeasurement of the defined benefit plans		(1)	3
<b>Other comprehensive income for the year (VIII)</b>		<b>3</b>	<b>(6)</b>
<b>IX. Total comprehensive income for the year (VII) - (VIII)</b>		<b>665</b>	<b>305</b>
<b>Earnings per equity share of nominal value of ₹5 each</b>	27		
Basic (in ₹)		2.50	1.17
Diluted (in ₹)		2.43	1.16

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

1 to 51

This is the Statement of Profit and Loss 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 : June 24, 2021

Place : Mumbai  
Date : June 24, 2021

**Statement of Cash Flows** for the year ended March 31, 2021  
(₹ in lakh, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flow from operating activities:</b>		
Profit before tax	827	460
<b>Adjustments for :</b>		
Depreciation and amortisation expense	77	51
Changes in fair valuation of investment (net) through profit or loss	(43)	129
Gain on sale of investments (net)	(23)	-
Interest Expense	6	9
Interest income on deposits	(135)	(59)
Share based payment to employees	191	247
Impairment of financial assets	178	1,705
<b>Operating profit before working capital changes</b>	<b>1,078</b>	<b>2,542</b>
<b>Adjustments for changes in working capital:</b>		
(Decrease) / Increase in provisions	(106)	(132)
Increase / (Decrease) in trade payables	222	(34)
Increase/ (Decrease) in other financial liabilities	(66)	75
Increase/ (Decrease) in other non-financial liabilities	1,025	140
(Increase)/ Decrease in other financial assets	1,280	(999)
(Increase)/ Decrease in other receivables	-	125
Decrease/ (Increase) in trade receivables	182	(228)
Decrease/ (Increase) in other non-financial assets	52	(62)
(Increase)/ Decrease in Loans	-	100
Decrease/ (Increase) in fixed deposits maturity more than 3 months	(1,453)	347
<b>Total changes in working capital</b>	<b>1,136</b>	<b>(668)</b>
<b>Cash generated from operations</b>	<b>2,214</b>	<b>1,874</b>
Taxes paid, net of refunds	(442)	(520)
<b>Net cash generated/(used) from operating activities (A)</b>	<b>1,772</b>	<b>1,354</b>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipments including capital work-in-progress	(4)	(273)
Proceeds from sale / disposal of property, plant and equipments	18	-
Purchase of Investments	(7,435)	2
Proceeds form sale / redemption of investments	6,678	-
Interest income	135	59
<b>Net cash generated/(used) from in investing activities (B)</b>	<b>(609)</b>	<b>(212)</b>
<b>Cash flow from financing activities:</b>		
Borrowings repaid during the year	(6)	(276)
Interest Paid	(6)	(9)
<b>Net cash generated/(used) in financing activities (C)</b>	<b>(12)</b>	<b>(285)</b>

## Statement of Cash Flows for the year ended March 31, 2021

(₹ in lakh, unless otherwise stated)

Particulars	Year ended	Year ended
	March 31, 2021	March 31, 2020
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	1,151	857
Cash and cash equivalents at the beginning of the year	933	76
Cash and cash equivalents at the end of the year	2,084	933
<b>Total</b>	<b>1,151</b>	<b>857</b>

## Notes:

Particulars	Year ended	Year ended
	March 31, 2021	March 31, 2020
1) Cash and cash equivalents comprise of		
Cash on hand	1	1
Balances with banks		
In current account	1,981	173
Term deposits with banks with maturity period less than 3 months	102	759
<b>Cash and cash equivalents</b>	<b>2,084</b>	<b>933</b>

## 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 &amp; Co LLP

Chartered Accountants

Firm Registration Number : 001076N/N500013

## Murad D. Daruwalla

Partner

Membership No 043334

Place : Mumbai

Date : June 24, 2021

## For Prime Securities Limited

## N. Jayakumar

Managing Director &amp; Group CEO

(DIN: 00046048)

## S. R. Sharma

Chief Financial Officer

Place : Mumbai

Date : June 24, 2021

## Pradip Dubhashi

Chairman

(DIN: 01445030)

## Ajay Shah

Company Secretary

(ACS-14359)

**Statement of Changes in Equity** for the year ended March 31, 2021  
(₹ in lakh, unless otherwise stated)

**Equity share capital**

Particulars	Number of shares	Amount	Total
As at March 31, 2020	2,65,15,325	1,326	1,326
As at March 31, 2021	2,65,15,325	1,326	1,326

**Other equity**

Particulars	Capital reserve	Capital Redemption Reserve	Securities Premium Reserve	Share Forfeiture Account	Share Options outstanding account	Advance against Share Capital	General reserve	Retained earnings	Other comprehensive income ("OCI")	Total
Opening balance as at April 1, 2019	165	217	5,317	4	78	866	2,400	(6,828)	(63)	2,157
<b>Transactions during the year</b>										
Profit after tax for the year	-	-	-	-	-	-	-	311	-	311
Other comprehensive income/ (loss) for the year (net of tax)	-	-	-	-	-	-	-	-	(6)	(6)
Advance against Share Capital forfeited and transferred	866	-	-	-	-	(866)	-	-	-	-
Share based compensation	-	-	-	-	383	-	-	-	-	383
<b>Closing balance as at March 31, 2020</b>	<b>1,031</b>	<b>217</b>	<b>5,317</b>	<b>4</b>	<b>461</b>	<b>-</b>	<b>2,400</b>	<b>(6,517)</b>	<b>(69)</b>	<b>2,845</b>
<b>Merger Adjustments as on April 1, 2020</b>	<b>(1,031)</b>	<b>(217)</b>	<b>(5,317)</b>	<b>(4)</b>			<b>(2,400)</b>	<b>8,970</b>		
<b>Transactions during the year</b>										
Profit after tax for the year	-	-	-	-	-	-	-	662	-	662

**Statement of Changes in Equity** for the year ended March 31, 2021  
(₹ in lakh, unless otherwise stated)

Particulars	Capital reserve	Capital Redemption Reserve	Securities Premium Reserve	Share Forfeiture Account	Share Options outstanding account	Advance against Share Capital	General reserve	Retained earnings	Other comprehensive income ("OCI")	Total
Other comprehensive income/ (loss) for the year (net of tax)	-	-	-	-	-	-	-	-	3	3
Advance against Share Capital Provided during the Year	-	-	-	-	-	-	-	-	-	-
Share based compensation	-	-	-	-	369	-	-	-	-	369
<b>Closing balance as at March 31, 2021</b>	-	-	-	-	<b>830</b>	-	-	<b>3,115</b>	<b>(67)</b>	<b>3,878</b>

The accompanying notes 1-51 are 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 Chandiook & Co LLP**

Chartered Accountants

Firm Registration Number : 001076N/N5000013

**For Prime Securities Limited**

**N. Jayakumar**

Managing Director & Group CEO

(DIN: 00046048)

**Pradip Dubhashi**

Chairman

(DIN: 01445030)

**Murad D. Daruwalla**

Partner

Membership No 043334

Place : Mumbai

Date : June 24, 2021

**S. R. Sharma**

Chief Financial Officer

**Ajay Shah**

Company Secretary

(ACS-14359)

Place : Mumbai

Date : June 24, 2021



# Summary of significant accounting policies and other explanatory information

(₹ in lakh, 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 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. The Financial statements were approved for issuance by the Company's Board of Director on June 24, 2021.

## 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 and other relevant provisions of the Act. 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 46.

#### 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

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

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.

- **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.

## Summary of significant accounting policies and other explanatory information

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- **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.

### 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 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.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

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 Non-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.

### 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.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

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

#### 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) 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.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

- 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.
- 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

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

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 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

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

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.

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.

#### g) 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.

#### h) 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.



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### 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 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.

### i) 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 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.

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### j) 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.

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

### l) Leases:

#### • Leases – As lessee:

For any new contracts entered into on or after April 1, 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 April 1, 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.

## Summary of significant accounting policies and other explanatory information

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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.

### m) 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) 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.

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.

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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.

### n) 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.

### o) 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.

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### p) Provisions, Contingent Assets and Contingent Liabilities:

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

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.

### q) Earnings / (losses) 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.

### r) Rounding of amounts

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

### s) 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."

### t) Recent accounting developments

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- a) Statement of changes in equity: Disclosure shall be made regarding the changes in equity due to prior period errors and restated balance at the beginning of the reporting year and

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

similarly disclose the same for the previous reporting period. Additionally, the details of other equity shall also be given for prior reporting period.

- b) Disclosure of shareholding of all promoters: A company shall now be required to disclose the shareholding of all promoters. The details shall include change in shareholding taken place during the year. The meaning of the promoter has to be taken from the definition provided in the Companies Act, 2013 which is different from the definition provided in the SEBI (ICDR) Regulations, 2009.
- c) Ageing Schedule: Companies are required to disclose ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format prescribed under amendment.
- d) Disclosure related to funds borrowed from banks and financial institutions: If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then a disclosure providing details of utilisation of funds shall also be required to be provided.
- e) Revaluation of property: The reconciliation of gross and net carrying amount of both intangible and tangible assets at the beginning and end of the reporting period, along with other separate disclosures related to additions, disposals, acquisitions, depreciation, impairment, etc. shall also disclose separately details related to the amount of change due to revaluation, where there is a change of more than 10% in aggregate of the net carrying amount of the asset.

The company is also required to disclose whether the property, plant or equipment has been revalued by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

- f) Specific disclosure: Amendment requires to disclose transaction/ events under various additional regulatory requirements such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.

### Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

- u) 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.

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(₹ in lakh, unless otherwise stated)

### 3 Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
<b>Cash and cash equivalents</b>		
Cash on hand	1	1
Balances with banks		
In current accounts	1,981	173
Term deposits with banks with maturity period less than 3 months	102	759
<b>Total</b>	<b>2,084</b>	<b>933</b>

### 4 Bank balances other than (3) above

	As at March 31, 2021	As at March 31, 2020
<b>Others</b>		
Term deposits with banks with maturity period more than 3 months but less than 12 months	3	-
Term deposits with banks with maturity period more than 12 months	1,450	-
<b>Total</b>	<b>1,453</b>	<b>-</b>

### 5 Receivables

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Trade receivables	78	438
<b>Unsecured, credit impaired</b>		
Trade receivables	181	14
	259	453
Less: Allowances for receivable	(181)	(14)
	78	438
Other receivables *	393	393
<b>Total</b>	<b>471</b>	<b>831</b>

Refer note 37 E (i) for credit risk analysis

\* 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.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 6 Loans

	As at March 31, 2021	As at March 31, 2020
Loans to Subsidiary Companies (Unsecured, Considered Good) ( Refer note 32)	62	62
<b>Total</b>	<b>62</b>	<b>62</b>

#### Loans In India

	As at March 31, 2021	As at March 31, 2020
Others	62	62
<b>Total</b>	<b>62</b>	<b>62</b>

#### Stage wise break up of loans

	As at March 31, 2021	As at March 31, 2020
i) Low credit risk (Stage 1)	62	62
ii) Significant increase in credit risk (Stage 2)	-	-
iii) Credit impaired (Stage 3)	-	-
<b>Total</b>	<b>62</b>	<b>62</b>

### 7 Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Share / Unit	Fair Value / Net Asset Value	Share / Unit	Fair Value / Net Asset Value
<b>At Amortised Cost less Impairment</b>				
Wholly-owned Subsidiary Companies				
Prime Research & Advisory Limited	13,50,000	1,228	13,50,000	1,050
Prime Funds Management Limited	50,000	5	50,000	5
<b>Total investment in wholly owned subsidiary (A)</b>		<b>1,233</b>		<b>1,055</b>
<b>At fair value through profit or loss</b>				
Investments in equity instruments:				
Ironwood Education Limited	1,17,500	24	1,17,500	43
Solid Stone Company Limited	1,72,731	84	1,72,731	33
<b>Total investments in equity instruments (B)</b>		<b>108</b>		<b>76</b>
<b>Investments in Bonds</b>				
9.22% Tata Capital Housing Finance Ltd.	25	275		-
8.25% BOB Perpetual Bonds	25	248		-
9.56% SBI Perpetual Bonds	25	261		-
<b>Total investments in bonds (C)</b>		<b>784</b>		<b>-</b>
<b>Mutual Funds</b>				
ICICI Prudential Overnight Fund	6,771	8		-
<b>Total investments in mutual funds (D)</b>		<b>8</b>		<b>-</b>
<b>Total investment (A) + (B) + (C) + (D)</b>		<b>2,133</b>		<b>1,131</b>
Investments in India		2,133		1,131
Investments outside India		-		-
<b>Total</b>		<b>2,133</b>		<b>1,131</b>



## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 8 Other financial assets

	As at March 31, 2021	As at March 31, 2020
Interest accrued on deposits	4	9
Interest accrued on Bonds	29	-
Security deposits	43	48
Unbilled Revenue	-	1,300
<b>Total</b>	<b>76</b>	<b>1,357</b>

### 9 Current tax asset (net)

	As at March 31, 2021	As at March 31, 2020
Advance income tax	787	483
(Net of provision for tax ₹1,685 lakh) (March 31, 2020 ₹1,549 lakh)		
<b>Total</b>	<b>787</b>	<b>483</b>

### 10 Deferred tax assets (net)

	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets / (liabilities) (Refer note 43 and 44)</b>		
Liability towards lease rentals	8	2
Provision for compensated absences	13	40
Net Mark-to-Market Loss/(Gain) on investments (net)	(5)	-
Provision for gratuity	13	13
Depreciation / amortisation	23	25
<b>Total</b>	<b>52</b>	<b>80</b>

### 11 (a) Property, plant and equipment

Particulars	Right to Use (Refer note 33)	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles* (Refer note 31)	Total
Gross carrying value						
Gross carrying value as of April 1, 2019	-	8	8	26	169	212
Additions	263	7	3	-	-	273
Disposals	-	-	-	-	-	-
Gross carrying value as of March 31, 2020	263	15	11	26	169	485
Adjustment due to modification in lease arrangements	(18)	-	-	-	-	(18)

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

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

Particulars	Right to Use (Refer note 33)	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles* (Refer note 31)	Total
Additions	-	4	1	-	-	4
Disposals	-	-	-	-	-	-
<b>Gross carrying value as of March 31, 2021</b>	<b>245</b>	<b>19</b>	<b>12</b>	<b>26</b>	<b>169</b>	<b>472</b>
Accumulated depreciation as of April 1, 2019	-	6	5	16	125	152
Depreciation for the year	37	2	1	2	8	51
Accumulated depreciation on disposals	-	-	-	-	-	-
<b>Accumulated depreciation March 31, 2020</b>	<b>37</b>	<b>8</b>	<b>6</b>	<b>18</b>	<b>133</b>	<b>204</b>
Depreciation for the year	63	4	2	2	6	77
Accumulated depreciation on disposals	-	-	-	-	-	-
<b>Accumulated depreciation March 31, 2021</b>	<b>100</b>	<b>12</b>	<b>8</b>	<b>21</b>	<b>139</b>	<b>280</b>
<b>Net carrying value</b>						
Net carrying value as on April 1, 2019	-	3	3	10	44	60
Net carrying value as on March 31, 2020	226	7	5	8	36	282
Net carrying value as on March 31, 2021	145	7	4	6	30	192

\* Vehicles taken on Term Loan

### 11 (b) Other intangible assets

Particulars	Computer software#
<b>Gross carrying value</b>	
Gross carrying value as of April 1, 2019	3
Additions	0
Disposals	-
<b>Gross carrying value as of March 31, 2020</b>	<b>3</b>
Additions	-
Disposals	-
<b>Gross carrying value as of March 31, 2021</b>	<b>3</b>
Accumulated amortisation	
Accumulated amortisation as of April 1, 2019	2
Amortisation for the year	0
Accumulated amortisation on disposals	-

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 11 (b) Other intangible assets (contd)

Particulars	Computer software#
Accumulated amortisation as of March 31, 2020	2
Amortisation for the year	0
Accumulated amortisation on disposals	-
Accumulated amortisation as of March 31, 2021	2
Net carrying value	
Net carrying value as on April 1, 2019	1
Net carrying value as on March 31, 2020	1
Net carrying value as on March 31, 2021	1

# Other than internally generated.

### 12 Other non-financial assets

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good:</b>		
Balance with government authorities	16	90
Employee advances	9	3
Prepaid expenses	39	23
<b>Total</b>	<b>63</b>	<b>116</b>

### 13 Trade payables

	As at March 31, 2021	As at March 31, 2020
<b>Trade payables</b>		
a) total outstanding dues of micro enterprises and small enterprises (Refer note 45)	-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	227	5
<b>Total</b>	<b>227</b>	<b>5</b>

\* No amounts due and outstanding to be credited to investor education and protection fund.

### 14 Borrowings

	As at March 31, 2021	As at March 31, 2020
<b>Measured at amortised cost</b>		
Secured		
Term Loan from Bank* (Refer note 31)	17	23
<b>Total</b>	<b>17</b>	<b>23</b>
Borrowings in India	17	23
Borrowings outside India	-	-
<b>Total</b>	<b>17</b>	<b>23</b>

\* Term Loan from bank is secured against hypothecation of vehicles.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 15 Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Lease Liability (Refer note 33)	175	232
Other payables	-	10
Other Contractual provisions	21	20
<b>Total</b>	<b>196</b>	<b>262</b>

### 16 Provisions

	As at March 31, 2021	As at March 31, 2020
Provision for gratuity (Refer note 40)	48	46
Provision for compensated absences (Refer note 40)	46	144
Provision for employee benefit expenses	324	339
<b>Total</b>	<b>418</b>	<b>529</b>

### 17 Other non-financial liabilities

	As at March 31, 2021	As at March 31, 2020
Statutory dues (including provident fund, tax deducted at source and goods and services tax)	362	286
Advance received from customers	950	-
<b>Total</b>	<b>1,312</b>	<b>286</b>

### 18 Equity share capital

	As at March 31, 2021	As at March 31, 2020
<b>Authorised :</b>		
4,30,00,000 (March 31, 2020 4,30,00,000) Equity Shares of ₹5/- each	2,150	2,150
18,00,000 (March 31, 2018 18,00,000) Unclassified Shares of ₹100/- each	1,800	1,800
	<b>3,950</b>	<b>3,950</b>
<b>Issued :</b>		
2,72,64,525 (March 31, 2020 2,72,64,525) Equity Shares of ₹5/- each	1,363	1,363
	<b>1,363</b>	<b>1,363</b>
<b>Subscribed and paid up:</b>		
2,65,15,325 (March 31, 2020 2,65,15,325) Equity Shares of ₹5/- each	1,326	1,326
<b>Total</b>	<b>1,326</b>	<b>1,326</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 18 Equity share capital (contd)

#### (a) Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares:				
Balance as at the beginning and end of the year	2,65,15,325	1,326	2,65,15,325	1,326
There was no issue or buyback of shares during the year.				

#### (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, 2021		As at March 31, 2020	
	Number of Shares	%	Number of Shares	%
Equity shares:				
GKK Capital markets Private Limited	32,00,000	12.07	-	-
Statin Enterprise LLP	31,48,059	11.87	-	-
Judith Investments Private Limited	17,83,497	6.73	17,83,497	6.73
Mahendra Jayantilal Shah	13,94,181	5.26	-	-
N. Jayakumar	4,14,928	1.56	35,62,987	13.44
Navin Khandelwal	-	-	14,10,000	5.32

#### (d) 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, 2021.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 19 Interest Income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income on deposits	29	59
Interest Income on Bonds	106	-
<b>Total</b>	<b>135</b>	<b>59</b>

### 20 Fee & commission income

	Year ended March 31, 2021	Year ended March 31, 2020
Merchant Banking and Advisory Fees	2,794	4,935
<b>Total</b>	<b>2,794</b>	<b>4,935</b>

#### 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, 2021	Year ended March 31, 2020
<b>Primary geographical market</b>		
India	2,794	4,935
Outside India	-	-
<b>Total</b>	<b>2,794</b>	<b>4,935</b>
<b>Major products/ service lines</b>		
Merchant Banking and Advisory Fees	2,794	4,935
<b>Total</b>	<b>2,794</b>	<b>4,935</b>
<b>Timing of revenue recognition</b>		
At a point in time	2,794	4,935
Over a period of time	-	-
<b>Total</b>	<b>2,794</b>	<b>4,935</b>

### 21 Net gain on fair value changes

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Net gain on financials instruments measured at fair value through profit or loss -Investments</b>		
Unrealised Gain on Bonds	12	-
Unrealised Gain in value of Investments in equity shares	31	-
<b>Total</b>	<b>43</b>	<b>-</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 22 Gain on sale/ redemption of investments (net)

	Year ended March 31, 2021	Year ended March 31, 2020
Gain on redemption of Mutual Fund	15	-
Gain on redemption of Bonds	8	-
<b>Total</b>	<b>23</b>	<b>-</b>

### 23 Finance costs

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expense	6	8
Interest expenses for leasing arrangements	20	5
<b>Total</b>	<b>26</b>	<b>13</b>

### 24 Impairment on financial instruments

	Year ended March 31, 2021	Year ended March 31, 2020
Sundry Balance Written-Off (Net)	178	1,705
<b>Total</b>	<b>178</b>	<b>1,705</b>

### 25 Employee benefits expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, bonus and allowances	989	868
Contribution to provident and other funds (Refer note 40)	14	28
Gratuity (Refer note 40)	9	11
Compensated absences	52	11
Employee share based payments (Refer note 30)	191	247
Staff welfare expenses	5	19
<b>Total</b>	<b>1,259</b>	<b>1,183</b>

### 26 Other expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Rent (Refer note 33)	-	24
Repairs and maintenance - others	23	52
Rates and taxes	3	3
Insurance	11	11
Electricity	1	3
Travelling, conveyance and car hire	3	15
Legal and professional fees	79	125
Auditors' Remuneration	-	-

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 26 Other expenses (contd)

	Year ended March 31, 2021	Year ended March 31, 2020
Audit fees	32	17
Other services	-	2
Out of pocket expenses	-	-
Directors' sitting fees	50	52
Commission to Non-Executive Directors	12	17
Spent towards Corporate Social Responsibility (CSR) activities (Refer note 35)	59	61
Miscellaneous expenditure	72	96
<b>Total</b>	<b>344</b>	<b>479</b>

### 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, 2021	Year ended March 31, 2020
<b>Basic earnings / (losses) per share</b>		
Profit / (Loss) attributable to equity shareholders (₹ in lakh) (A)	662	311
Nominal value per share (₹)	5	5
Weighted average number of equity shares outstanding during the year (B)	2,65,15,325	2,65,15,325
Earnings / (losses) per share (Basic) (₹) [ (A) / (B) ]	2.50	1.17
<b>Diluted earnings / (losses) per share</b>		
Profit / (Loss) attributable to equity shareholders (₹ In Lacs)	662	311
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 Lacs) (A)	662	311
Weighted average number of equity shares used in computing basic earnings per share	2,65,15,325	2,65,15,325
Effect of potential equity shares for stock options outstanding	7,58,649	2,28,046



## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 27 Earnings per share (contd)

	Year ended March 31, 2021	Year ended March 31, 2020
Weighted number of equity shares used in computing diluted earnings per share [B]	2,72,73,974	2,67,43,371
Earnings / (losses) per share (Diluted) (₹) [ (A) / (B) ]	2.43	1.16

### 28 Contingent Liabilities to the extent not provided for in respect of:

Sr. No.	Particulars	March 31, 2021	March 31, 2020
i)	Demands raised by Tax Authorities against which the Company has preferred appeals	175	175

This is disputed by the Company and hence not provided for in the books of accounts.

29 The Company, being considered a NBFC with a net-worth of less than ₹500 Cr, was required to have adopted Ind-AS from April 1, 2019 under the Companies (Indian Accounting Standard) Rules, 2015, against which the actual adoption was from April 1, 2017 and the considered transition date as April 1, 2016. Management believes that the qualitative / quantitative impact of the same was not material to the financial statements and hence, no adjustment was required.

