



May 22, 2023

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

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

Dear Sir,

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

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

Pursuant to the provisions of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report for the Financial Year 2022-23.

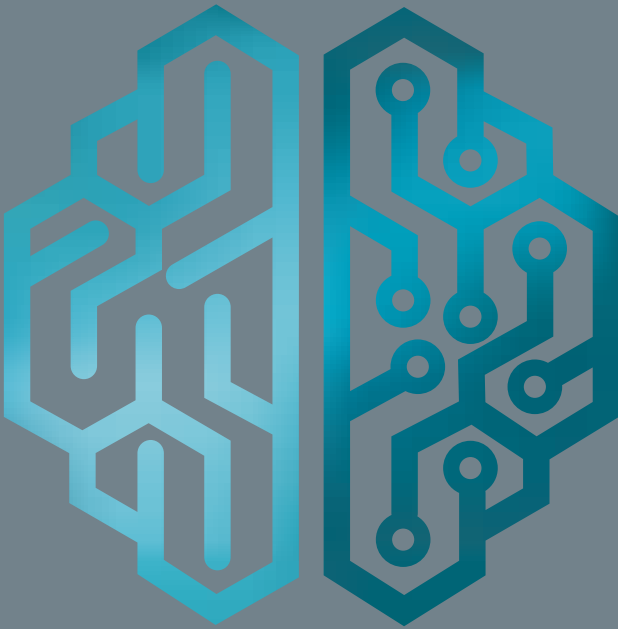
This is for your record and information.

Thanking you,

Yours faithfully,  
For **Prime Securities Limited**



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



# RoIP & RoNW

Transforming the company by leveraging  
our time-tested fundamentals



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### Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# RoIP & RoNW

In the modern world, the enduringly sustainable companies are those that leverage the power of their knowledge and networks more effectively than others.

At Prime Securities, we have been engaged in deepening our knowledge and widening our network with the objective to build a solutions-driven company that takes the businesses of our customers ahead.

The time has come to graduate this validated approach to build an additional revenue engine. The company announced the decision to acquire a company engaged in Machine Learning and Artificial Intelligence. The proposed acquisition will empower the company to provide cutting-edge solutions to retail investors.

This supplementary revenue engine will not merely be directed to broadbasing the company's revenues; it will empower Prime Securities to graduate to a customised objective-driven futuristic business designed to address longstanding challenges for its new customers.



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# Prime Securities Limited

Our core business comprises the delivery of solutions customised around business challenges faced by our institutional customers.

Our to-be acquired business will address the same rationale for being in business, except that it will address needs of retail investors.

The objective of both businesses – existing and the one proposed to be acquired – will be the same: empower clients in becoming more nimble and organised with respect to their objectives.



## These are the values that we champion at Prime Securities

**Vision:** Our group is known for being founded on knowledge, guided by integrity, nurtured by experience, and driven by a passion to offer customised solutions in investment banking and corporate advisory services.

**Mission:** Our aim is to reach our goals in a fair and equitable environment for all stakeholders including clients, employees, shareholders and society.

### 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.

## These are our offerings at Prime Securities

Prime Securities provides advanced consulting services that address critical organisational issues. These translate into fees and the potential for generating repeat business. The Company offers comprehensive advice on strategic, financial, fundraising, mergers, acquisitions, private equity, debt placements, public offers, corporate advisory, and capital restructuring. The Prime team engages in comprehensive due diligence, while negotiating and finalising financial terms to address client needs.

## These are the competencies at Prime Securities

Prime Securities is an employee-driven, Board-managed Company. The company comprises a focused team of 12 corporate finance professionals (as of March 31, 2023), with key executives participating in every transaction. The small team size and agility empowers Prime to moderate overheads and eliminate the slowness associated with larger organisations.

## This is the nature of customer serviced by Prime Securities

Prime Securities has established long-term relationships with clients including corporations, foreign institutional investors, financial institutions, banks, mutual funds, insurance companies, and high net worth individuals (within and outside India).

## This is where Prime Securities is listed and located

Since 1994, Prime Securities has been listed on the NSE and BSE. As on March 31, 2023, the company enjoyed a market capitalisation of ₹360 cr. Prime Securities is headquartered in Mumbai, India's financial capital.



## This is the experienced senior management team at Prime Securities

### **N. Jayakumar**

Managing Director  
and Group CEO

### **Akshay Gupta**

Whole-time Director, Prime  
Securities Limited / Managing  
Director and CEO, Prime Research  
& Advisory Limited

### **Ganesh Agarwal**

Managing Director, Mergers &  
Acquisitions / Private Equity

### **Ranen Gandhi**

Managing Director, Debt Capital  
Markets

### **Arun Shah**

Chief Financial Officer

### **Ajay Shah**

Executive Director, Legal and  
Company Secretary



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# Prime is at the cusp of transformation that could transform its trajectory

Prime Securities has focused consistently on Return on Intellectual Property and Return on Network.

The time has come for the company to leverage this validated approach.

During the last financial year, the Company signed an agreement with Bridgeweave Limited (Bridgeweave UK), a UK-based Artificial Intelligence / Machine Learning-based technology company.

This represents a decisive initiative for the company to step into the future.





## The to-be acquired company brings a new dimension to Prime

Bridgeweave UK has been engaged in creating a suite of financial products for retail investors.

These financial products leverage the power of modern and future-facing technologies.

These technologies will be directed to extending the power of Artificial Intelligence and Machine Learning from an exclusive few to the retail investing fraternity.

The cutting-edge, next generation technology will be applied, possibly, in retail investing for the first time in India.

This will ensure that Prime will leverage the power of networking and intellectual capital for wider benefit.



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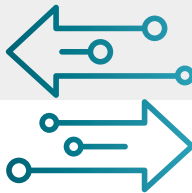



# Prime Securities is graduating from the conventional to the futuristic

At Prime Securities, we embarked on a two-step process to acquire a majority / 100% ownership in Bridgeweave UK.

The transaction, when complete, will entail an 8% equity stake for cash and a 92% equity stake through a stock swap. Bridgeweave will then become a 100% subsidiary of Prime Securities.

This approach combines cash-lightness at one end and the possibility of generating outsized, asymmetric returns at the other.





## The focus of the acquisition will be to enhance value. *Significantly*

Prime's strategic acquisition will be directed at value creation.

We seek to acquire this company to not just lead Prime Securities into an alternative revenue stream.

We believe that the outcome will be larger and more transformative.

The new revenue stream could have a non-linear outcome, considering that it will graduate the company into a different business.

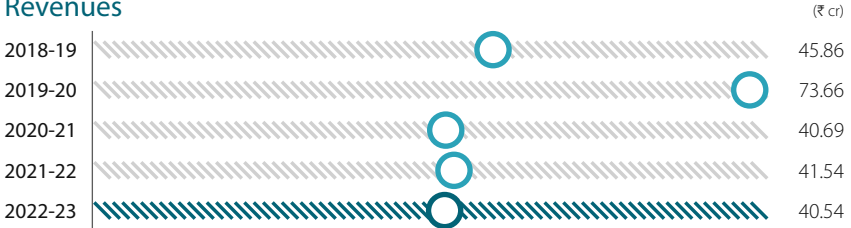
We are optimistic that the growth could be asymmetric, generating a substantial upside with a compressed time and with limited investment.

We are convinced that the business of the to-be acquired company could comprise granular revenues derived from a large population of retail consumers that reduces its dependence on a few individuals.

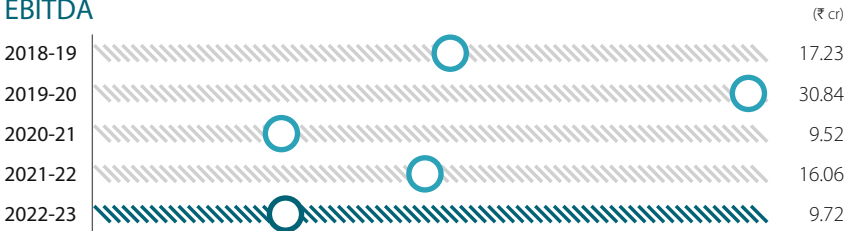
The B2B2C model could eliminate high customer acquisition costs and present the company with a substantial consumer-driven growth runway.