### 30 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. During the Year, the Company has granted 10,50,000 Options to the eligible directors / employees of the Company and its subsidiaries.

The number of options granted, exercised and lapsed under the above schemes is set out below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Weighted Average Exercise Price	No of Shares	Weighted Average Exercise Price
<b>ESOS 2018</b>				
Options outstanding, beginning of the Year	25,90,000	35.79	13,75,000	34.70
Add: Granted during the Year	10,50,000	27.40	16,80,000	36.50
Less: Exercised during the Year	-	-	-	-
Less: Lapsed during the Year	5,000	34.70	<b>4,65,000</b>	<b>35.13</b>
Options outstanding, end of the Year	36,35,000	33.37	25,90,000	35.79

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 30 Employees Stock Option Schemes (ESOS) (contd)

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%
<b>Weighted average remaining contractual life</b>	
Granted but not vested	3.71 Years (Previous year 5.93 year)
Vested but not exercised	1.58 Years (Previous year Nil)
Weighted average share price at the date of exercise for stock options exercised during the year	Nil (Previous year Nil)
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 lakh, unless otherwise stated)

### 30 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%
(E)	Weighted average share price	₹28.05 Per Share
(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 - ₹2740 Per Share
(G)	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 ₹191 lakh (Previous year ₹247 lakh). The Carrying amount of ESOP reserve as on March 31, 2021 is ₹830 lakh (March 31, 2020 ₹461 lakh).

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	March 31, 2021	March 31, 2020
(+) 5%	-	-
(-) 5%	10.00	12.00

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 31 Borrowings:

#### Secured loans:

##### a) Term Loan from Bank:

Term loan of ₹17 lakh (March 31, 2020 ₹23 lakh) 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.

### 32 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 Enterprises LLP

##### Key Management Personnels:

Mr. N. Jayakumar

Mr. Ajay Shah

Mr. S R Sharma

##### Independent Directors:

Mr. Pradip Dubhashi

Ms. Alpana Parida

Ms. Namrata Kaul

Ms. Smita Cawas Affinwalla

##### Non-Executive & Non-Independent Director:

Mr. Akshay Gupta

##### Relative of Independent Director:

Mr. Samresh Parida (Proprietor of S P Growth Consulting)

##### Enterprise in which Key Management Personnel have control:

ALSS Investments

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 32 Related Party Disclosures: (contd)

The following transactions were carried out with the related parties in the ordinary course of business during the year 2020-21:

(₹ in lakh)

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
1	Interest free loans given to Prime Research & Advisory Limited	Subsidiary		
	Sums received		935	233
	Sums given		935	233
2	Remuneration paid to Key Managerial Personnel		-	
	- Mr. N Jayakumar	Key Management Personnel	658	502
	- Mr. S. R. Sharma	Key Management Personnel	85	96
	- Mr. Ajay Shah	Key Management Personnel	47	46
3	Payment to Independent Directors			
	- Sitting Fees	Independent Directors	50	52
	- Commission	Independent Directors	12	17
4	Rent received from S P Growth Consulting	Relative of Director	-	4
5	Repayment of Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited	Enterprises in which Key Management Personnels and the relatives exercise significant influence	-	170
6	ESOP Charge to Prime Research & Advisory Limited	Subsidiary	178	137

### Outstanding Balance

(₹ in lakh)

Sr. No.	Nature of Transaction [receivable/(payable)]	Relationship	Balance as on	
			March 31, 2021	March 31, 2020
1	Interest free Loan given to Prime Research & Advisory Limited	Subsidiary	62 (Debit)	62 (Debit)

### 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.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 33 Leases

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, 2020 is 10.00 %.

Information about leases for which the company is a lessee are presented below:

#### (A) Right of use assets for the year ended March 31, 2021

(₹ in lakh)

Particulars	Amount
Balance as at April 1, 2020	226
Movement during the year	(18)
Depreciation on Right-Of-Use (ROU) assets	(63)
<b>Balance as at March 31, 2021</b>	<b>145</b>

#### (B) Lease liabilities for the year ended March 31, 2021

(₹ in lakh)

Particulars	Amount
Balance as at April 1, 2020	232
Movement during the year	(18)
Add: Interest cost accrued during the period	20
Less: Payment of lease liabilities	(60)
<b>Balance as at March 31, 2021</b>	<b>175</b>

#### (C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities as at March 31, 2021

(₹ in lakh)

Particulars	As at March 31, 2021
Less than three months	13
Three to twelve months	41
One to five years	121
More than five years	-
<b>Total</b>	<b>175</b>

#### (D) Amount recognised in statement of profit & loss for the year ended March 31, 2021

(₹ in lakh)

Particulars	Amount
Interest cost on lease liabilities	20
Depreciation on right of use assets	63

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 34 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, 2021. 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.

### 35 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 2020-21 ₹22 lakh (Previous year ₹36 lakh).

(b) Amount spent during the year on:

Particulars	₹ in lakh	
	2020-21	2019-20
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	59	61

### 36 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 specializes 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.

#### II. Contract Balances

Trade Receivables. The outstanding balance as on March 31, 2021 : ₹78 lakh, March 31, 2020: ₹438 lakh. (Refer note 5)

Loans & Advances. The outstanding balance as on March 31, 2021 : ₹62 lakh, March 31, 2020: ₹62 lakh. (Refer note 6)

#### III. Performance obligations and timing of revenue recognition

Income from corporate advisory services is recognised upon rendering of services.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 37 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.

(₹ in lakh)

March 31, 2021	Fair value through Profit and Loss				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	-	2,084	2,084
Bank balance other	-	-	-	-	1,453	1,453
Trade receivables	-	-	-	-	78	78
Other receivables	-	-	-	-	393	393
Loans	-	-	-	-	62	62
Investments	625	275	-	901	1,233	1,233
Other financial assets	-	-	-	-	76	76
<b>Total</b>	<b>625</b>	<b>275</b>	<b>-</b>	<b>901</b>	<b>5,379</b>	<b>5,379</b>
<b>Financial liabilities</b>						
Trade payables	-	-	-	-	227	227
Borrowings	-	-	-	-	17	17
Other financial liabilities	-	-	-	-	196	196
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>440</b>	<b>440</b>

(₹ in lakh)

March 31, 2020	Fair value through Profit and Loss				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	-	933	933
Bank balance other	-	-	-	-	-	-
Trade receivables	-	-	-	-	438	438
Other receivables	-	-	-	-	393	393
Loans	-	-	-	-	62	62
Investments	76	-	-	76	1,055	1,055
Other financial assets	-	-	-	-	1,357	1,357
<b>Total</b>	<b>76</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>4,238</b>	<b>4,238</b>
<b>Financial liabilities</b>						
Trade payables	-	-	-	-	5	5
Borrowings	-	-	-	-	23	23
Other financial liabilities	-	-	-	-	262	262
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>290</b>	<b>290</b>



## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 37 Financial instruments – Fair values and risk management (contd)

#### 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.

#### 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
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.

#### 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

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 37 Financial instruments – Fair values and risk management (contd)

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.

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 movement in expected credit loss:

Particulars	Carrying amount (₹ in lakh)	
	March 31, 2021	March 31, 2020
Opening balance	14	-
Acquired through business combination	-	14
Impairment loss recognised	167	-
Closing balance	181	14

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 37 Financial instruments – Fair values and risk management (contd)

At March 31, 2021, the ageing of trade receivables was as follows.

Particulars	Carrying amount (₹ in lakh)	
	March 31, 2021	March 31, 2020
Neither past due nor impaired		
Past due 1–90 days	78	266
Past due 91–180 days	-	172
Past due 181–365 days	-	-
Past due 366 days	-	-
	<b>78</b>	<b>438</b>

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 ₹3,537 lakh as on March 31, 2021 (March 31, 2020, ₹933 lakh). The cash and cash equivalents are held with banks with good credit ratings.

#### Loans:

The Company held Loans of ₹62 lakh as on March 31, 2021 (March 31, 2020, ₹62 lakh). 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.

#### 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 lakh)

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	196	196	47	28	56	65	-

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 37 Financial instruments – Fair values and risk management (contd)

(₹ in lakh)

March 31, 2020	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	5	5	5	-	-	-	-
Borrowings	23	23	3	3	7	10	-
Other financial liabilities	262	262	62	25	54	121	-

The gross inflows/(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.

### 38 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 lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	17	23
Gross Debt	17	23
Less: Cash & Bank Balance	(3,537)	(933)
Net debt (A)	-	-
Total equity (B)	5,204	4,171
Net debt to equity ratio (A) / (B)	0.00%	0.00%

### 39 Scheme of Amalgamation

- (i) Pursuant to Order dated May 13, 2021 of Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT), approving the Scheme of Arrangement (Scheme), which inter-alia includes amalgamation of Primesec Investment Limited (PIL) and Prime Commodities Broking (India) Limited (PCBIL), the transferor companies, with Prime Securities Limited (PSL), the transferee company, as a result of which the transferor companies and transferee company have filed Form INC-28 with ROC, which has made the Scheme effective from the date of April 1, 2020. Amalgamation of the transferor companies with the transferee company has been accounted in the books of the transferee company as per 'Pooling of Interests Method' as set out in Appendix C of Ind-AS 103 (Business Combinations of entities under common control) read with the Companies (Indian Accounting Standards) Rules, 2015. The comparative financial information in the financial statements in respect of year ended March 31, 2020 have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements i.e April 1, 2019.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 39 Scheme of Amalgamation (contd)

- (ii) PIL and PCBIL were wholly owned subsidiaries of PSL. Registered office of the Companies are 1109/1110, Maker Chambers V, Nariman Point, Mumbai-400021. PIL was into business of restructuring advisory services which includes refinancing of debt, advisory assignments relating to insolvencies under the IBC cases, etc, while PCBIL was into business of providing services auxiliary to financial intermediation, except insurance and pension funding.
- (iii) The merger will benefit both, the Transferor Company and the Transferee Companies. The rational and reasons for the scheme of merger, inter alia are summaries below:
  - a Reduction in the management overlaps due to operation of the multiple entities and more focused leadership;
  - b Reduction in multiplicity of legal and regulatory compli- ances, reduction in overheads, including administrative, managerial and other costs amongst all;
  - c Synergy benefits, such as, competitive edge, consolidation of businesses to combine growth opportunities to capital- ize on future growth potential which would in-turn signif- icantly help in efficient utilization of financial and opera- tional resources; and
  - d Consolidation and simplification of the Group structure and reduction of administrative costs at the Group level.
- (iv) Reduction of capital and reorganisation of reserves of the Transferee company can provide benefits to the shareholders / stakeholders are summaries below:
  - a The Company will now represent its true and fair financial position;
  - b The Scheme will enable the Company to explore opportunities for the benefit of the shareholders of the Company including in the form of dividend payment as per the applicable provisions of the Companies Act, 2013;
  - c The Scheme would not have any impact on the shareholding pattern and the capital structure of the Company;
  - d The Scheme will enable the Company to use the amounts lying in the Capital Reserve, Securities Premium and General Reserve of the Company; and
  - e The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Company to meet its obligations / commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Company.
- (v) Pursuant to Scheme:
  - a All assets and liabilities appearing in the books of the transferor companies have been recorded by the transferee company at their respective book values in opening balance sheet.
  - b The reserves of the trnaferee company have been adjusted as prescribed in the scheme of merger.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 39 Scheme of Amalgamation (contd)

(vi) Net Assets / (Liabilities) taken over of the transferor companies as on April 1, 2019 (₹ in lakh)

Particulars	Primesec Investments Limited	Prime Commodities Broking (India) Limited
<b>Assets</b>		
Cash and cash equivalent	53	2
Bank balance other than above	-	347
Receivables	1,479	-
Investments	138	-
Other financial assets	109	4
Current tax assets (net)	-	3
Deferred tax assets (net)	1	-
Property, plant and equipment	5	-
Other non-financial assets	28	-
<b>Less: Liabilities</b>		
Payables	(15)	(0)
Borrowings	(4,374)	(268)
Other financial liabilities	(170)	-
Current tax liabilities (net)	(128)	-
Provisions	(2)	-
Other non-financial liabilities	(127)	(3)
<b>Total net asset taken over</b>	<b>(3,003)</b>	<b>86</b>
Investments in the books of Prime Securities Limited	839	50
Other equity of transferor Company	(3,842)	36
<b>Transfer to reserves</b>	<b>-</b>	<b>-</b>