# How we have transformed our financials over the years

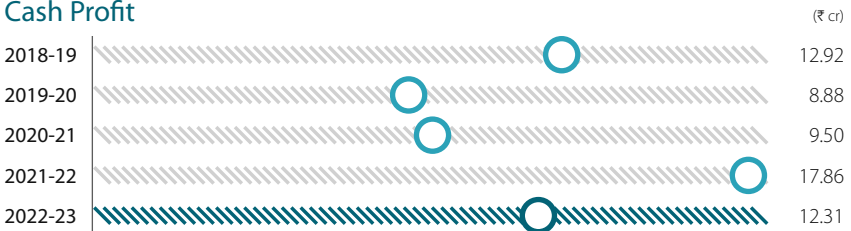
## Revenues



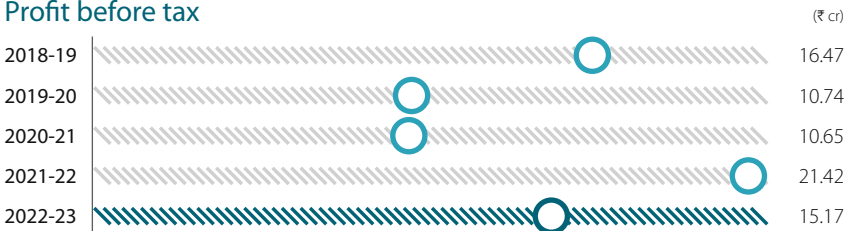
## EBITDA



## Cash Profit



## Profit before tax



## Balance Sheet ratios

Ratios	2018-19	2019-20	2020-21	2021-22	2022-23
Earnings per share (₹)	4.76	2.97	3.09	5.45	3.45
Book Value per share (₹)	12.69	17.08	21.57	35.75	39.23

## Profitability ratios

Margins	2018-19	2019-20	2020-21	2021-22	2022-23
EBITDA margin (%)	37.57	41.87	23.40	38.66	23.98
Net profit margin (%)	27.54	10.71	20.16	40.89	27.57
Return on assets (%)	35.96	14.30	11.47	16.01	8.23
Return on capital employed (%)	60.97	71.74	15.94	17.45	7.05
Return on equity (%)	57.73	19.98	16.01	20.14	9.38

## Liquidity and solvency ratios

Margins	2018-19	2019-20	2020-21	2021-22	2022-23
Debt-equity ratio (including working capital)	0.11	0.01	0.01	0.05	0.00
Debt-equity ratio (only long-term debt)	0.03	0.01	0.01	0.00	0.00
Interest cover	97.45	137.71	21.38	35.17	19.43

## How Prime Securities has enhanced shareholder value

**110.7**

₹ cr, Market capitalisation,  
March 31, 2021

**284.95**

₹ cr, Market capitalisation,  
March 31, 2022

**358.52**

₹ cr, Market capitalisation,  
March 31, 2023

**50.2**

₹ cr, Enterprise value,  
March 31, 2021

**180.18**

₹ cr, Enterprise value,  
March 31, 2022

**245.67**

₹ cr, Enterprise value,  
March 31, 2023

## Superior investment returns generated by our company (in %)

**16.03**

YTD

**14.64**

1 Year

**180.56**

2 Years

**304.05**

3 Years

**161.99**

5 Years

\* These returns were calculated as on May, 2023

## Chairman's letter to shareholders



### Dear shareholders,

I step down from the Chair at this AGM. It has been 19 years in service of this Board and last 12 years as your Chairman. As I sit back and remember the days gone by my heart is in turmoil with emotions. And my head is in a spin with memories. This is no place to go down the memory lane but I take this opportunity to remember some, acknowledge some success and some mishits. And also remember and express thanks to some fine colleagues in the Board and the Management.

### The early years

The memories of early years as a non-executive Independent Director are hazy. It was, however, a baptism by fire when as a newly anointed

Chairman that I and my colleagues in FY'13, were confronted with dire financial situation. As Chairman and Independent Director it was incumbent on me and the Board to take some tough decisions; one of them being to stay strictly with 'fee based' advisory business. I must acknowledge the full throated support by (Late) Anil Dharker who had just joined the board as an Independent Director.

### Operation bootstrap by the Management

A small team of loyal employees led by Mr. N Jayakumar worked its heart out over next few years to build the advisory practice. It was 'operation bootstrap' to make profit and build

the balance sheet back to health. And this included foregoing salary for some years by Mr. Jayakumar and salary increases by most others. Work on business development and sacrifices, you will remember, nursed the balance sheet to such health that the Board could recommend 90% dividend in FY'21. Kudos to the Management team that also included (Late) Mr. Subramanian Sharma. I must put on record my thanks to Independent Directors (Late) Mr. Anil Dharker and Ms Alpana Parida, who joined the Board in FY'16, and worked with messianic zeal to motivate and support the Management in the most difficult times in Company's history.

## Contribution by dedicated Independent Directors

Little known outside is the fact that your company is a 'Promoter less' company; it has no promoter in the Management though some in Management have substantial stake in the company. Thus, as I have often said in my earlier letters, the Independent Directors carry disproportionate responsibility in governance at your Company. The Board has been fortunate in getting very talented and experienced persons as Independent Directors. What's more that

till last year, this Board had 4 Independent Directors of whom three were women of eminence. A rarity in Indian corporates where less than one-third companies have one lady director at best! Ms Namrata Kaul and Ms Smita Affinwala joined the Board in 2019 and in the last 4 years at the Board have shown exceptional independence in debating issues of governance and business. Many a time, the issues had to be surfaced and addressed something that led to friction and conflict with the Management. I must say that both of them have stayed steadfast to the ethos of Independence and Governance.

## Dividend

As I take your leave, I must admit to a failure. I believe that patient minority shareholders of Prime, that number over 18,000, need to be rewarded with dividend. Dividend that is as much a 'return of capital' as 'return on capital'. While in FY 21 and '22 we approved a fair dividend, this year I failed to convince some of my colleagues on the Board that dividend at a reasonable rate should be paid. Sincere apologies!

## New Initiative, New Future

Your Management led by Mr. Jayakumar has been exploring newer business opportunities. The team has homed in on one that uses

Artificial Intelligence and Machine Learning (AI/ML) techniques to help market investors get returns ahead of the averages. Well ahead in fact going by test results. This is a promising business stream as it would serve the investing community at large and differentiation in the market place would be delivered by the AI/ML based algorithms. However, I believe, this would require a fair amount of marketing effort in identifying the customer, generating interest in the target customer and their education. This may consume a fair amount of resources. I am sure that your Management will work hard to get the entry strategy right.

## Big Thank You!

Last over a decade, I sincerely endeavoured to provide leadership to the Board as its Chairman and Independent Director. No one is born a Chairman nor was I! You made me one. It has been my effort to walk the straight line. But as Confucius had famously said 'To walk in a straight line, you have to fall on either side'. It's your call whether I succeeded. Pardon me if I erred sometimes!

Thank you so much for giving me this honor to serve you.

**Pradip Dubhashi**  
Chairman



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Managing Director's statement

# Blending traditional investment banking with cutting-edge technologies



**Dear shareholders,**

As we reflect on our journey so far, we are proud to have grown as a pure investment banking firm that values steady progression, people-driven approach, and efficient resource use. This year, there are new developments, initiatives, and directions we would like to highlight.

**Financial highlights, FY 2022-23**

Despite the challenges faced by the financial industry, we scaled our business, leading to increased cash flows and a significant rise in our cash balance. As of the Balance Sheet date, our cash and cash equivalents accounted for nearly a third of our market capitalisation. Our net worth now consists primarily of cash and cash equivalent assets.

**Early-stage enterprises and youthful talent**

Over the last two years, we focused on raising funds for startups and early-stage enterprises, supporting

innovative businesses that catalyse economic growth. To enrich our understanding of the entrepreneurial mindset and foster a culture of enthusiasm and collaboration, we added individuals in their early to mid-twenties into our team. This diversified demographic will reduce the average age of our organisation, while enriching our experienced with fresh perspectives.

**Embracing the future**

In the pursuit of non-linear opportunities, we are delighted to announce that we are in the final stages of acquiring an Artificial Intelligence and Machine Learning-powered company that will redefine investment banking. This strategic move will usher a new growth phase for Prime Securities through the prudent leverage of cutting-edge technology to enhance services, expand reach, and benefit stakeholders.

The integration of AI and ML technologies will enable us to overcome the limits of

conventional growth; it will provide clients with insights and efficiency that extend far beyond the capabilities of human expertise. By adopting future-ready technologies, we are setting the foundation for Prime Securities to outperform in a rapidly evolving financial landscape.

As we embark on this exciting new chapter, we express our gratitude for the trust you have placed in us. Your unwavering support has catalysed our journey, and we remain committed to delivering outperforming results as we go ahead.

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

# Our Board of Directors



## **Pradip Dubhashi**

*Chairman and Independent Director, Prime Securities*

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



## **N. Jayakumar**

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

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



## **Smita Affinwalla**

*Independent Director, Prime Securities*

Ms. Smita Affinwalla, is a Founder and Managing Director of Illuminos Consulting Private Limited, a consulting firm focused on the areas of leadership evaluation and development, talent management, succession and strategic HR. Illuminos is also the business associate of Cerebyte Inc. in India and the Middle East. Over 31 years she has been divided her career between the financial services industry and HR. During her financial services career, she set up and grew businesses in the retail and wholesale sectors. She has also been a consultant in this space, helping her clients structure and raise capital, through debt and equity instruments. Ms. Smita Affinwalla is a seasoned HR professional and has helped leading organisations build their human capital as a consultant and leading the HR function in major organisations. Prior to founding Illuminos, she was Head of Consulting for Development Dimensions International (DDI) India, the Group Director HR for Motilal Oswal Financial Services Group. She serves on the Board of HDB Financial Services Limited and had earlier served on the Board of SICOM Limited. She has done her graduation from the University of Bombay with a BA in Economics and the Jajmalal Bajaj Institute of Management, Mumbai, from where she received an MBA in Finance.



PRIME  
ADVISORS

### **Namrata Kaul**

*Independent Director, Prime Securities and Prime Research & Advisory*

Over 31 years, Ms. Namrata Kaul is having experience in banking and finance, spanning across corporate and investment banking, global markets and treasury functions. She has served as the Managing Director, Corporate and Investment Banking at Deutsche Bank AG, responsible for business management and client coverage. Earlier, she was the Head of Asia Business for Deutsche Bank based out of London, engaged in a multi country interface. She has been involved in developing the strategy roadmap for Deutsche Bank India as part of the India Board and was instrumental in defining and executing the Asia Focus strategy for the EMEA business.

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



PRIME  
ADVISORS

### **Ashok Kacker**

*Non-Executive and Non-Independent Director*

Mr. Ashok Kacker is former Chief Commissioner of Income Tax. He took voluntary retirement in 2007, after working for more than three decades with Income Tax Department, Government of India (GoI). During his services with GOI he held important senior position both in executive capacities as well as in policy formulation role including 6 year stint as Executive Director with Securities and Exchange Board of India. He is currently, Founder & Managing Partner of A. K. Advisors and Consultants, providing financial consultancy services. He is on board of directors of several companies, which includes Max India Limited, Umrao Institute of Medical Science and Research Trust, Samco Asset Management Company Ltd. In past he has served on Board of Indiabulls Asset Management Co Ltd, Indiabulls Industrial Infrastructure Ltd, Mahindra Satyam amongst others. He holds a Master's degree in Physics from the University of Allahabad where he topped his class in 1972.



### **Sujit Kumar Varma**

*Non-Executive and Non-Independent Director*

Mr. Sujit Kumar Varma is a career banker with proven track record of leading diverse business departments. He is highly experienced in Corporate and Retail Credit, Trade Finance, International Banking, Risk Management and Compliance. Mr. Varma had been associated with the State Bank of India ("SBI") for over 3 decades where he held several important positions viz., Chief Executive Officer - SBI New York USA, General Manager - Mid-Corporate Regional Office, Mumbai, India and Chief General Manager - International Banking. Mr. Varma superannuated as Deputy Managing Director, Corporate Accounts Group from SBI in January 2021. Mr. Varma holds a Bachelor of Arts (Hons.) in English and certifications from renowned institutes like Indian Institute of Banking & Finance, Mumbai, India, Harvard Business School, NYU Stern School of Business, New York, USA, Indian Institute of Management, Ahmedabad, India and Indian Institute of Management, Calcutta, India.



### **Akshay Gupta**

*Managing Director & CEO, Prime Research & Advisory and Whole-time Director, Prime Securities*

Mr. Akshay Gupta holds a B.E Electronics and Communication degree from University of Delhi and Marketing and Finance degree from FMS Delhi. He has more than 23 years of experience in banking, asset management and capital markets with the last 15 years of experience in the Asset Management Industry in India. Before joining Prime, he was working with India bulls as the Group Executive Head & CEO- Asset Management and other fee income businesses. For more than six years, he was associated with Peerless Asset Management as MD & CEO, wherein he led the initiative to setup a new AMC and made it one of the fastest growing new AMCs in India. He worked with ICICI Prudential Asset Management Company from 2002-2007 as a Business Head and was part of the Senior Management team that made it the largest and most successful AMC at that time. Prior to joining the AMC industry, Mr. Akshay Gupta was a banker, having worked in ABN AMRO Bank and HSBC working in capital markets and assets. He has also written and published thought leadership papers and articles on capital markets and asset management. Prior to joining the AMC industry, Mr. Akshay Gupta was a banker, having worked in ABN AMRO Bank and HSBC working in capital markets and assets. He has also written and published thought leadership papers and articles on capital markets and asset management.

# Our management team



## **Arun Shah**

*Chief Financial Officer*

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



## **Ajay Shah**

*Executive Director, Legal  
and Company Secretary*

Mr. Ajay Shah joined Prime Securities Limited as a Company Secretary and Compliance Officer and is presently the Vice President – Legal & Company Secretary in July 2001. He has experience for more than 21 years in the streams of legal, corporate secretarial compliance. In addition to compliances under corporate laws with a specific impetus on secretarial compliance and corporate governance, he is also responsible for compliances with rules and regulations applicable to stock brokers, portfolio managers and depository activities as well as for drafting legal agreements and contracts, reporting to the management, statutory bodies and stakeholders of Prime Group. He is a qualified Company Secretary affiliated to the Institute of Company Secretaries of India. Before joining Prime, he was associated with the Asian Star Company Limited as Company Secretary.



## **Ganesh Agarwal**

*Managing Director,  
Mergers & Acquisitions /  
Private Equity*

Mr. Ganesh Agarwal, is a Chartered Accountant with almost 17 years' experience in Investment Banking. He has diverse experience across products including private equity, mergers and acquisitions, IPOs, QIPs, valuations and corporate advisory services. He has been associated with several successful transactions across infrastructure, life sciences, financial services, consumer and industrials. Previously, he worked with well-established Investment Banks such as Axis Capital (erstwhile ENAM Securities) and Anand Rathi Advisors.



### **Apurva Doshi**

*Senior Vice President,  
Equity Capital Markets*

Mr. Apurva Doshi joined Prime Securities in 2007. He has over 14 years of experience, principally as an investment banker. His skill lies in financial and business analysis, negotiations, valuation, business planning and financial advisory. Before joining Prime Securities, Apurva worked with CRISIL Research & Information Services Limited, an S&P company, as a research analyst for around two years, tracking the automobile sector. He started his career at Stratcap Securities, as an equity research analyst and tracked the automobile and cement sectors. He has a post graduate diploma in Business Administration (PGDBA) in Finance from Chetana's Institute of Management & Research and Masters in Commerce (M. Com.) from Mumbai University.

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### **Ranen Gandhi**

*Managing Director, Debt  
Capital Markets*

Mr. Ranen Gandhi, is a Certified Financial Planner and has worked in mutual fund, life insurance and stock broking segments over the last 26 years. The significant part of his career has been with ICICI Prudential Mutual Fund, in retail sales & investments. During his last role, he was heading emerging markets and agency. He has also been a part of AMFI sub-committee for Investor Connect. His Life Insurance exposure has been with Star Union Dai-Ichi Life Insurance where he was responsible for retail sales to start with and later moved to managing the P & L of Central Zone.

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### **Rajat Chopra**

*Executive Director,  
Insurance Products*

Mr. Rajat Chopra, is a self-driven, result oriented senior executive with over 21 years of experience in insurance, retirement solutions and investments across BFSI sector. He has held various senior positions and worked for companies like Aviva, MetLife Edelweiss and ICICI Prudential AMC. He has been a part of various committees and represents organisations at various forums like FICCI, CII, Insurance Council, IRDA. He brings with him a successful track record of setting up new businesses with an eye to detail and innovative solutions to drive business efficiency and proven P & L management skills. He was associated with Star Union Dai-Ichi as Vice president where he was heading strategic alliances across the country and Zonal Business Head for North Zone with P & L responsibility in his last role. He has done an MBA and pursued CFA Level 2.

**Rachit Goel**

*Vice President, Equity  
Capital Markets & Early  
Stage Financing*

Mr. Rachit Goel has a multi-sector experience of over 14 years focused towards mergers & acquisitions, corporate restructuring, private equity and capital markets. Earlier, he has worked with HSBC as an Associate Director for more than 8 years as part of their Investment Banking and Equity Capital Markets team. He has done an MBA (Finance) and holds a Bachelors in Commerce (Hons.) from University of Delhi.

**Rahul Tadimalla**

*Executive Director,  
Distribution - Private  
Equity and Venture Capital  
Funds*

Mr. Rahul has over 18 years' work experience, of which the last 11.5 years have been spent as the Founding Partner - RSVP Capital Advisors, a boutique corporate finance advisory firm in Bangalore, where he advised start-ups and SMEs on raising Angel, VC/PE funding & debt syndication and on domestic/ cross-border M&A, largely on the sell-side. He has advised large family businesses on their inorganic growth strategy and start-up investments on the buy-side. He won the '40 under 40 Alternative Investment Professionals in India' Award, 2019 and his pre-investment banking career was spent with Kotak and Birla Wealth Management, ICICI Bank – Bangalore & Singapore, and KPMG. Rahul is an MBA from NUS Business School, Singapore with an exchange program from Melbourne Business School, Australia. During his free time, he plays the keyboard & sings with his Blues-Rock'n'Roll band, and enjoys playing Tennis & TT.



# CORPORATE INFORMATION

## REGISTERED OFFICE

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

## CORPORATE IDENTITY NUMBER

L67120MH1982PLC026724

## ISIN / LISTING OF EQUITY SHARES

ISIN: INEO32B01021  
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

## STATUTORY AUDITORS FOR SUBSIDIARIES

Gandhi & Associates LLP  
Chartered Accountants

## INTERNAL AUDITORS

Mahajan and Aibara LLP  
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](mailto:rnt.helodesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## 40TH ANNUAL GENERAL MEETING

Tuesday, June 13, 2023 at 3:00 p.m.  
at **Victoria Memorial School for the Blind,**  
Tardeo Road, Opp. Film Centre,  
Near Hindustan Petroleum Petrol Pump,  
Mumbai 400034

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **40th Annual General Meeting** of the Members of Prime Securities Limited ("the Company") will be held on **Tuesday, June 13, 2023 at 3:00 p.m.** IST at Victoria Memorial School for the Blind, Tardeo Road, Opp. Film Centre, Near Hindustan Petroleum Petrol Pump, Mumbai 400034 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, 2023 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, 2023 together with the Reports of the Independent Auditors thereon.

#### 2. Declaration of Dividend:

To declare a Dividend of ₹ 0.50 per Equity Shares of ₹ 5/- each for the Financial Year ended March 31, 2023.

#### 3. Re-appointment of Director:

To appoint a Director in place of Mr. Sujit Kumar Varma (DIN: 09075212), 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. Alteration of Articles of Association:

To consider and, if thought fit, to pass, with or without modification(s), the following

resolution as a **Special Resolution**:

**"RESOLVED FURTHER THAT** in accordance with the provisions of Sections 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to alter the existing Article No. 171 of the Article of Association of the Company, relating to indemnity to Directors' and others, be and is hereby replaced with the following new Article 171:

171. Subject to the provisions of the Act, every Director, Manager and other officer or any person (whether officer of the Company or not) employed by the Company, or as an auditor of the Company, subject to the rules of the Company, shall be indemnified by the Company and it shall be the duty of the Board to pay out of the funds of the Company all costs, charges, losses and expenses which may such officer may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Manager, Officer or servant in defending any investigation or proceedings whether civil or criminal. The Director, Manager and other officer may be called upon to refund such amount paid, in case judgment is not given in his favour or in which he is not acquitted or in connection with any application under the Act in which relief is not granted by the Court."