(vii) Reconciliation of Equity (₹ in lakh)

Particulars	March 31, 2020	March 31, 2019
Equity as per previously reported Balance sheet	6,098	5,959
<b>Merged Adjustments</b>		
Share Forfiture Account	4	4
Net Other Equity as on reported date of the transferor Company	(3,257)	(3,806)
<b>Total Merged Adjustments</b>	<b>(3,253)</b>	<b>(3,801)</b>
<b>Equity as per reported Balance Sheet date</b>	<b>2,845</b>	<b>2,157</b>

(viii) Reconciliation of Profit and Loss Statement (₹ in lakh)

Particulars	March 31, 2020
Net Profit for the period as per previous profit and loss statement	(239)
<b>Merged Adjustments</b>	
Net Profit for the year ended of the Transferor Companies	550
<b>Total Merged Adjustments</b>	<b>550</b>
<b>Net profit for the period as reported in the profit and loss statement</b>	<b>311</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 40 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 ₹14 lakh for year ended March 31, 2021 (₹28 lakh for year ended March 31, 2020) 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:

##### 1 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, 2021. 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 lakh)

A) Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Defined benefit obligation	112	100
Fair value of Plan Assets at the end of the year	64	54
Net Obligation at the end of the year	48	46

#### 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 lakh)

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening balance	100	75	54	50	46	25
Included in profit or loss	-	-	-	-	-	-
Current service cost	6	9	-	-	6	9

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 40 Employee Benefits (contd)

(₹ in lakh)

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Past service cost	-	-	-	-	-	-
Interest cost / (income)	7	6	4	4	3	2
	<b>112</b>	<b>90</b>	<b>57</b>	<b>54</b>	<b>55</b>	<b>36</b>
<b>Included in OCI</b>						
Remeasurement loss (gain):						
Actuarial loss / (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	0	5	-	-	0	5
Experience adjustment	(0)	5	-	-	(0)	5
Return on plan assets excluding Interest income	-	-	4	0	(4)	(0)
	<b>112</b>	<b>100</b>	<b>62</b>	<b>54</b>	<b>51</b>	<b>46</b>
<b>Other</b>						
Contributions paid by the employer	-	-	3	0	(3)	(0)
Benefits paid	-	(1)	-	(1)	-	-
<b>Closing balance</b>	<b>112</b>	<b>100</b>	<b>64</b>	<b>54</b>	<b>48</b>	<b>46</b>
Represented by						
Net defined benefit asset	-	-	-	-	(64)	(54)
Net defined benefit liability	-	-	-	-	112	100
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>46</b>

### C) Plan assets

Plan assets comprise the following:

(₹ in lakh)

Particulars	March 31, 2021	March 31, 2020
Fund managed by Insurance Company	64	54
<b>Total</b>	<b>64</b>	<b>54</b>



## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 40 Employee Benefits (contd)

#### 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, 2021	March 31, 2020
Discount rate	6.82%	6.83%
Expected Rate of Return on Plan Assets	6.82%	6.83%
Salary escalation rate	5.00%	5.00%
Employee Turnover	2.00%	2.00%
Mortality rate	N.A.	N.A.
	Indian Assured Lives	Indian Assured Lives
	Mortality (2006-08)	Mortality (2006-08)
	Ultimate	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, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(9)	11	(5)	6
Future salary growth (1% movement)	11	(9)	6	(6)
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.

#### Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2021 were as follows

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 40 Employee Benefits (contd)

#### 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, 2021, i.e. ₹2 lakh

Expected future benefit payments	(₹ in lakh)
March 31, 2022	3
March 31, 2023	3
March 31, 2024	4
March 31, 2025	10
March 31, 2026	4
Thereafter	211

#### 2 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 ₹52 lakh (March 31, 2020 ₹11 lakh). Accumulated provision for leave encashment aggregates ₹46 lakh (March 31, 2020 ₹144 lakh).

### 41 Auditors Remuneration

(₹ in lakh)

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Payment to Auditor		
Statutory audit	23	7
Limited review of quarterly results	9	10
For certification	-	2
As Auditor	32	19
Out of pocket expenses	-	0
<b>Total</b>	<b>32</b>	<b>19</b>

### 42 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 lakh)

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
<b>A. Amounts recognised in statement of profit or loss</b>		
Current tax		
Current year (a)	138	129
Changes in estimates related to prior years (b)	0	(2)
Deferred tax (c)		
Origination and reversal of temporary differences	27	22
<b>Tax expense (a)+(b)+(c)</b>	<b>165</b>	<b>149</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 42 Income Tax Expense (contd)

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>B. Tax recognised in other comprehensive income</b>		
Deferred Tax on remeasurement of defined benefit liability	(1)	3
<b>Total</b>	<b>(1)</b>	<b>3</b>
<b>C. Reconciliation of effective tax</b>		
Profit/(Loss) before tax	827	460
Tax at the rate of 27.82%	230	128
Effect of: Net Disallowance of Expenses	21	52
Impact due to differential tax rates	-	96
Current and brought forward losses	-	-
Difference due to MAT	(113)	(147)
Tax adjustment of earlier year	-	(2)
Tax Liabilities of Transferor company	-	-
Deferred Tax	27	22
Effective tax	165	149
Effective Tax Rate (%)	19.92	32.35
<b>D. Recognised deferred tax assets and liabilities</b>		
Deferred tax assets and liabilities are attributable to the following:		
Difference between book depreciation and tax depreciation	23	25
Lease Rent adjustment as per Ind AS 116	8	2
Net Mark-to-Market Loss/(Gain) on investments (net)	(5)	-
Provision for Gratuity	13	13
Provision for compensated absence	13	40
<b>Net Deferred Tax Expense</b>	<b>52</b>	<b>80</b>

### 43 Net Deferred Tax

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax asset on account of:		
Lease Rent adjustment as per Ind AS 116	8	2
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	23	25
Provision for gratuity	13	13
Net Mark-to-Market Loss/(Gain) on investments (net)	(5)	-
Provision for compensated absences	13	40
<b>Total Deferred tax assets (A)</b>	<b>52</b>	<b>80</b>
<b>Total Deferred tax liability (B)</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Assets / (Liability) (A) - (B)</b>	<b>52</b>	<b>80</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 44 Movement of Deferred Tax

(₹ in lakh)

Particulars	As at Mar 31, 2021	Recognised through Other Comprehensive Income	Recognised through Profit and Loss	As at Mar 31, 2020
Deferred tax asset on account of:				
Lease Rent adjustment as per Ind AS 116	8	-	6	2
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	23	-	(2)	25
Provision for gratuity	13	(1)	-	13
Provision for compensated absences	13	-	(27)	40
Net Mark-to-Market Loss/(Gain) on investments (net)	(5)	-	(5)	-
<b>Total Deferred tax assets (A)</b>	<b>52</b>	<b>(1)</b>	<b>(27)</b>	<b>80</b>
<b>Total Deferred tax liability (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Assets / (Liability) (A) - (B)</b>	<b>52</b>	<b>(1)</b>	<b>(27)</b>	<b>80</b>

### 45 Details of dues to 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:

(₹ in lakh)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	The principal amount remaining unpaid at the end of the year.	-	-
2	The interest amount remaining unpaid at the end of the year.	-	-
3	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
4	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.	-	-

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 45 Details of dues to micro enterprises and small enterprises (contd)

(₹ in lakh)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
5	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
6	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
7	The amount of further interest due and payable even in the succeeding year, 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.	-	-
	The Balance of MSMED parties as at the end of the Year	-	-

### 46 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 lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
<b>Financial Assets</b>						
Cash and Cash Equivalents	2,084	-	2,084	933	-	933
Bank Balance other than Cash and Cash Equivalents above	3	1,450	1,453	-	-	-
<b>Receivables</b>						
Trade Receivables	78	-	78	438	-	438
Other Receivables	393	-	393	393	-	393
Loans	62	-	62	62	-	62
Investments	900	1,233	2,133	76	1,055	1,131
Other Financial Assets	33	43	76	1,314	43	1,357
<b>Total financial assets (A)</b>	<b>3,553</b>	<b>2,726</b>	<b>6,279</b>	<b>3,217</b>	<b>1,098</b>	<b>4,315</b>
<b>Non-financial assets</b>						
Current Tax Assets (Net)	787	-	787	483	-	483
Deferred Tax Assets (Net)	26	26	52	27	53	80
Property, Plant and Equipment	-	192	192	-	282	282
Other Intangible assets	-	1	1	-	1	1
Other non-financial assets	63	-	63	116	-	116
<b>Total Non-financial Assets (B)</b>	<b>876</b>	<b>219</b>	<b>1,095</b>	<b>626</b>	<b>335</b>	<b>961</b>
<b>Total Assets (C) = (A) + (B)</b>	<b>4,429</b>	<b>2,945</b>	<b>7,374</b>	<b>3,842</b>	<b>1,433</b>	<b>5,276</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 46 Maturity Analysis of Assets and Liabilities (contd)

(₹ in lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	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	227	-	227	5	-	5
Borrowings	7	10	17	6	17	23
Other financial liabilities	75	121	196	87	175	262
<b>Total Financial Liabilities (A)</b>	<b>309</b>	<b>131</b>	<b>440</b>	<b>98</b>	<b>192</b>	<b>290</b>
Non Financial Liabilities						
Provisions	370	48	418	483	46	529
Other Non Financial Liabilities	1,312	-	1,312	286	-	286
<b>Total Non-Financial Liabilities (B)</b>	<b>1,682</b>	<b>48</b>	<b>1,730</b>	<b>769</b>	<b>46</b>	<b>815</b>
<b>Total Liabilities (C) = (A) + (B)</b>	<b>1,991</b>	<b>179</b>	<b>2,170</b>	<b>867</b>	<b>238</b>	<b>1,105</b>

### 47 Assets pledged as security

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Non financial asset		
Property, Plant and Equipment (Vehicle)	30	36
<b>Total assets pledged as security</b>	<b>30</b>	<b>36</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

- 48** The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On June 24, 2021 the Board of Directors of the Company have proposed a dividend of ₹4.50 per equity share of ₹5/- each in respect of the financial year ended March 31, 2021, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹1,193 lakh.
- 49** The outbreak of COVID-19 pandemic across the globe and in India has contributed to volatility in the global and Indian financial markets and slowdown in economic activities. The Company provides various financial services to its clients. The management has taken into account, all possible impact of known events arising from Covid-19 pandemic in preparation of the financial statements. However, Covid-19 is an ongoing situation and the extent to which COVID-19 pandemic will impact the Company's operations and financial statements is dependent on future developments, which are uncertain. Management will continue to closely monitor material changes in the macro economic factors impacting operations of the Company. Considering current net worth, projected revenue and current cost base of the Company, management in concurrence with the board of directors confirms the going concern basis for preparation of financial statement of the Company.

### 50 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

- 51** 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 : June 24, 2021

**For Prime Securities Limited**

**N. Jayakumar**

Managing Director & Group CEO

(DIN: 00046048)

**S. R. Sharma**

Chief Financial Officer

Place : Mumbai

Date : June 24, 2021

**Pradip Dubhashi**

Chairman

(DIN: 01445030)

**Ajay Shah**

Company Secretary

(ACS-14359)

# 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 1, which comprise the Consolidated Balance Sheet as at March 31, 2021, 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at March 31, 2021, 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 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

4. We draw attention to Note 29 to the accompanying consolidated financial statements, which indicates that the Group had incorrectly adopted Ind AS from April 1, 2017 instead of April 1, 2019 and considered transition date as April 1, 2016 which is not in compliance with Companies (Indian Accounting Standards) (Amendment) Rules, 2016, dated March 30, 2016. However, management has assessed that the impact of applying the appropriate transition date as well as the possible impact of fines/penalty, if any, on account of such non-compliance on the consolidated financial statement of the Group would not be material. Our opinion is not modified in respect of this matter.