#### Registered Office:

1109/1110, Maker Chambers V,  
Nariman Point, Mumbai 400021  
CIN: L67120MH1982PLC026724  
Email: prime@primesec.com  
Website: www.primesec.com  
Mumbai, April 21, 2023

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

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

## NOTES:

1. Explanatory statement setting out material facts pursuant to the provisions of Section 102(1) of the Companies Act, 2013 in respect of special business set out at item no. 4 of the Notice is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED, STAMPED, SIGNED AND SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, PARTNERSHIP FIRMS, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY AS APPLICABLE, ISSUED ON BEHALF OF THE APPOINTING ORGANISATION. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER. THE PROXY-HOLDER SHALL PROVE HIS IDENTITY AT THE TIME OF ATTENDING THE MEETING. IN CASE OF JOINT HOLDERS ATTENDING THE MEETING, ONLY SUCH JOINT HOLDER WHO IS HIGHER IN THE ORDER OF NAMES WILL BE ENTITLED TO VOTE.

Members / Proxies / Representatives are requested to bring the attendance slip, annexed herewith, for attending the meeting, duly completed and signed mentioning therein details of their DP ID and Client ID / Folio No.

For convenience of Members, route map of the

venue of the AGM is enclosed in this Annual Report.

3. In continuation with the General Circulars No. 20/2020, 02/2022, 10/2022 and 11/2022 dated May 5, 2020, May 5, 2022 and dated 28.12.2022 respectively, issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as "MCA Circulars") and SEBI Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2022/62, SEBI/HO/DDHS/P/CIR/2022/0063 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 13, 2022 and January 5, 2023 respectively, issued by the Securities and Exchange Board of India ("SEBI") (collectively referred to as "SEBI Circulars"), the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended March 31, 2023 pursuant to Section 136 of the Act and the Notice calling the AGM pursuant to Section 101 of the Act read with the Rules framed thereunder, are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent ("RTA") or the Depository Participant(s). 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 relevant 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). The physical copies of such statements and Notice of AGM will be dispatched only to those shareholders who request for the same. Members who are desirous to have a physical copy of the Annual Report should send a request to the Company's e-mail [prime@primesec.com](mailto:prime@primesec.com) clearly mentioning their Folio number / DP and Client ID. Members are requested to register / update their e-mail addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the

Company / RTA by following due procedure.

4. Institutional / Corporate Members (i.e. other than individuals / HUF, NRI, etc.) are requested to send a scanned copy (PDF / JPG Format) of its board or governing body resolution / authorisation etc. authorizing its representatives to attend this AGM on its behalf and to vote through remote e-Voting. The said resolution / authorisation shall be sent by email, from their registered email address to the Scrutinizer by e-mail at saurabhshah361@gmail.com with a copy marked to evoting@nsdl.co.in.
5. 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 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 will remain closed from Wednesday, June 7, 2023 to Tuesday, June 13, 2023 (both days inclusive).
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 Tuesday, June 20, 2023 as under:

- a) To all beneficial owners in respect of equity shares held in dematerialized form as per the data as may be made available by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"), as at the end of the day on Tuesday June 6, 2023; 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 Tuesday June 6, 2023.
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"). 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 Link Intime India Private Limited, the Registrar and Share Transfer Agent ("RTA") the Company, by sending documents by Tuesday, June 6, 2023.

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@primsec.com or rnt.helpdesk@linkintime.co.in by 11.59 p.m. IST on Tuesday, June 6, 2023. 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 Tuesday, June 6, 2023.

10. 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 years from the date of its transfer to the unpaid dividend account of the Company is required to be transferred to Investor Education and Protection Fund ("IEPF") established by the Central Government. Unclaimed dividend for the Financial Year 2020-21 and all subsequent years must be claimed as early as possible failing which it would be transferred to IEPF as per the dates mentioned hereinbelow:

<b>Dividend</b>	<b>Date for transfer to IEPF</b>
Final Dividend 2020-21	On or after September 23, 2028
Final Dividend 2021-22	On or after November 3, 2029

Members are requested to contact RTA of the Company for claiming the dividend for the aforesaid years. The details of the unclaimed dividends are available on the Company's website at [www.primesec.com](http://www.primesec.com) and IEPF authority's website at [www.iepf.gov.in](http://www.iepf.gov.in).

Further, pursuant to the provisions of Section 124 of the Act, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the IEPF authority. The Members whose shares, unclaimed dividend, sale proceeds of fractional shares etc. 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 Authority from time to time. The procedure to claim refund under IEPF Rules and other IEPF related information is also

available on the website of the Company at [www.primesec.com](http://www.primesec.com). 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, including dividend, shall be credited to the account of the IEPF Authority. The voting rights on such shares shall remain frozen until the rightful owner claims the shares. It is in the Members' interest to claim any unclaimed dividend and for future, opt for payment through electronic remittance by registering bank details.

11. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form. 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.
12. SEBI has mandated the updation of PAN, contact, bank account, specimen signature and nomination details against folio / demat account. PAN is also required to be updated for participating in the securities market, deletion of name of deceased holder and transmission / transposition of shares. As per applicable SEBI Circular, PAN details are to be compulsorily linked to Aadhar details, by March 31, 2023 or any other date specified by Central Board of Direct Taxes. Members are requested to submit PAN, contact, Bank account, nomination details and specimen signature (as applicable) to their DP in case of holding in dematerialised form or to the Company's RTA in case of holdings in physical form (through Form ISR-1, Form ISR-2 and Form ISR-3, as applicable) the format of which is available on the website of the Company's RTA,.
13. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, the facility for making nomination is available for the individual Members in respect of the shares

held by them. Members who have not yet registered their nomination or wish to register a fresh nomination, are requested to submit Form No. SH-13 with RTA of the Company. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form No. ISR -3 or Form No. SH-14. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to RTA in case the shares are held in physical form.

14. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP only. Members holding shares in physical form are requested to intimate such changes to the Company RTA (through Form ISR-1, Form ISR-2 and Form ISR-3, as applicable).
15. 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 the Company's RTA along with the share certificates, so as to enable the Company to consolidate their holdings into one folio.
16. 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 from their registered email address to the Company at [www.primesec.com](mailto:www.primesec.com) by mentioning their DP ID & client ID / folio number and mobile number. The same will be replied by the Company suitably.
17. Members who would like to express their views / ask questions as a speaker at the Meeting are requested to pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID / folio number and mobile number at [prime@primesec.com](mailto:prime@primesec.com) seven days in advance of the AGM i.e. by 5.00 pm (IST) on Tuesday, June 6, 2023. Only those Members who have

pre-registered themselves as a speaker, will be allowed to express their views / ask questions during the AGM. Members intending to speak at the AGM would require microphone and speakers / headphone. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

18. 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 from the registered e-mail address to us at this email id.

#### 19. E-voting

##### 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").
- 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, June 10, 2023 at 9.00 a.m. (IST) and ends on Monday, June 12, 2023 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, June 6, 2023, 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 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 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 address in their demat accounts in order to access e-Voting facility.

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

Type of members	Login method
Individual Members holding securities in demat mode with NSDL.	1) Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.
	2) If you are 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> .
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.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 hold 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Type of members	Login method
	<p>4) Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Members holding securities in demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing Myeasi username &amp; password.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</p> <p>3) If the user is not registered for Easi / Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <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 able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Members (holding securities in demat mode) login through their DPs	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</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 Shareholders 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 toll free no. 1800-22-55-33

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

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

- 1) In case shares are held in physical mode please provide folio no., name of Member, scanned copy of the share certificate (front and back), PAN (self-attested), AADHAR (self-attested) by email to [rnt.helpdesk@linkintime.co.in](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 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:**

The Members who have not cast their vote through remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system shall be made available at the Meeting. 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. A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM.

20. 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, June 6, 2023, 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 could 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, June 6, 2023 may follow steps mentioned below under "Access to NSDL e-Voting system".
21. 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.
22. 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.
23. 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, for all those Members who attend / participate in AGM but have not cast their votes by availing the remote e-voting facility.
24. 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.
25. 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. The results shall also be displayed on the notice board of the Company at its registered office.

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

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

### **Item No. 4:**

This special resolution seeks to amend Article No. 171 of the Articles of Association of the Company, concerning the indemnity rights of Directors, Managers, and other officers or individuals employed by the Company. The proposed amendment aims to provide indemnity by the Company for all costs, charges, losses, and expenses incurred or liabilities arising from contracts, acts, or duties performed by such individuals on behalf of the Company.

The revised Article 171 also covers indemnification for liabilities incurred in defending any investigation or legal proceedings, whether civil or

criminal. However, it stipulates that the individual may be required to refund the indemnified amount if the judgment is not in their favor, they are not acquitted, or if relief is not granted by the Court in connection with any application under the Act. It is a good governance practice that a fair claim for any cost incurred by the individual as specified is met with by the Company under the authority granted by this clause.

None of the Directors or any Key Managerial Personnel of the Company or relatives of any of them is, in any way, concerned or interested in this resolution, save and except to the extent they become claimant in future for any such costs.

The Board recommends the special resolution set out at item no. 4 for approval by the Members of the Company.

### **Registered Office:**

1109/1110, Maker Chambers V,  
Nariman Point, Mumbai 400021  
CIN: L67120MH1982PLC026724  
Email: prime@primesec.com  
Website: www.primesec.com  
Mumbai, April 21, 2023

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

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

## Additional Information of Directors seeking Appointment at 40th 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]

<b>Name and Designation of Director</b>	Mr. Sujit Kumar Varma (Non-Executive and Non-Independent Director)
<b>Director Identification Number (DIN)</b>	09075212
<b>Date of Birth</b>	January 6, 1961
<b>Date of Appointment</b>	September 27, 2022
<b>Qualifications</b>	Bachelor of Arts (Hons.) in English - St. Xavier's College, Ranchi  <b>Certifications</b> Certified Associate - Indian Institute of Banking & Finance, Mumbai, Leading Global Businesses - Harvard Business School, Corporate Finance - NYU Stern School of Business, New York, USA, Executive Program for Banking and Financial Sector (EPBFS) - IIM, Ahmedabad, Strategic Leadership - IIM Calcutta
<b>Expertise in Specific Functional Area</b>	Credit, Risk Management, Trade Finance, Compliance, Retail Banking, International Banking
<b>Experience (Brief Profile)</b>	Banker with proven track record of leading diverse business departments and consistently exceeding expectations. Highly experienced in Corporate and Retail Credit, Trade Finance, International Banking, Risk Management and Compliance.
<b>Directorship held in other Companies in India</b>	Uflex Limited Waaree Energies Limited LGT Metro Rail (Hyderabad) Limited TATA Cleantech Capital Limited TATA Asset Management Private Limited Capri Global Asset Reconstruction Private Limited TATA Capital Housing Finance Limited Evyavan Assets Management Limited TATA Pension Management Limited

<p><b>Chairmanships / Memberships of Committees held in other Companies in India</b></p>	<p><b>Chairperson:</b>  Audit Committee - Tata Asset Management Private Limited  Nomination and Remuneration Committee - Tata Asset Management Private Limited  Stakeholders Relationship Committee - Waaree Energies Limited  Lending Committee - Tata Capital Housing Finance Limited  Audit Committee - Tata Capital Housing Finance Limited  Risk Management Committee - LGT Metro Rail (Hyderabad) Limited  Nomination and Remuneration Committee - Tata Cleantech Capital Limited  Risk Management Committee - Tata Cleantech Capital Limited  Information Technology Strategy Committee - Tata Cleantech Capital Limited  Stakeholders Relationship Committee - Tata Cleantech Capital Limited  Audit Committee - Tata Cleantech Capital Limited</p> <p><b>Member:</b>  Risk Management Committee - Waaree Energies Limited  Nomination and Remuneration Committee - Tata Capital Housing Finance Limited  Working Committee - Tata Capital Housing Finance Limited  Information Technology Strategy Committee - Tata Capital Housing Finance Limited  Audit Committee - LGT Metro Rail (Hyderabad) Limited  Investment Credit Committee - Tata Cleantech Capital Limited</p>
<p><b>Relationship with other Directors and Key Managerial Personnel</b></p>	<p><b>None</b></p>
<p><b>Number of Equity shares held in the Company</b></p>	<p><b>Nil</b></p>

## DIRECTORS' REPORT

### Dear Members

The Board of Directors are pleased to present the Company's 40th Annual Report on the business and operations along with the Audited Financial Statements for the Financial Year ended March 31, 2023.

#### FINANCIAL PERFORMANCE

(₹ lakhs)

Particulars	Consolidated		Standalone	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenues from Operations	4,054	4,154	2,404	3,115
Other Income	630	417	469	298
<b>Total Income</b>	<b>4,684</b>	<b>4,571</b>	<b>2,873</b>	<b>3,413</b>
Total Expenses	3,340	2,706	1,962	1,926
<b>Profit before Exceptional Items and Tax</b>	<b>1,344</b>	<b>1,865</b>	<b>911</b>	<b>1,487</b>
Extraordinary Items	173	277	173	277
<b>Profit before Tax</b>	<b>1,517</b>	<b>2,142</b>	<b>1,084</b>	<b>1,764</b>
Tax Expenses	399	444	308	344
<b>Profit after Tax</b>	<b>1,118</b>	<b>1,698</b>	<b>776</b>	<b>1,420</b>
Other Comprehensive Income (Net of Tax)	732	691	738	699
<b>Total Comprehensive Income</b>	<b>1,850</b>	<b>2,389</b>	<b>1,514</b>	<b>2,119</b>

#### OVERVIEW OF COMPANY'S FINANCIAL & OPERATIONAL PERFORMANCE

Consolidated income was ₹ 4,684 lakhs for the Year ended March 31, 2023 compared to ₹ 4,571 lakhs in the previous financial year. Consolidated Profit after Tax including Comprehensive Income for the Year ended March 31, 2023 was ₹ 1,850 lakhs as compared to ₹ 2,389 lakhs during the previous financial year.

Standalone income was ₹ 2,873 lakhs for the Year ended March 31, 2023 compared to ₹ 3,413 lakhs in the previous financial year. Standalone Profit after Tax including Comprehensive Income for the Year ended March 31, 2023 was ₹ 1,514 lakhs compared to ₹ 2,119 lakhs during the previous financial year.

In light of global slowdown, significant tightening of global liquidity and low volumes in capital market, we have recorded healthy revenues and profits. Our diversified advisory services across both debt capital and equity capital enabled us to tide through the funding winter seen by start-up segment. We saw a significant addition to our cash balances, driven by repeat and referral business that signified customer satisfaction. We added a

number of industry-leading names to our client list. Our team remained committed and worked effectively during this period. Customers were attracted by our ability to craft unique solutions through our 'intellectual property' and the strength of our 'network'.

#### New Opportunities

We see the slowdown in fund raising by startups as a healthy correction of frothy valuation in some segment of startup world. This will create opportunities for bargain hunting and availability of quality opportunities at reasonable valuations. Our investment in Startups remained stable, as our thesis ensured investment in quality business with significant growth opportunities and reasonable valuation.

India's growth continues to be resilient despite some signs of moderation in growth, says the World Bank in its latest India Development Update. India GDP growth is expected to be much better vis-à-vis the looming recession threat in the developed economies.

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.

#### **ACQUISITION OF ARTIFICIAL INTELLIGENCE / MACHINE LEARNING-BASED TECHNOLOGY COMPANY IN UNITED KINGDOM**

Pursuant to the authority granted by the Board of Directors on April 13, 2023, the Company entered into an agreement with Bridgeweave Limited ("Bridgeweave"), a UK based an Artificial Intelligence / Machine Learning-based technology company, that has developed a suite of financial products for retail investors. The agreement envisages the acquisition of a majority / 100% ownership in Bridgeweave in a two-step process:

- a) Acquisition of an 8% Equity stake in Bridgeweave, at a pre-money valuation of ₹ 115 Cr, through a primary infusion of INR 10 Cr in two tranches of ₹ 5 Cr each, over a period of 90 days from the date of agreement.
- b) The Company will seek to acquire the balance 92% Equity stake in Bridgeweave, at a floor valuation of ₹ 125 Cr (including ₹10 Cr infused by the Company), through a stock swap, post execution of definitive documentation over the 90 days from the date of agreement. The Company will issue Equity Shares to Members of Bridgeweave UK for the balance 92% Equity stake at a floor valuation of ₹ 130/- per Equity Share.

The acquisition is subject to execution of definitive documentation, regulatory / statutory approvals as may be required under applicable laws, including the approval of Members of the Company for issuance of Equity Shares.

#### **DIVIDEND AND RESERVES**

The Board of Directors recommend a dividend of ₹ 0.50 per Equity Share of face value of ₹ 5/- each for the Financial Year 2022-23, subject to the approval of the Members at the 40th Annual General Meeting. In the previous year, the Company had declared dividend of ₹ 2.25 per Equity Share.

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

#### **EQUITY SHARE CAPITAL**

Paid-up Equity Share Capital of the Company as of March 31, 2023 was ₹ 1,618 lakhs. The outstanding Equity Shares were 3,23,57,225 Equity Shares of face value of ₹ 5/- each.

During the year under review, 11,81,400 Equity Shares were allotted to the eligible Employees / Directors of the Company / Subsidiaries pursuant to exercise of Options granted under Employee Stock Option Scheme 2018.

#### **UTILISATION OF PROCEEDS OF PREFERENTIAL ISSUE OF EQUITY SHARES**

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

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Members of the Company, at their 39th Annual General Meeting held on September 27, 2022, appointed Mr. Ashok Kacker (DIN: 01647408) and Mr. Sujit Kumar Varma (DIN: 09075212) as Non-Executive & Non-Independent Directors, pursuant to the notice received under Section 160 of the Companies Act, 2013.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on March 22, 2023 approved the change in designation of Mr. Akshay Gupta (DIN: 01272080) from Non-Executive and Non-Independent Director to Whole-time Director of the Company, for a term of Five Years effective March 22, 2023.

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.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sujit Kumar Varma, Non-Executive & Non-Independent Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Appropriate resolution for re-appointment of Mr. Sujit Kumar Varma, 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.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Arun Shah as a Chief Financial Officer of the Company with effect from March 22, 2023, to fill up the vacancy caused by the untimely demise of erstwhile Chief Financial Officer, Mr. S. R. Sharma on September 23, 2022.

Mr. N. Jayakumar, Managing Director and Group CEO, Mr. Akshay Gupta, Whole-time Director, Mr. Arun Shah, 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) 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, 2023 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 ₹ 4,684 lakhs compared to ₹ 4,571 lakhs in the previous year, which comprises Investment Banking and Advisory Fees of ₹ 2,404 lakhs, Restructuring Advisory Fees of ₹ 1,650 lakhs, Gain on Sale of Investment of ₹ 117 lakhs, Income from Dividend, Interest and Other Income of ₹ 513 lakhs. Consolidated Net Profit after Tax including Comprehensive Income for the Year under review was ₹ 1,850 lakhs as compared to ₹ 2,389 lakhs in the previous year.