### Key Audit Matter

5. 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



and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

6. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="76 347 263 368">Revenue Recognition</p> <p data-bbox="76 379 498 480">We refer to the Group's significant accounting policies in note 2(c) and the revenue related disclosure in note 36 of the consolidated financial statements.</p> <p data-bbox="76 496 498 624">The Groups revenue from operations arises from merchant banking and advisory services, which mainly includes Corporate &amp; Financial Advisory services, arranging long term finance and raising equity funds.</p> <p data-bbox="76 639 498 815">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 data-bbox="76 831 498 959">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 data-bbox="76 975 498 1070">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 data-bbox="505 347 926 416">Our audit procedures to address this key audit matter included, but were not limited to, the following:</p> <ul data-bbox="505 424 926 1410" style="list-style-type: none"> <li data-bbox="505 424 926 472">• Evaluated the appropriateness of the Groups accounting policy for revenue recognition.</li> <li data-bbox="505 480 926 560">• Evaluated the design and operating effectiveness of key controls over the revenue recognition process.</li> <li data-bbox="505 568 926 639">• For the revenue contracts entered by the Company, the following procedures were performed. <ul data-bbox="541 647 926 1410" style="list-style-type: none"> <li data-bbox="541 647 926 799">• Obtained and inspected the 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.</li> <li data-bbox="541 807 926 1038">• 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;</li> <li data-bbox="541 1046 926 1222">• Tested invoices, on a sample basis, 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.</li> <li data-bbox="541 1230 926 1410">• 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.</li> </ul> </li> </ul>

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

7. 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.
8. 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

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management 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 Company 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 consolidated 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 Directors of the Holding Company, as aforesaid.

10. 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.
11. 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

12. 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.

13. As part of an audit in accordance with Standards on Auditing, 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 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; and

- 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.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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 auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by him. We remain solely responsible for our audit opinion.
14. 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.
15. 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.

16. 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

17. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflects total assets of ₹2,078 lakh and net assets of ₹1,763 lakh as at 31 March 2021, total revenues of ₹1,545 lakh and net cash inflows amounting to ₹115 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor 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 auditor.

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

18. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditor, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company and its subsidiary companies covered under the Act 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.

19. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditor on separate financial statements and other financial information of the subsidiaries, 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;
- 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, covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2021 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 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 I'; 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 as also the other financial information of the subsidiaries:

- 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
- 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 2021; and

- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

**For Walker Chandio & Co LLP**  
Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Murad D. Daruwalla**  
Partner

Membership No.: 043334

UDIN: 21043334AAAACN5963

Place: Mumbai

Date : June 24, 2021

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## Annexure 1

### List of entities included in the statement:

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

## Annexure I

### Independent Auditor's Report on the internal financial controls with reference to 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 2021, 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 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 Matters 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 2021, 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 ₹2,078 lakh and net assets of ₹1,763 lakh as at 31 March 2021, total revenues of ₹1,545 lakh and net cash inflows amounting to ₹115 lakh 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: 21043334AAAACN5963

Place: Mumbai

Date : June 24, 2021



## Consolidated Balance Sheet as at March 31, 2021

(₹ in lakh, unless otherwise stated)

Particulars	Note no.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>I. Financial assets</b>			
a) Cash and cash equivalents	3	2,301	990
b) Bank balance other than (a) above	4	2,103	650
c) Receivables	5		
(i) Trade receivables		78	439
(ii) Other receivables		393	393
d) Investments	6	1,672	189
e) Other financial assets	7	129	2,249
<b>Sub total (I)</b>		<b>6,676</b>	<b>4,910</b>
<b>II. Non-financial assets</b>			
a) Current tax assets (net)	8	959	550
b) Deferred tax assets (net)	9	58	84
c) Property, plant and equipment	10(a)	313	374
d) Other intangible assets	10(b)	3	4
e) Other non-financial assets	11	133	245
<b>Sub total (II)</b>		<b>1,466</b>	<b>1,257</b>
<b>TOTAL ASSETS (I + II)</b>		<b>8,142</b>	<b>6,167</b>
<b>LIABILITIES AND EQUITY</b>			
<b>I. Financial liabilities</b>			
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		230	225
b) Borrowings	13	33	44
c) Other financial liabilities	14	264	290
<b>Sub total (I)</b>		<b>527</b>	<b>559</b>
<b>II. Non-financial liabilities</b>			
a) Provisions	15	547	767
b) Other non-financial liabilities	16	1,347	311
<b>Sub total (II)</b>		<b>1,894</b>	<b>1,078</b>
<b>III. Equity</b>			
a) Equity share capital	17	1,326	1,326
b) Other equity		4,395	3,204
<b>Sub total (III)</b>		<b>5,721</b>	<b>4,530</b>
<b>TOTAL LIABILITIES AND EQUITY (I + II + III)</b>		<b>8,142</b>	<b>6,167</b>

Summary of significant accounting policies and other explanatory information to the financial statements. 1 to 51

This is the consolidated Balance Sheet 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)

**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 : June 24, 2021

Place : Mumbai

Date : June 24, 2021

## Statement Consolidated of Profit and Loss for the year ended March 31, 2021

(₹ in lakh, unless otherwise stated)

Particulars	Note no.	Year ended March 31, 2021	Year ended March 31, 2020
<b>I. Revenue from operations</b>			
i) Interest income	18	230	75
ii) Rental income		-	4
iii) Fee & Commission income	19	4,069	7,366
iv) Net gain on fair value changes	20	44	-
v) Gain on sale / redemption of investments (net)	21	20	-
<b>Total Revenue from operations (I)</b>		<b>4,363</b>	<b>7,445</b>
<b>II. Other income</b>			
ii) Miscellaneous income	22	165	1
<b>Total other income (II)</b>		<b>165</b>	<b>1</b>
<b>III. Total income (I + II)</b>		<b>4,528</b>	<b>7,446</b>
<b>IV. Expenses</b>			
i) Finance costs	23	38	22
ii) Fees & commission expense		856	1,744
iii) Net loss on fair value changes		-	129
iv) Impairment on financial instruments	24	178	1,969
v) Employee benefits expense	25	1,852	1,847
vi) Depreciation and amortisation expense		129	99
vii) Other expenses	26	410	562
<b>Total expenses (IV)</b>		<b>3,463</b>	<b>6,372</b>
<b>V. Profit before tax</b>		<b>1,065</b>	<b>1,074</b>
<b>VI. Tax expense</b>			
i) Current tax		219	271
ii) Earlier year tax		0	(2)
iii) Deferred tax charge / (credit)		25	16
<b>Total Tax expense (VI)</b>		<b>244</b>	<b>285</b>
<b>VII. Profit / (Loss) after tax (V) - (VI)</b>		<b>821</b>	<b>789</b>
<b>VIII. Other comprehensive income</b>			
Item that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) of the defined benefit plans		3	(9)
Deferred tax on remeasurement of the defined benefit plans		(1)	3
<b>Other comprehensive income for the year (VIII)</b>		<b>2</b>	<b>(6)</b>
<b>IX. Total comprehensive income for the year (VII) - (VIII)</b>		<b>823</b>	<b>783</b>
<b>Earnings per equity share of nominal value of ₹5 each</b>			
Basic (in ₹)		3.10	2.98
Diluted (in ₹)	27	3.01	2.95

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

1 to 51

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

**For Walker Chandok & Co LLP**

Chartered Accountants

Firm Registration Number : 001076N/N500013

**For Prime Securities Limited**

**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 : June 24, 2021

Place : Mumbai

Date : June 24, 2021

## Consolidated Statement of Cash Flows for the year ended March 31, 2021

(₹ in lakh, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flow from operating activities:</b>		
Profit before tax	1,065	1,074
<b>Adjustments for :</b>		
Depreciation and amortisation expense	129	99
Changes in fair valuation of investment (net) through profit or loss	(44)	129
(Profit)/ Loss on sale of property, plant and equipments (net)	-	16
Gain on sale of investments (net)	(20)	(1)
Interest Expense	11	13
Interest income on deposits	(230)	(75)
Share based payment to employees	369	383
Impairment of financial assets	178	1,969
<b>Operating profit before working capital changes</b>	<b>1,458</b>	<b>3,607</b>
<b>Adjustments for changes in working capital:</b>		
Increase / (Decrease) in trade payables	5	182
Increase/ (Decrease) in other financial liabilities	(26)	53
(Decrease)/ Increase in provisions	(217)	104
Increase/ (Decrease) in other non-financial liabilities	1,036	131
(Increase)/ Decrease in Loans	-	100
(Increase)/ Decrease in other financial assets	2,121	(1,365)
(Increase)/ Decrease in other receivables	0	125
Decrease/ (Increase) in trade receivables	182	(197)
Decrease/ (Increase) in other bank balances	(1,453)	(303)
Decrease/ (Increase) in other non-financial assets	112	(183)
<b>Total changes in working capital</b>	<b>1,760</b>	<b>(1,353)</b>
<b>Cash generated from operations</b>	<b>3,218</b>	<b>2,254</b>
Taxes paid, net of refunds	(628)	(749)
<b>Net cash generated/(used) from operating activities (A)</b>	<b>2,590</b>	<b>1,505</b>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipments including capital	(85)	(332)
Proceeds from sale / disposal of property, plant and equipments	18	44
Purchase of Investments	(11,265)	(43)
Proceeds form sale / redemption of investments	9,846	-
Interest income	230	75
<b>Net cash generated/(used) from in investing activities (B)</b>	<b>(1,256)</b>	<b>(256)</b>

## Consolidated Statement of Cash Flows for the year ended March 31, 2021

(₹ in lakh, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flow from financing activities:</b>		
Application Money against warrants		
Borrowings repaid during the year	(12)	(334)
Interest Paid	(11)	(12)
<b>Net cash generated/(used) in financing activities (C)</b>	<b>(23)</b>	<b>(346)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,311</b>	<b>903</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>990</b>	<b>87</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,301</b>	<b>990</b>
<b>Total</b>	<b>1,311</b>	<b>903</b>

### Notes:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1) Cash and cash equivalents comprise of		
Cash on hand	1	1
Balances with banks		
In current account	2,123	200
Demand deposits (less than 3 months maturity)	177	789
<b>Cash and cash equivalents at the end of the year</b>	<b>2,301</b>	<b>990</b>

### Notes:

- The above consolidated 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

#### For Prime Securities Limited

**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 : June 24, 2021

Place : Mumbai

Date : June 24, 2021

**Consolidated Statement of Changes in Equity** for the year ended March 31, 2021  
(₹ in lakh, unless otherwise stated)

**Equity share capital**

Particulars	Number of shares	Amount	Total
As at March 31, 2021	2,65,15,325	1,326	1,326
As at March 31, 2020	2,65,15,325	1,326	1,326

**Other equity**

Particulars	Capital reserve	Capital Redemption Reserve	Securities Premium Reserve	Share Forfeiture Account	Share Options outstanding account	Advance against Share Capital	General reserve	Retained earnings	Other comprehensive income ("OCI")	Total
Opening balance as at April 1, 2019	165	217	5,317	4	78	866	2,400	(6,947)	(63)	2,038
Transactions during the year										-
Profit after tax for the year	-	-	-	-	-	-	-	789	-	789
Other comprehensive income/ (loss) for the year (net of tax)	-	-	-	-	-	-	-	-	(7)	(7)
Advance against Share Capital forfeited and transferred	866	-	-	-	-	(866)	-	-	-	-
Share based compensation	-	-	-	-	383	-	-	-	-	383
Closing balance as at March 31, 2020	1,031	217	5,317	4	461	-	2,400	(6,158)	(70)	3,204
Merger Adjustments as on April 1, 2020	(1,031)	(217)	(5,317)	(4)		-	(2,400)	8,969	-	-
Transactions during the year										-
Profit after tax for the year	-	-	-	-	-	-	-	821	-	821
Other comprehensive income/ (loss) for the year (net of tax)	-	-	-	-	-	-	-	-	2	2

## Consolidated Statement of Changes in Equity for the year ended March 31, 2021 (₹ in lakh, unless otherwise stated)

Particulars	Capital reserve	Capital Redemption Reserve	Securities Premium Reserve	Share Forfeiture Account	Share Options outstanding account	Advance against Share Capital	General reserve	Retained earnings	Other comprehensive income ("OCI")	Total
Share based compensation	-	-	-	-	369	-	-	-	-	369
Closing balance as at March 31, 2021	-	-	-	-	830	-	-	3,632	(68)	4,395

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

Chartered Accountants

Firm Registration Number : 001076N/N500013

### For Prime Securities Limited

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

**Pradip Dubhashi**  
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**Murad D. Daruwalla**  
Partner  
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**S. R. Sharma**  
Chief Financial Officer

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

Place : Mumbai  
Date : June 24, 2021

Place : Mumbai  
Date : June 24, 2021

# Summary of significant accounting policies and other explanatory information

(₹ in lakh, 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 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.