### **SUBSIDIARY COMPANIES / JOINT VENTURES**

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the Audited Financial Statements of the Subsidiaries / Associate Companies for the year ended March 31, 2023 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 Members seeking such information at any point of time.

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

#### **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 ₹ 1,820 lakhs as compared to ₹ 1,169 lakhs in the previous year. This includes Advisory Fees of ₹ 1,650 lakhs, Income from Dividend, Interest & Other Income of ₹ 157 lakhs and Gain on Sale of Investment of ₹ 13 lakhs. During the year, PRAL earned Net Profit after Tax including Comprehensive Income of ₹ 336 lakhs as compared to ₹ 270 lakhs in the previous year.

#### Prime Funds Management Limited

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

The Company has not entered into any joint ventures.

#### ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return of the Company is uploaded on the website of the Company ([www.primesec.com](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, 2023. 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, 2023, 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, 2023 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 Financial Year 2022-23 forms part of this Annual Report and does not contain any qualification, reservation, adverse remark or disclaimer.

### **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Board of Directors has appointed M/s. Pramod Shah & Associates, Company Secretaries (C.P. No. 3804), to undertake the Secretarial Audit for the year ended March 31, 2023. 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 23,43,100 Options are outstanding as at March 31, 2023.

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

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

The Company adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual

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

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

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

During the year under review, the Company's earnings of foreign exchange of USD 25,073 and expenditure of foreign exchange were USD 56,450.

#### **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 2023-24 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) Equity Shares (including Sweat Equity Shares) were allotted to employees of the Company under Employee Stock Option Scheme 2018.
- (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.

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**For and on behalf of the Board of Directors**

Mumbai  
April 21, 2023

**Pradip Dubhashi**  
Chairman

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

## Annexure 1 to Director's Report

## MANAGEMENT DISCUSSION AND ANALYSIS

**A) 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 of India ("IRDAI").

**2022-23: A period of tightening of Global Liquidity**

The crisis created by Covid 19 pandemic, during FY 2021 and FY 2022 necessitated a broad array of actions by central banks across the world to keep credit flowing and limit the economic damage from the pandemic. As we entered FY 23 the effects of pandemic started waning and the world gradually unlocked, resulting in an extraordinary surge in demand for goods and services. This along with high liquidity in the system increased the inflationary pressure. The continuing war in Ukraine further exacerbated the situation and created supply-chain disruptions. In fact, US saw a 41 Year high inflation at 9.10% in June 2022.

To control inflation US Fed started hiking interest rates from March 2022 and the same has increased from near zero rate to 5% March 2023. Other Central Banks followed suit and RBI also started raising rates from April 2022 and has announced a pause in April 2023. Apart from raising rates, there was withdrawal of accommodative monetary policy globally.

**Funding Winter**

Capital flows in Indian equity market slowdown substantially. Fundraising by Indian companies through IPO more than halves to ₹ 52,116 crore in FY 2023 from record high in FY 2022. Similarly fund raise through qualified institutional placements (QIP) plunged to an 11-year low in FY23 to INR 7619 cr. from INR 28,532 cr. in FY 2022. Private Equity and VC Funding averaged around USD 2 bn in 2022 compared to USD 3 Bn in 2021 and in January 2023 it touched 63 months low of USD 630

mn.

Performance of Indian Equity market remained flat with Nifty down by 0.60% and BSE Sensex up by 0.72% during the CY 23. Foreign Institutional Investors pulled out INR 28,222 cr. and domestic institution pumped in nearly 2.5 lakh cr.

Retail investors continued its' increasing participation in stock market, as evidenced by addition of 2.5 cr. demat account in FY 23, taking the total demat accounts to 11.5 cr. in March 2023. SEBI came out with regulation which reduced the settlement cycle and also announced ASBA like mechanism for secondary market trades. These measures are expected to further boost to retail participation in capital markets. However, the stockbrokers will have lower earnings from float and they will have to look at further value added products to shore up their margins.

**Opportunities**

India's growth continues to be resilient despite some signs of moderation in growth, says the World Bank in its latest India Development Update. The Update notes that although significant challenges remain in the global environment, India was one of the fastest growing economies in the world. We believe that we are at the fag end of liquidity tightening cycle and inflation also appears to have peaked out. This environment will be more conducive for deal closures especially on fund raising side.

We have a very robust deal flow and pipeline and expect closure rate to be better, provided the environment remains conducive. 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.

We have made strategic investment in / acquisition of an Artificial Intelligence /



Machine Learning powered company in the area of financial products. This is expected to provide a significant transformation of business and scale through cutting edge AI/ML products in financial services space. The company will make an entry into retail space without the infrastructure costs, typically associated with retail business, as it will be a technology driven B2B2C model. The revenue from this vertical will be more granular and stable will complement the advisory business which is more lumpy.

#### Threats

While we are confident of our deal flow pipeline and growth from new business initiatives. We are also mindful of the looming recession threat globally and volatile geopolitical situation. In case of any precipitation on these fronts, there could be a deterioration of economic environment. Events like the banking debacle Credit Suisse and failure of Silicon Valley Bank could also be sentiment dampener.

#### B) RISKS AND CONCERNS

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. With increased mobility due to waning of covid pandemic we see more opportunities on expanding our business and 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.

#### C) 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 hybrid model of work from office and home. All transactions are done on a dual control basis that assures greater safety for 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.

#### D) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Consolidated Revenues of the Company were ₹ 4,684 lakhs for the financial year under review as against previous year ₹ 4,571 lakhs. Consolidated Profit after Tax including Comprehensive Income was at ₹ 1,850 lakhs as compared to ₹ 2,389 lakhs. Operating profit margins was 23.98% as against 38.66% for the previous year. At the same time, cash and cash equivalents, including investments having maturities in excess of three months, have increased from ₹ 11,043 lakhs to ₹ 11,287 lakhs, reflecting an improved operational performance.

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

We advised over 14 start-ups for fund raising, These represent new age businesses like electric vehicles (EV) and new consumer segments like gaming. In many of these assignments we have negotiated to receive our fees in shares of the company. Being start-ups, they don't have the ability to pay high fees and these investments have the potential to deliver very high returns in future.

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

#### OVERVIEW OF OPERATIONS

Despite the limitations placed on us by the pandemic, we had a year of robust revenues but more importantly a strong flow of deals that sets us up well for FY 2022-23. As with the previous year, it was driven by repeat and

referral business signifying a high level of customer satisfaction. We have been noticed for our ideation, our “Intellectual Property”- the ability to ideate and craft unique solutions, coupled with our “Network” that has underpinned our execution capabilities and drives robust deal flow. We will make additions to our team opportunistically, our current team very capably servicing our customer base. As a pure fee based, knowledge driven firm, we remain ideally placed to be a one- stop source

of solutions for our customers, and this is underscored by our deal flow.

**E) 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.

**F) DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR**

Particulars	F.Y. 2022-23	F.Y. 2021-22
Debtors Turnover (Excl. Unbilled)	87.34	39.77
Debtors Turnover (Incl. Unbilled)	171.84	65.87
Inventory Turnover	N.A.	N.A.
Interest Coverage Ratio	19.43	145.39
Current Ratio (Incl. Equity Instrument)	10.08	3.50
Current Ratio (Excl. Equity Instrument)	4.89	1.98
Debt Equity Ratio	0.00	0.05
Operating Profit Margin (%)	23.98%	38.66%
Net Profit Margin (%)	27.57%	40.89%

**G) DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF**

In the current financial year, it has been observed that the Return on Net Worth (RoNW) has reduced from 20.14% to 9.38%. RoNW is a profitability indicator that measures the returns generated by a company on its shareholders’ equity. The decrease in RoNW is primarily due to decrease in Company’s profitability owing to following factors:

- Increased payment to intermediaries for enhanced business
- Increased legal, professional fees and travelling expenses

- Unrealised loss on financial instruments on fair value changes

**CAUTIONARY STATEMENT**

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

**For and on behalf of the Board of Directors**

Mumbai  
April 21, 2023

**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 and 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") is composed of seven members, including three Non-Executive and Independent Directors ("NED-I"), two Non-Executive and Non-Independent Directors ("NED"), and two Executive Directors ("ED"). This composition meets the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Chairperson is a Non-Executive and Independent Director, who has no relation to the Managing Director or CEO. Furthermore, two of the three Non-Executive and Independent Directors are women, promoting gender diversity on the board.

Non-Executive and Independent Directors and Executive Directors are appointed for a

term of up to five years and are not required to retire by rotation every year. Non-Executive and Non-Independent Directors are subject to retirement by rotation at the Company's Annual General Meeting ("AGM").

Mr. Pradip Dubhashi was appointed as a Non-Executive and Independent Director, by the shareholders at the 37th AGM, for a second term commencing from February 29, 2020 until the conclusion of the 40th AGM. Mr. N. Jayakumar was appointed as the Managing Director and Group CEO, by the shareholders at the 37th AGM, for a term of five years commencing from February 11, 2021 to February 10, 2026. Ms. Namrata Kaul and Ms. Smita Affinwalla were appointed as Independent Directors, by the shareholders at the 36th AGM, for a first term of five consecutive years commencing from February 14, 2019 to February 13, 2024. Mr. Ashok Kacker and Mr. Sujit Kumar Varma were appointed as Non-Executive and Non-Independent Directors, by the shareholders at the 39th AGM, pursuant to the provisions of Section 160 of the Companies Act, 2013. Mr. Akshay Gupta, who was appointed as a Non-Executive and Non-Independent Director, by the shareholders at the 37th AGM, was re-designated as Whole-time Director by the Board of Directors, effective March 22, 2023.

During the period under review, there was no inter-se relationship among the Directors of the company. None of the Directors are related to each other within the meaning of the term "Relative" under 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, 2023:

Director Name (DIN)	Category (\$)	Board Meetings during 2022-23		Attendance at last Annual General Meeting held on September 27, 2022	Other Directorships in India (@)	Committee positions in Other Companies in India (**)	
		Held	Attended	Meeting held on September 27, 2022		Member	Chairman
Mr. Pradip Dubhashi (01445030)	NED-I	6	6	Yes	5	3	1
Mr. N. Jayakumar (00046048)	MD	6	6	Yes	4	Nil	Nil

Director Name (DIN)	Category (\$)	Board Meetings during 2022-23		Attendance at last Annual General Meeting held on September 27, 2022	Other Directorships in India (@)	Committee positions in Other Companies in India (**)	
		Held	Attended			Member	Chairman
Ms. Namrata Kaul (00994532)	NED-I	6	5	Yes	10	2	3
Ms. Smita Affinwalla (07106628)	NED-I	6	6	Yes	4	2	Nil
Mr. Ashok Kacker (01647408) **	NED	4	4	Yes	10	1	1
Mr. Sujit Kumar Varma (09075212) **	NED	4	4	Yes	9	1	4
Mr. Akshay Gupta (01272080) #	WTD	6	4	Yes	2	Nil	Nil

\$ NED-I means Non-Executive and Independent Director, NED means Non-Executive and Non-Independent Director, WTD means Whole-time Director, MD means Managing Director and Group CEO.

# Designation changed from Non-Executive and Non-Independent Director to Whole-time Director on March 22, 2023.

\*\* Appointed as Non-Executive and Non-Independent Director on September 27, 2022.

@ 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.

In accordance with the regulatory requirements, it is confirmed that none of the Directors hold directorships in more than seven listed companies or serve as an Independent Director in more than seven listed companies. Furthermore, no Director is a member of more than ten Committees or serves as the Chairperson of more than five Committees across all the listed companies in which they hold directorships.

The Managing Director and Group CEO do not serve as an Independent Director in more than three listed entities. All Independent Directors have met the eligibility criteria as per Regulation 25(1) of the SEBI Listing Regulations. In addition, all Directors have provided the necessary disclosures regarding their Directorship and Committee Membership / Chairmanship in other companies.

The Company greatly benefits from the presence of Independent Directors who come from varied backgrounds and possess a wealth of knowledge, experience, and expertise in their respective fields. Their diverse perspectives contribute significantly to the Company's growth, strategic decision-making, and overall governance. The Independent Directors have duly submitted the necessary declarations as per the requirements of the Companies Act, 2013 and SEBI Listing Regulations, confirming their adherence to the criteria of independence. The Board has carefully reviewed and considered these declarations, ensuring that all Independent Directors exhibit the required level of independence from the Company's management.

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

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

Director	Other Directorships and Category of Directorship	Chairpersonship / Membership of Committees in Other Companies
	<p>e) Vivriti Asset Management Private Limited (Director)  f) Fusion Micro Finance Private Limited (Director)  g) Padup Ventures Services Limited (Individual Partner)  h) Care India Solutions for Sustainable Development (Director)  i) Healthium Medtech Limited (Director)</p>	<p>f) Nomination and Remuneration Committee of Vivriti Capital Private Limited  g) Stakeholder Relationship Committee of Vivriti Capital Private Limited  h) Audit Committee of Healthium Medtech Limited  i) Nomination and Remuneration Committee of Healthium Medtech Limited  j) Nomination and Remuneration Committee of Fusion Micro Finance Private Limited</p>
<p>Ms. Smita Affinwalla</p>	<p>Listed Companies:  None  Other Companies:  a) HDB Financial Services Limited (Director)  b) Micro Units Development and Refinance Agency Limited (Director)  c) Avameh Consulting Private Limited (Director)  d) Illuminos Consulting Private Limited (Director)</p>	<p>Chairperson:  None  Member:  a) Information Technology Strategy Committee of HDB Financial Services Limited  b) Corporate Social Responsibilities and ESG Committee of HDB Financial Services Limited  c) Audit Committee of HDB Financial Services Limited  d) Audit Committee of b)Micro Units Development and Refinance Agency Limited  e) Nomination Remuneration Committee of Micro Units Development and Refinance Agency Limited  f) Executive Committee of Micro Units Development and Refinance Agency Limited  g) Corporate Social Responsibilities Committee of Micro Units Development and Refinance Agency Limited</p>
<p>Mr. Ashok Kacker**</p>	<p>Listed Companies:  a) MAX India Limited (Director)  Other Companies:  a) Delhi Gust House Private Limited (Director)  b) Golden Green Golf and Resort Limited (Director)  c) Leap India Food and Logistics Private Limited (Director)  d) Samco Asset Management Private Limited (Director)  e) Salins Commodities Private Limited (Director)  f) Prime Research and Advisory Limited (Director)  g) BAS Enterprises Private Limited (Director)  h) INB Services Private Limited (Director)</p>	<p>Chairperson:  a) Audit Committee of MAX India Limited  Member:  a) Nomination and Remuneration Committee of MAX India Limited  b) Stakeholders Relationship Committee of MAX India Limited</p>

Director	Other Directorships and Category of Directorship	Chairpersonship / Membership of Committees in Other Companies
<p>Mr. Sujit Kumar Varma**</p>	<p>i) Max Ventures Investment Holdings Private Limited (Director) j) K Sera Sera Aryaveer Entertainment LLP (Body Corporate DP Nominee)</p> <p>Listed Companies: a) UFLEX Limited (Additional Director)</p> <p>Other Companies: a) Waaree Energies Limited (Director) b) LGT Metro Rail (Hyderabad) Limited (Director) c) TATA Cleantech Capital Limited (Director) d) TATA Asset Management Private Limited (Director) e) Capri Global Asset Reconstruction Private Limited (Director) f) TATA Capital Housing Finance Limited (Director) g) Ewayan Assets Management Limited (Director) h) TATA Pension Management Limited (Director)</p>	<p>Chairperson: a) Audit Committee of TATA Asset Management Private Limited b) Nomination and Remuneration Committee of TATA Asset Management Private Limited c) Stakeholders Relationship Committee of Waaree Energies Limited d) Lending Committee of TATA Capital Housing Finance Limited e) Audit Committee of TATA Capital Housing Finance Limited f) Risk Management Committee of LGT Metro Rail (Hyderabad) Limited g) Nomination and Remuneration Committee of TATA Cleantech Capital Limited h) Risk Management Committee of TATA Cleantech Capital Limited i) Information Technology Strategy Committee of TATA Cleantech Capital Limited j) Stakeholders Relationship Committee of TATA Cleantech Capital Limited k) Audit Committee of TATA Cleantech Capital Limited</p> <p>Member: a) Risk Management Committee of Waaree Energies Limited b) Nomination and Remuneration Committee of TATA Capital Housing Finance Limited c) Working Committee of TATA Capital Housing Finance Limited d) Information Technology Strategy Committee of TATA Capital Housing Finance Limited e) Audit Committee of LGT Metro Rail (Hyderabad) Limited f) Investment Credit Committee of TATA Cleantech Capital Limited</p>
<p>Mr. Akshay Gupta</p>	<p>Listed Companies: None</p> <p>Other Companies: a) Prime Research and Advisory Limited (Director and CEO) b) Prime Funds Management Limited (Director)</p>	<p>Chairperson: None</p> <p>Member: None</p>

# Designation changed from Non-Executive and Non-Independent Director to Whole-time Director on March 22, 2023.

\*\* Appointed as Non-Executive and Non-Independent Director on September 27, 2022.

**Board's Core Skills / Expertise / Competencies:**

The Board consists of diverse and highly qualified individuals with expertise in business, governance, accounting and human resources. They possess the necessary knowledge, skills, experience, and independence to contribute effectively. A table below details the specific skills, expertise and competencies of each Director:

Director & Designation	Areas of skills / expertise / competencies		
	Business	Governance / Accounting	Human Resources
Mr. Pradip Dubhashi, Chairperson and Independent Director	√	√	
Mr. N. Jayakumar, Managing Director and Group CEO	√	√	√
Ms. Namrata Kaul, Independent Director	√	√	
Ms. Smita Affinwalla, Independent Director	√	√	√
Mr. Ashok Kacker, Non-Executive and Non-Independent Director**	√	√	
Mr. Sujit Kumar Varma, Non-Executive and Non-Independent Director**	√	√	
Mr. Akshay Gupta, Whole-time Director #	√	√	√

# Designation changed from Non-Executive and Non-Independent Director to Whole-time Director on March 22, 2023.

\*\* Appointed as Non-Executive and Non-Independent Director on September 27, 2022.

**Board Meetings:**

During the Financial Year 2022-23, the company effectively conducted six Board Meetings while maintaining an appropriate gap of not more than 120 days between each meeting. These meetings were held on May 24, 2022, August 12, 2022, November 9, 2022, December 10, 2022, January 31, 2023, and March 22, 2023. All the necessary requirements for the meeting, such as quorum, which is the higher of one-third of the total board strength or 3 directors, including at least one Independent Director, were met. In addition, the company adhered to the Secretarial Standards on Board Meetings (SS-1) prescribed by the Institute of Company Secretaries of India ("ICSI") and approved by the Central Government. To facilitate effective decision-making and ensure that board members can fulfil their responsibilities, detailed agenda papers containing essential information and documents were provided to Board and Committee members well in advance. If it was not feasible to submit relevant information as part of the agenda papers, it was presented during the meeting or through presentations made by concerned personnel, ensuring compliance with legal requirements. Directors invested considerable

time in discussing and deliberating various matters during Board and Committee Meetings. Regular updates, as specified in Part A of Schedule II of the SEBI Listing Regulations, were made available to the Board for discussion and consideration when necessary. The Board also periodically reviewed compliance reports relating to all applicable laws and regulations and took appropriate measures to address any instances of non-compliance.