These consolidated financial statements contain financial information of the Group and were authorized for issue by the Board of Directors on June 24, 2021. Information on the Group's structure is provided in note 50.

## 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.

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 44

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, 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 lakh, 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 behavior 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.

### 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-

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

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,
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.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

- 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 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.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

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) 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 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

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, 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 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.

#### (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 Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

or FVTPL. The Group 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 Group 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.
- 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.

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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 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 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.

### j) 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.

### 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 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



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based 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 April 1, 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 assesses 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 April 1, 2019 for leases previously classified as operating leases and measured at an amount equal to lease liability (adjusted for related 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.

### 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.

## Summary of significant accounting policies and other explanatory information

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### 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) 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.

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

## Summary of significant accounting policies and other explanatory information

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- 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 Group'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.

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:**

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

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.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### r) 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.

### s) Rounding of amounts

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

### t) 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.

### u) Recent accounting developments

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- a) Statement of changes in equity: Disclosure shall be made regarding the changes in equity due to prior period errors and restated balance at the beginning of the reporting year and similarly disclose the same for the previous reporting period. Additionally, the details of other equity shall also be given for prior reporting period.
- b) Disclosure of shareholding of all promoters: A company shall now be required to disclose the shareholding of all promoters. The details shall include change in shareholding taken place during the year. The meaning of the promoter has to be taken from the definition provided in the Companies Act, 2013 which is different from the definition provided in the SEBI (ICDR) Regulations, 2009.
- c) Ageing Schedule: Companies are required to disclose ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format prescribed under amendment.

## Summary of significant accounting policies and other explanatory information

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- d) Disclosure related to funds borrowed from banks and financial institutions: If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then a disclosure providing details of utilisation of funds shall also be required to be provided.
- e) Revaluation of property: The reconciliation of gross and net carrying amount of both intangible and tangible assets at the beginning and end of the reporting period, along with other separate disclosures related to additions, disposals, acquisitions, depreciation, impairment, etc. shall also disclose separately details related to the amount of change due to revaluation, where there is a change of more than 10% in aggregate of the net carrying amount of the asset.

The company is also required to disclose whether the property, plant or equipment has been revalued by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

- f) Specific disclosure: Amendment requires to disclose transaction/ events under various additional regulatory requirements such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.

### Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 3 Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
<b>Cash and cash equivalents</b>		
Cash on hand	1	1
Balances with banks		
In current accounts	2,123	200
Term deposits with banks with maturity period less than 3 months	177	789
<b>Total</b>	<b>2,301</b>	<b>990</b>

### 4 Bank balances other than (3) above

	As at March 31, 2021	As at March 31, 2020
<b>Others</b>		
Term deposits with banks with maturity period more than 3 months but less than 12 months	553	-
Term deposits with banks with maturity period more than 12 months	1,550	650
<b>Total</b>	<b>2,103</b>	<b>650</b>

### 5 Receivables

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Trade receivables	78	439
<b>Unsecured, credit impaired</b>		
Trade receivables	181	14
	259	453
Less: Allowances for receivable	(181)	(14)
	78	439
Other receivables *	393	393
<b>Total</b>	<b>471</b>	<b>832</b>

Refer note 37 E (i) for credit risk analysis

\* 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.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 6 Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Share / Unit	Fair Value / Net Asset Value	Share / Unit	Fair Value / Net Asset Value
<b>At fair value through profit or loss</b>				
<b>Investments in equity instruments:</b>				
Ironwood Education Limited	1,17,500	24	1,17,500	43
Solid Stone Company Limited	1,72,731	84	1,72,731	33
<b>Total investments in equity instruments (A)</b>		<b>107</b>		<b>76</b>
<b>Investments in Bonds</b>				
9.22% Tata Capital Housing Finance Ltd.	50	551	-	-
8.25% BOB Perpetual Bonds	50	493	-	-
9.56% SBI Perpetual Bonds	50	512	-	-
<b>Total investments in bonds (B)</b>		<b>1,556</b>		<b>-</b>
<b>Investments in Mutual Funds</b>				
ICICI Prudential Overnight Fund	-	9	-	113
<b>Total investments in mutual funds (C)</b>		<b>9</b>		<b>113</b>
<b>Total investment (A) + (B) + (C)</b>		<b>1,672</b>		<b>189</b>
Investments in India		1,672		189
Investments outside India		-		-
<b>Total</b>		<b>1,672</b>		<b>189</b>

### 7 Other financial assets

	As at March 31, 2021	As at March 31, 2020
Interest accrued on deposits	10	8
Interest accrued on bonds	59	-
Security deposits	58	66
Unbilled revenue		2,175
Advance Given	2	-
<b>Total</b>	<b>129</b>	<b>2,249</b>

### 8 Current tax asset (net)

	As at March 31, 2021	As at March 31, 2020
Advance income tax	959	550
<b>Total</b>	<b>959</b>	<b>550</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 9 Deferred tax assets (net)

	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets / (liabilities) (Refer note 41 and 42)</b>		
Liability towards lease rentals	9	2
Provision for compensated absences	13	40
Net Mark-to-Market Loss/(Gain) on investments (net)	(5)	
Provision for gratuity	17	15
Depreciation / amortisation	25	27
<b>Total</b>	<b>58</b>	<b>84</b>

### 10 (a) Property, plant and equipment

Particulars	Right to Use (Refer note 33)	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles* (Refer note 31)	Total
<b>Gross carrying value</b>						
Gross carrying value as of April 1, 2019	-	16	11	62	275	364
Additions	321	7	3	-	-	332
Disposals	-	-	-	-	(67)	(67)
<b>Gross carrying value as of March 31, 2020</b>	<b>321</b>	<b>23</b>	<b>15</b>	<b>62</b>	<b>207</b>	<b>629</b>
Adjustments due to modification in lease arrangements	(18)	-	-	-	-	(18)
Additions	80	4	1	-	-	85
Disposals	-	-	-	-	-	-
<b>Gross carrying value as of March 31, 2021</b>	<b>384</b>	<b>27</b>	<b>15</b>	<b>62</b>	<b>207</b>	<b>696</b>
					-	-
<b>Accumulated depreciation</b>						
Accumulated depreciation as of April 1, 2019	-	7	6	19	132	163
Depreciation for the year	70	5	2	6	16	98
Accumulated depreciation on disposals	-	-	-	-	(7)	(7)
<b>Accumulated depreciation March 31, 2020</b>	<b>70</b>	<b>12</b>	<b>7</b>	<b>24</b>	<b>140</b>	<b>254</b>
Depreciation for the year	103	7	2	6	11	129
Accumulated depreciation on disposals	-	-	-	-	-	-
<b>Accumulated depreciation March 31, 2021</b>	<b>173</b>	<b>19</b>	<b>9</b>	<b>30</b>	<b>151</b>	<b>382</b>



## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 10 (a) Property, plant and equipment (contd)

Particulars	Right to Use (Refer note 33)	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles* (Refer note 31)	Total
Net carrying value						
Net carrying value as on April 1, 2019	-	9	5	44	142	201
Net carrying value as on March 31, 2020	251	11	7	38	67	374
Net carrying value as on March 31, 2021	211	8	6	32	56	313

\* Vehicles taken on Term Loan

### 10(b) Other intangible assets

Particulars	Computer software#
Gross carrying value	
Gross carrying value as of March 31, 2019	7
Additions	0
Disposals	-
Gross carrying value as of March 31, 2020	8
Additions	-
Disposals	-
Gross carrying value as of March 31, 2021	8
Accumulated amortisation	
Accumulated amortisation as of March 31, 2019	2
Amortisation for the year	1
Accumulated amortisation on disposals	-
Accumulated amortisation as of March 31, 2020	3
Amortisation for the year	1
Accumulated amortisation on disposals	-
Accumulated amortisation as of March 31, 2021	4
Net carrying value	
Net carrying value as on April 1, 2019	5
Net carrying value as on March 31, 2020	4
Net carrying value as on March 31, 2021	3

# Other than internally generated.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 11 Other non-financial assets

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good:</b>		
Balances with government authorities	78	207
Interest Receivable	-	7
Employee advances	9	3
Prepaid expenses	46	28
<b>Total</b>	<b>133</b>	<b>245</b>

### 12 Trade payables

	As at March 31, 2021	As at March 31, 2020
<b>Trade payables</b>		
a) total outstanding dues of micro enterprises and small enterprises (Refer note 43)	-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	230	225
<b>Total</b>	<b>230</b>	<b>225</b>

### 13 Borrowings

	As at March 31, 2021	As at March 31, 2020
<b>Measured at amortised cost</b>		
Secured		
Term Loan from Bank* ( Refer note 31)	33	44
<b>Total</b>	<b>33</b>	<b>44</b>
Borrowings in India	33	44
Borrowings outside India	-	-
<b>Total</b>	<b>33</b>	<b>44</b>

\* Term Loan from bank is secured against hypothecation of vehicles.

### 14 Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Lease Liability (Refer note 33)	243	260
Other payables	-	10
Other Contractual provisions	21	20
<b>Total</b>	<b>264</b>	<b>290</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 15 Provisions

	As at March 31, 2021	As at March 31, 2020
Provision for gratuity (Refer note 39)	61	53
Provision for compensated absences (Refer note 39)	46	144
Provision for employee benefit expenses	440	570
<b>Total</b>	<b>547</b>	<b>767</b>

### 16 Other non-financial liabilities

	As at March 31, 2021	As at March 31, 2020
Statutory dues (including provident fund, tax deducted at source and goods and services tax)	397	311
Advance received from customers	950	-
<b>Total</b>	<b>1,347</b>	<b>311</b>

### 17 Equity share capital

	As at March 31, 2021	As at March 31, 2020
<b>Authorised :</b>		
4,30,00,000 (March 31, 2020 4,30,00,000) Equity Shares of ₹5/- each	2,150	2,150
18,00,000 (March 31, 2020 18,00,000) Unclassified Shares of ₹100/- each	1,800	1,800
	<b>3,950</b>	<b>3,950</b>
<b>Issued :</b>		
2,72,64,525 (March 31, 2020 2,72,64,525) Equity Shares of ₹5/- each	1,363	1,363
	<b>1,363</b>	<b>1,363</b>
<b>Subscribed and paid up:</b>		
2,65,15,325 (March 31, 2020 2,65,15,325) Equity Shares of ₹5/- each	1,326	1,326
<b>Total</b>	<b>1,326</b>	<b>1,326</b>

#### (a) Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares:				
Balance as at the beginning and end of the year	2,65,15,325	1,326	2,65,15,325	1,326
There was no issue or buyback of shares during the year.				

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 17 Equity share capital (contd)

#### (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, 2021		As at March 31, 2020	
	Number of Shares	%	Number of Shares	%
<b>Equity shares:</b>				
GKK Capital markets Private Limited	32,00,000	12.07	-	-
Statin Enterprise LLP	31,48,059	11.87	-	-
Judith Investments Private Limited	17,83,497	6.73	17,83,497	6.73
Mahendra Jayantilal Shah	13,94,181	5.26	-	-
N. Jayakumar	4,14,928	1.56	35,62,987	13.44
Navin Khandelwal	-	-	14,10,000	5.32

#### (d) 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, 2021.

### 18 Interest Income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income on deposits	75	75
Interest Income on Bonds	155	-
<b>Total</b>	<b>230</b>	<b>75</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 19 Fee & commission income

	Year ended March 31, 2021	Year ended March 31, 2020
Merchant Banking and Advisory Fees	2,794	4,935
Restructuring Advisory Fees	1,275	2,427
Income from Brokerage on Mutual Fund	0	4
<b>Total</b>	<b>4,069</b>	<b>7,366</b>

### 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, 2021	Year ended March 31, 2020
<b>Primary geographical market</b>		
India	4,069	7,366
Outside India	-	-
<b>Total</b>	<b>4,069</b>	<b>7,366</b>
<b>Major products/ service lines</b>		
Merchant Banking and Advisory Fees	4,069	7,366
<b>Total</b>	<b>4,069</b>	<b>7,366</b>
<b>Timing of revenue recognition</b>		
At a point in time	4,069	7,366
Over a period of time	-	-
<b>Total</b>	<b>4,069</b>	<b>7,366</b>

### 20 Net gain on fair value changes

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Net gain on financials instruments measured at fair value through profit or loss -Investments</b>		
Unrealised Gain on Bonds	13	-
Unrealised Gain in value of Investments in equity shares	31	-
<b>Total</b>	<b>44</b>	<b>-</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 21 Gain on sale/ redemption of investments (net)

	Year ended March 31, 2021	Year ended March 31, 2020
Gain on redemption of Bonds	(5)	-
Gain on redemption of Mutual Funds	24	-
<b>Total</b>	<b>20</b>	<b>-</b>

### 22 Miscellaneous income

	Year ended March 31, 2021	Year ended March 31, 2020
Sundry Balance Written-back	163	-
Net gain on foreign currency transactions and translations	2	-
Others	0	1
<b>Total</b>	<b>165</b>	<b>1</b>

### 23 Finance costs

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expense	11	13
Interest expenses for leasing arrangements	27	9
<b>Total</b>	<b>38</b>	<b>22</b>

### 24 Impairment on financial instruments

	Year ended March 31, 2021	Year ended March 31, 2020
Sundry Balance Written-Off	178	1,969
<b>Total</b>	<b>178</b>	<b>1,969</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 25 Employee benefits expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, bonus and allowances	1,398	1,389
Contribution to provident and other funds [Refer note 39]	15	33
Gratuity [Refer note 39]	13	11
Compensated absences	52	11
Employee share based payments [Refer notes 30]	369	383
Staff welfare expenses	5	20
<b>Total</b>	<b>1,852</b>	<b>1,847</b>

### 26 Other expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Rent (Refer note 33)	-	28
Repairs and maintenance - others	27	60
Rates and taxes	4	3
Insurance	12	11
Electricity	3	4
Travelling, conveyance and car hire	5	28
Legal and professional fees	82	136
Auditors' Remuneration	-	-
Audit fees	34	22
Other services	-	2
Out of pocket expenses	1	-
Directors' sitting fees	52	53
Commission to Non-Executive Directors	18	17
Loss on sale/ disposal of property, plant and equipment (net)	-	16
Spent towards Corporate Social Responsibility (CSR) activities (Refer note 35)	67	64
GST Expenses	24	-
Miscellaneous expenditure	82	117
<b>Total</b>	<b>410</b>	<b>562</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 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, 2021	Year ended March 31, 2020
<b>Basic Earnings per Share</b>		
Profit attributable to equity shareholders (₹) (A)	821	789
Nominal value per share (₹)	5	5
Weighted average number of equity shares outstanding during the year (B)	2,65,15,325	2,65,15,325
Earnings per share (Basic) (₹) [ (A) / (B) ]	3.10	2.98
<b>Diluted earnings per share</b>		
Profit after tax for the year (A)	821	789
Weighted average number of equity shares used in computing basic earnings per share	2,65,15,325	2,65,15,325
Effect of potential equity shares for stock options outstanding	7,58,649	2,28,046
Weighted number of equity shares used in computing diluted earnings per share [B]	2,72,73,974	2,67,43,371
Earnings per share (Basic/ Diluted) (₹) [ (A) / (B) ]	3.01	2.95

### 28 Contingent Liabilities to the extent not provided for in respect of:

Sr. No.	Particulars	March 31, 2021	March 31, 2020
i)	Demands raised by Tax Authorities against which the Company has preferred appeals	175	175

This is disputed by the Company and hence not provided for in the books of accounts.



## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

29 The Company, being considered a NBFC with a net-worth of less than ₹500 Cr, was required to have adopted Ind-AS from April 1, 2019 under the Companies (Indian Accounting Standard) Rules, 2015, against which the actual adoption was from April 1, 2017 and the considered transition date as April 1, 2016. Management believes that the qualitative / quantitative impact of the same was not material to the financial statements and hence, no adjustment was required.

### 30 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. During the Year, the Company has granted 10,50,000 Options to the eligible directors / employees of the Company and its subsidiaries.

The number of options granted, exercised and lapsed under the above schemes is set out below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Weighted Average Exercise Price	No of Shares	Weighted Average Exercise Price
<b>ESOS 2018</b>				
Options outstanding, beginning of the Year	25,90,000	35.79	13,75,000	34.70
Add: Granted during the Year	10,50,000	2740	16,80,000	36.50
Less: Exercised during the Year	-	-	-	-
Less: Lapsed during the Year	5,000	35.79	4,65,000	35.13
Options outstanding, end of the Year	36,35,000	33.37	25,90,000	35.79

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	3.71 Years (Previous year 5.93 year)
Vested but not exercised	1.58 Years (Previous year Nil)

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 30 Employees Stock Option Schemes (ESOS) (contd)

Particulars	ESOS 2018
Weighted average share price at the date of exercise for stock options exercised during the year	Nil (Previous year Nil)
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%
(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 ₹369 lakh (Previous year ₹383 lakh). The Carrying amount of ESOP reserve as on March 31, 2021 is ₹830 lakh (March 31, 2019 ₹461 lakh).

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, 2021	Year ended March 31, 2020
(+) 5%	-	-
(-) 5%	18	19

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 31 Borrowings:

#### (A) Secured loans:

##### a) Term Loan from Bank:

Term loan of ₹33 lakh (March 31, 2020 ₹44 lakh) 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.

### 32 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 Enterprises LLP

#### Key Management Personnels:

Mr. N. Jayakumar  
Mr. Ajay Shah  
Mr. S R Sharma (CFO in Prime Securities Limited from May 18, 2019)  
Mr. Akshay Gupta (Executive Director of Prime Research & Advisory Limited)

#### Independent Directors:

Mr. Pradip Dubhashi  
Ms. Alpana Parida  
Ms. Namrata Kaul  
Ms. Smita Cawas Affinwalla

#### Relative of Independent Director:

Mr. Samresh Parida (Properietor of S P Growth Consulting)

#### Enterprise in which Key Management Personnel have control:

ALSS Investments

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 32 Related Party Disclosures: (contd)

The following transactions were carried out with the related parties in the ordinary course of business during the year 2020-2021:

(₹ in lakh)

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
1	Remuneration paid to Key Managerial Personnel			
	Mr. N Jayakumar	Key Management Personnel	658	502
	Mr. Akshay Gupta	Key Management Personnel	276	312
	Mr. S R Sharma	Key Management Personnel	85	81
	Mr. Ajay Shah	Key Management Personnel	47	45
	Mr. Puneet Pandey	Key Management Personnel	-	15
2	Payment to Independent Directors	- Sitting Fees	52	53
		- Commission	18	17
3	Rent received from S P Growth Consulting	Relative of Director	-	4
4	Repayment of Interest free unsecured Inter Corporate Deposit from Judith Investments Private Limited	Enterprises in which Key Management Personnels and the relatives exercise significant influence	-	270
5	Remuneration paid to Mr. Prakhar Pandey	Relative of Director	-	10

### Outstanding Balance

(₹ in lakh)

Sr. No.	Nature of Transaction [receivable/(payable)]	Relationship	Balance as on	
			March 31, 2021	March 31, 2020
1	Transactions with PRP Professional Edge Associates Private Limited	Enterprise in which Key Management Personnel have control	Nil	1 (Debit)

### 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.

### 33 Leases

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 lakh, unless otherwise stated)

### 33 Leases (contd)

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 10.00 %.

Information about leases for which the company is a lessee are presented below:

#### (A) Right of use assets for the year ended March 31, 2021

(₹ in lakh)

Particulars	Amount
Balance as at April 1, 2020	251
Movement during the year	62
Depreciation on Right-Of-Use (ROU) assets	(103)
<b>Balance as at March 31, 2021</b>	<b>211</b>

#### (B) Lease liabilities for the year ended March 31, 2021

(₹ in lakh)

Particulars	Amount
Balance as at April 1, 2020	260
Movement during the year	62
Add: Interest cost accrued during the period	27
Less: Payment of lease liabilities	(106)
<b>Balance as at March 31, 2021</b>	<b>243</b>

#### (C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities as at March 31, 2021

(₹ in lakh)

Particulars	As at March 31, 2020
Less than three months	18
Three to twelve months	56
One to five years	169
More than five years	-
<b>Total</b>	<b>243</b>

#### (D) Amount recognised in statement of profit & loss for the year ended March 31, 2021

(₹ in lakh)

Particulars	Amount
Interest cost on lease liabilities	27
Depreciation on right of use assets	103

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 34 Segment Information :

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.

### 35 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 2020-21 ₹29 lakh (Previous year ₹39 lakh).

(b) Amount spent during the year on:

Particulars	₹ in lakh	
	2020-21	2019-20
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	67	64

### 36 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.

#### II. Contract Balances

Trade Receivables. The outstanding balance as on March 31, 2021 : ₹78 lakh, 31 March 2020: ₹438 lakh. (Refer note 5)

#### III. Performance obligations and timing of revenue recognition

Income from corporate advisory services is recognised upon rendering of services.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 37 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.

(₹ in lakh)

March 31, 2021	Fair value through Profit and Loss				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	-	2,301	2,301
Bank balance other	-	-	-	-	2,103	2,103
Trade receivables	-	-	-	-	78	78
Other receivables	-	-	-	-	393	393
Investments	1,121	551	-	1,672	-	-
Other financial assets	-	-	-	-	129	129
	<b>1,121</b>	<b>551</b>	<b>-</b>	<b>1,672</b>	<b>5,004</b>	<b>5,004</b>
<b>Financial liabilities</b>						
Trade payables	-	-	-	-	230	230
Borrowings	-	-	-	-	33	33
Other financial liabilities	-	-	-	-	264	264
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>527</b>	<b>527</b>

(₹ in lakh)

March 31, 2020	Fair value through Profit and Loss				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	-	990	990
Bank balance other	-	-	-	-	650	650
Trade receivables	-	-	-	-	439	439
Other receivables	-	-	-	-	393	393
Investments	189	-	-	189	-	-
Other financial assets	-	-	-	-	2,249	2,249
	<b>189</b>	<b>-</b>	<b>-</b>	<b>189</b>	<b>4,721</b>	<b>4,721</b>
<b>Financial liabilities</b>						
Trade payables	-	-	-	-	225	225
Borrowings	-	-	-	-	44	44
Other financial liabilities	-	-	-	-	290	290
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>559</b>	<b>559</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 37 Financial instruments – Fair values and risk management (contd)

#### 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.

#### 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
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.

#### 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.



## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 37 Financial instruments – Fair values and risk management (contd)

#### 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.

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.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 37 Financial instruments – Fair values and risk management (contd)

The movement in expected credit loss:

Particulars	Carrying amount (₹ in lakh)	
	March 31, 2021	March 31, 2020
Opening balance	14	-
Acquired through business combination	-	14
Impairment loss recognised	167	-
Closing balance	181	14

At March 31, 2021, the ageing of trade receivables was as follows.

Particulars	Carrying amount (₹ in lakh)	
	March 31, 2021	March 31, 2020
Neither past due nor impaired		
Past due 1–90 days	78	267
Past due 91–180 days	-	172
Past due 181–365 days	-	-
Past due 366 days	-	-
	78	439

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 ₹4,404 lakh as on March 31, 2021 (March 31, 2020, ₹1,640 lakh). 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.

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 37 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 lakh)

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	230	230	230	-	-	-	-
Borrowings	33	33	6	7	14	6	-
Other financial liabilities	264	264	57	38	79	90	-

(₹ in lakh)

March 31, 2020	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	225	225	225	-	-	-	-
Borrowings	44	44	6	6	19	13	-
Other financial liabilities	290	290	78	36	54	122	-

The gross inflows/(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.

### 38 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 lakh)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Borrowings	33	44
Gross Debt	33	44
Less: Cash & Bank Balance	(4,404)	(1,640)
Net debt (A)	-	-
Total equity (B)	5,721	4,530
Net debt to equity ratio (A) / (B)	0.00%	0.00%

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 39 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 ₹15 lakh for year ended March 31, 2021 (₹33 lakh for year ended March 31, 2020) 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:

##### 1). 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, 2021. 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 lakh)

A) Particulars	Gratuity	
	March 31, 2021	March 31, 2020
Defined benefit obligation	125	106
Fair value of Plan Assets at the end of the year	64	53
Net Obligation at the end of the year	61	53

#### 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 lakh)

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening balance	107	75	54	50	53	25
Included in profit or loss	-	-	-	-	-	-
Current service cost	9	17	-	-	9	17

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 39 Employee Benefits (contd)

(₹ in lakh)

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Past service cost	-	-	-	-	-	-
Interest cost / (income)	7	6	4	4	4	2
	124	98	57	54	66	44
<b>Included in OCI</b>						
Remeasurement loss (gain):					-	-
Actuarial loss / (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	0	5	-	-	0	5
Experience adjustment	1	5	-	-	1	4
Return on plan assets excluding interest income	-	-	4	0	(4)	(0)
	125	108	62	54	63	53
<b>Other</b>						
Contributions paid by the employer	-	-	3	0	(3)	(0)
Benefits paid	-	(1)	-	(1)	-	0
<b>Closing balance</b>	125	106	64	53	61	53
<b>Represented by</b>						
Net defined benefit asset	-	-	-	-	(64)	(53)
Net defined benefit liability	-	-	-	-	125	106
	-	-	-	-	61	53

### C) Plan assets

Plan assets comprise the following:

(₹ in lakh)

Particulars	March 31, 2021	March 31, 2020
Fund managed by Insurance Company	64	53
	64	53

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 39 Employee Benefits (contd)

#### 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, 2021	March 31, 2020
Discount rate	6.88%	6.84%
Expected Rate of Return on Plan Assets	3.41%	4.57%
Salary escalation rate	5.00%	5.00%
Employee Turnover	2.00%	2.00%
Mortality rate	N.A.	N.A.
	Indian Assured Lives	Indian Assured Lives
	Mortality (2006-08)	Mortality (2006-08)
	Ult.	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, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(11)	12	(6)	7
Future salary growth (1% movement)	13	(11)	7	(7)
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.

#### Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2021 were as follows

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 39 Employee Benefits (contd)

#### 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, 2021, i.e. ₹6 lakh

Expected future benefit payments	(₹ in lakh)
March 31, 2022	3
March 31, 2023	4
March 31, 2024	4
March 31, 2025	10
March 31, 2026	5
Thereafter	245

#### 2). 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 ₹52 lakh (March 31, 2020 ₹11 lakh). Accumulated provision for leave encashment aggregates ₹46 lakh (March 31, 2020 ₹144 lakh).

### 40 Auditors Remuneration

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to Auditor		
Statutory audit	24	10
Limited review of quarterly results	10	12
For certification work	-	2
As Auditor	34	24
Out of Pocket expenses	1	0
<b>Total</b>	<b>35</b>	<b>24</b>

### 41 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 lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Amounts recognised in statement of profit or loss</b>		
Current tax		
Current year (a)	219	271
Changes in estimates related to prior years (b)	0	(2)

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 41 Income Tax Expense (contd)

(₹ in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax (c)		
Origination and reversal of temporary differences	25	16
<b>Tax expense (a)+(b)+(c)</b>	<b>244</b>	<b>285</b>
<b>B. Tax recognised in other comprehensive income</b>		
Deferred Tax on remeasurement of defined benefit liability	(1)	3
	(1)	3
<b>C. Reconciliation of effective tax</b>		
Profit/(Loss) before tax	1,065	1,074
Tax at the rate of 27.82%	296	299
Net Disallowance of Expenses	35	38
Impact due to differential tax rates	-	(158)
Difference due to MAT	(113)	92
Tax adjustment of earlier year	-	(2)
Deferred Tax	25	16
<b>Effective tax</b>	<b>244</b>	<b>285</b>
<b>Effective Tax Rate (%)</b>	<b>22.93</b>	<b>26.54</b>
<b>D. Recognised deferred tax assets and liabilities</b>		
Deferred tax assets and liabilities are attributable to the following:		
Difference between book depreciation and tax depreciation	25	27
Lease Rent adjustment as per Ind AS 116	9	2
Net Mark-to-Market Loss/(Gain) on investments (net)	(5)	
Provision for Gratuity	17	15
Provision for compensated absence	13	40
<b>Net Deferred Tax Expense</b>	<b>58</b>	<b>84</b>

### 42 Movement of Deferred Tax

(₹ in lakh)

Particulars	As at Mar 31, 2021	Recognised through Other Comprehensive Income	Recognised through Profit and Loss	As at Mar 31, 2020
<b>Deferred tax asset on account of:</b>				
Lease Rent adjustment as per Ind AS 116	9		7	2
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	25		(2)	27



## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 42 Movement of Deferred Tax (contd)

(₹ in lakh)

Particulars	As at Mar 31, 2021	Recognised through Other Comprehensive Income	Recognised through Profit and Loss	As at Mar 31, 2020
Net Mark-to-Market Loss/(Gain) on investments (net)	(5)		(5)	-
Provision for gratuity	17	(1)	3	15
Provision for compensated absences	13		(27)	40
<b>Total Deferred tax assets (A)</b>	<b>58</b>	<b>(1)</b>	<b>(25)</b>	<b>84</b>
<b>Total Deferred tax liability (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Assets / (Liability) (A) - (B)</b>	<b>58</b>	<b>(1)</b>	<b>(25)</b>	<b>84</b>

### 43 Details of dues to 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.

(₹ in lakh)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	The principal amount remaining unpaid at the end of the year.	-	-
2	The interest amount remaining unpaid at the end of the year.	-	-
3	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
4	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.	-	-
5	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
6	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 43 Details of dues to micro enterprises and small enterprises(contd)

(₹ in lakh)

Sr. No.	Particulars	As at	As at
		March 31, 2021	March 31, 2020
7	The amount of further interest due and payable even in the succeeding year, 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.	-	-
	The Balance of MSMED parties as at the end of the Year	-	-

### 44 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 lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
<b>Financial Assets</b>						
Cash and Cash Equivalents	2,301	-	2,301	990	-	990
Bank Balance other than Cash and Cash Equivalents above	553	1,550	2,103	-	650	650
Receivables						
Trade Receivables	78	-	78	439	-	439
Other Receivables	393	-	393	393	-	393
Loans	-	-	-	-	-	-
Investments	1,672	-	1,672	189	-	189
Other Financial Assets	71	58	129	2,189	60	2,249
<b>Total financial assets (A)</b>	<b>5,068</b>	<b>1,608</b>	<b>6,676</b>	<b>4,200</b>	<b>710</b>	<b>4,910</b>
<b>Non-financial assets</b>						
Current Tax Assets (Net)	959	-	959	550	-	550
Deferred Tax Assets (Net)	28	30	58	29	55	84
Property, Plant and Equipment	-	313	313	-	374	374
Other Intangible assets	-	3	3	-	4	4
Other non-financial assets	133	-	133	245	-	245
<b>Total Non-financial Assets (B)</b>	<b>1,120</b>	<b>346</b>	<b>1,466</b>	<b>824</b>	<b>433</b>	<b>1,257</b>
<b>Total Assets (C) = (A) + (B)</b>	<b>6,188</b>	<b>1,954</b>	<b>8,142</b>	<b>5,024</b>	<b>1,143</b>	<b>6,167</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

### 44 Maturity Analysis of Assets and Liabilities (contd)

(₹ in lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	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	230	-	230	225	-	225
Borrowings	13	20	33	27	17	44
Other financial liabilities	95	169	264	115	175	290
<b>Total Financial Liabilities (A)</b>	<b>338</b>	<b>189</b>	<b>527</b>	<b>367</b>	<b>192</b>	<b>559</b>
Non Financial Liabilities						
Provisions	486	61	547	714	53	767
Other non-financial liabilities	1,347	-	1,347	311	-	311
<b>Total Non-Financial Liabilities (B)</b>	<b>1,834</b>	<b>61</b>	<b>1,894</b>	<b>1,025</b>	<b>53</b>	<b>1,078</b>
<b>Total Liabilities (C) = (A) + (B)</b>	<b>2,172</b>	<b>249</b>	<b>2,421</b>	<b>1,392</b>	<b>245</b>	<b>1,637</b>

### 45 Assets pledged as security

(₹ in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Non financial asset		
Property, Plant and Equipment (Vehicle)	56	67
<b>Total assets pledged as security</b>	<b>56</b>	<b>67</b>

## Summary of significant accounting policies and other explanatory information

(₹ in lakh, unless otherwise stated)

- 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 June 24, 2021 the Board of Directors of the Company have proposed a dividend of ₹4.50 per equity share of ₹5/- each in respect of the financial year ended March 31, 2021, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹1,193 lakh.
- 47** The outbreak of COVID-19 pandemic across the globe and in India has contributed to volatility in the global and Indian financial markets and slowdown in economic activities. The Company provides various financial services to its clients. The management has taken into account, all possible impact of known events arising from Covid-19 pandemic in preparation of the financial statements. However, Covid-19 is an ongoing situation and the extent to which COVID-19 pandemic will impact the Company's operations and financial statements is dependent on future developments, which are uncertain. Management will continue to closely monitor material changes in the macro economic factors impacting operations of the Company. Considering current net worth, projected revenue and current cost base of the Company, management in concurrence with the board of directors confirms the going concern basis for preparation of financial statement of the Company.

### 48 Events after reporting date

There have been no events after the reporting date that require disclosure in these consolidated financial statements.

### 49 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, 2021 and March 31, 2020 is as under:

Name of the Entities	Country of incorporation	Proportion of ownership interest	
		As at March 31, 2021	As at March 31, 2020
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 lakh, unless otherwise stated)

### 50 Additional Disclosure pertaining to Subsidiaries as per Division III of Companies Act, 2013

₹ in Lakh

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	72%	4,098	79%	649	137%	3	79%	651
	Subsidiary Company								
1	Prime Research & Advisory Limited	28%	1,624	21%	172	(37%)	(1)	21%	172
2	Prime Funds Management Limited	0%	(1)	0%	(0)	0%	-	0%	(0)
	<b>Total</b>	<b>100%</b>	<b>5,721</b>	<b>100%</b>	<b>821</b>	<b>100%</b>	<b>2</b>	<b>100%</b>	<b>823</b>

51 The amounts reflected as "0" in the Financial Statements are values with less than rupees one lakh.

For Walker Chandok & Co LLP

Chartered Accountants

Firm Registration Number : 001076N/N500013

For Prime Securities Limited

**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 : June 24, 2021

Place : Mumbai  
Date : June 24, 2021

## 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, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021
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	1,624	(1)
5	Total Assets	2,073	4
6	Total Liabilities (Excluding Minority interest)	313	-
7	Investment other than investment in Subsidiary	786	-
8	Turnover and Other Income	1,382	-
9	Profit Before Taxation	253	-
10	Provision for Taxation (incl Deferred Tax)	80	-
11	Profit after Tax	173	-
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, June 24, 2021



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*PRIME*

The logo consists of the word "PRIME" in a blue, italicized, sans-serif font. To the right of the text is a red, curved swoosh that starts below the 'E' and curves upwards and to the right, ending above the 'E'.