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

None of the Non-Executive and Independent Directors hold any equity shares or convertible instruments in the company. This ensures that their decision-making remains unbiased and objective, as they do not have any direct financial interest in the organization. Moreover, it helps maintain a clear separation between the management of the company and the independent oversight provided by the Non-Executive and Independent Directors, in line with good corporate governance practices.

**Familiarization Programme for Directors:**

The company has implemented a comprehensive Familiarization Programme



for Directors. This ensures that Directors have a thorough understanding of the company's operations, policies, and regulations, enabling them to make informed decisions when acting on the company's behalf. The Familiarization Programme begins with the appointment of a new Director, when a formal letter outlining their expected roles, functions, duties, and responsibilities is provided. Directors are also given detailed information on the necessary compliance measures and legal requirements under applicable laws and regulations. Furthermore, the Managing Director engages with Independent Directors to keep them abreast of the company's operations and any significant updates. As part of the Board and Committee Meetings' agenda, the company prepares detailed presentations on various aspects of its operations and those of its subsidiaries. This enables the Directors to gain a deeper understanding of the organization's performance and industry trends, which is critical to effective decision-making. Details of the program can be found on the company's website ([www.primesec.com](http://www.primesec.com)).

### 3. Committees of Directors:

#### a) Audit Committee:

##### Terms of Reference:

The Audit Committee is empowered to handle matters in accordance with Regulation 18(3), read with Part C of Schedule II of SEBI Listing Regulations and Section 177 of the Companies Act, 2013. Its terms of reference are briefly outlined 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.

#### Composition & Meetings:

As of the year ended March 31, 2023, Audit Committee comprises of Three Members, all of which are Non-Executive & Independent Directors. All Members are financially literate and having accounting and related financial management expertise.

During the Financial Year 2021-22, the Members of Audit Committee met 4 (Four) times on June 24, 2021, July 22, 2021, November 9, 2021 and January 28, 2022. The gap between two Audit Committee Meetings did not exceed the prescribed limit and all the Audit Committee Meeting had necessary quorum, being higher of 2 (Two) Members or one-third of total strength. The details of composition and attendance of each Member at the Audit Committee Meeting is given below: As of March 31, 2023, the Audit Committee consisted of three non-executive and independent Directors. All Members are financially literate and having accounting and related financial management expertise.

During the year under review, the

Members met 5 (Five) times on May 24, 2022, August 12, 2022, October 28, 2022, November 9, 2022 and January 31, 2023. The gap between two Audit Committee Meetings did not exceed the prescribed

limit and all the Meetings had necessary quorum, being higher of 2 (Two) Members or one-third of total strength. The details of composition and attendance of each Member is given below:

Name	Category	Designation	No. of Meetings Attended	
			Held	Attended
Mr. Pradip Dubhashi	NED-I	Chairperson	5	5
Ms. Namrata Kaul	NED-I	Member	5	5
Ms. Smita Affinwalla	NED-I	Member	5	5

The Committee invites the Managing Director of the Company, Internal and 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 27, 2022.

**Internal Auditors:**

The Company has appointed M/s. Mahajan and Aibara LLP, 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, 2023, the Nomination and Remuneration Committee consisted of three non-executive and independent directors.

During the year under review, the Members met 3 (Three) times on May 20, 2022, October 27, 2022 and March 11, 2023. All the meetings 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 is given below:

Name	Category	Designation	No. of Meetings Attended	
			Held	Attended
Ms. Namrata Kaul	NED-I	Member	3	3
Ms. Smita Affinwalla	NED-I	Chairperson	3	3
Mr. Pradip Dubhashi	NED-I	Member	3	3

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 27, 2022.

**Remuneration Policy:**

The Remuneration Policy of the Company is performance driven and is structured to motivate employees by rewarding their performance, recognizing their merits and 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 Directors are paid Sitting Fees for attending Board and Committee Meetings and also Commission within the ceiling of 1% per annum of the Net Profits of the Company (computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and the Rules framed thereunder from time to time), as approved by the Members of the Company at their 38th AGM held on August 17, 2021.

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

**Remuneration paid to Directors:**

Name	Salary & Perquisites (#) (₹ lakh)	Commission (*) (₹ lakh)	Sitting Fees (₹ lakh)	Stock Options (Numbers Lakhs)
Mr. Pradip Dubhashi	Nil	6.50	19.40	Nil
Mr. N. Jayakumar (\$)	475.91	Nil	Nil	Nil
Ms. Namrata Kaul	Nil	1.70	16.20	Nil
Ms. Smita Affinwalla	Nil	6.50	18.00	Nil
Mr. Akshay Gupta (\$)	Nil	Nil	Nil	9,70,000
Mr. Ashok Kacker	Nil	Nil	4.00	Nil
Mr. Sujit Kumar Varma	Nil	Nil	4.00	Nil

# Includes performance bonus for FY 2021-22, paid in FY 2022-23.

\* Commission for FY 2021-22, paid in FY 2022-23.

\$ 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 are 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, 2023, Mr. N. Jayakumar, Managing Director and Group CEO, along with persons acting in concert with him, is holding 56,82,480 Equity Shares of the Company representing 17.56% of the total Shareholding of the Company, Mr. Akshay Gupta, Whole-time Director is holding 6,28,138 Equity Shares of the Company representing 1.94% of the total Shareholding of the Company,

None of the Non-executive and 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 March 31, 2023, the Stakeholders Relationship Committee consisted of three non-executive and independent directors.

During the year under review, the Members met 1 (One) time on March 11, 2023. The details of composition and attendance of each member is given below:

Name	Category	Designation	No. of Meetings Attended	
			Held	Attended
Ms. Smita Affinwalla	NED-I	Chairperson	1	1
Ms. Namrata Kaul	NED-I	Member	1	1
Mr. Pradip Dubhashi	NED-I	Member	1	1

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 27, 2022 to answer queries of the security holders. Mr. Ajay Shah, Sr. Vice President, Legal and 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	54	54
KYC Updation	161	161
Dividend Related	84	84
Change of Address	105	105
Share Certificate Related	44	44
Correction of Data	31	31
Demat / Remat	15	15
Registration of Nominee	15	15
Stop Transfer Related	140	140
Confirmations	10	10
<b>Total</b>	<b>659</b>	<b>659</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 March 31, 2023, the Corporate Social Responsibility Committee consisted of 3 (Three) Members, out of which 2 (Two) Members including the Chairperson are Non-Executive and Independent Directors and 1 (One) Member is Executive Director.

During the year under review, the Members met 1 (One) time on March 11, 2023. The details of composition and attendance of each member 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

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 March 31, 2023, the Risk Management Committee consisted of 4 (Four) Members, of which 2 (Two) Members including the Chairperson are Non-Executive and

Independent Directors, 1 (One) Member is Non-Executive and Independent Director and 1 (One) Member is a Chief Financial Officer.

During the year under review, no Risk Management Committee meeting were held.

The Company Secretary acts as the Secretary to the Risk Management Committee Meeting. The Chairperson of the Risk Management Committee was present at the last Annual General Meeting held on September 27, 2022 to answer queries of the security holders.

#### 4. Meeting of Independent Directors:

The Independent Directors on the Board of Directors of Company met 7 (Seven) times on August 20, 2022, August 25, 2022, September 12, 2022, September 13, 2022, September

14, 2022, September 15, 2022 and March 11, 2023 inter-alia for the following:

- Review the performance of the Non-Independent Director and the Board of Directors as a whole.
- Review the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors.
- 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.

The details of composition and attendance of each Member at the Independent Directors Meeting is given below:

Name	Category	Designation	No. of Meetings Attended	
			Held	Attended
Mr. Pradip Dubhashi	NED-I	Member	7	7
Ms. Smita Cawas Affinwalla	NED-I	Member	7	7
Ms. Namrata Kaul	NED-I	Member	7	7

#### 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 and Group CEO and Mr. Arun Shah, 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
2021-2022	September 27, 2022	Two-way Video Conferencing and Other Audio- Visual Means from Registered Office	3.30 p.m.
2020-2021	August 17, 2021	Two-way Video Conferencing and Other Audio- Visual Means from Registered Office	3.30 p.m.
2019-2020	September 22, 2020	Victoria Memorial School for the Blind, Mumbai 400034	11.00 a.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 39th Annual General Meeting held on September 27, 2022:

- i) Remuneration to Non-Executive and Independent Directors The following Special Resolutions were passed at the 37th Annual General Meeting held on September 22, 2020:

The following Special Resolutions were passed at the 38th Annual General Meeting held on August 17, 2021:

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

The following Special Resolutions were passed at the 37th Annual General Meeting held on September 22, 2020:

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

**(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:**

Special Resolutions for (1) Change in the objects clause for the utilization of funds raised in the preferential issue of Equity Shares in November 2021 and (ii) Change in designation of Mr. Akshay Gupta (DIN: 01272080) from Non-Executive and Non-Independent Director to Whole-time Director of the Company, are proposed to be passed through the 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 were no materially significant related party transaction entered into during the year under review 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 year, the stock exchanges communicated the imposition of the penalty for the delay in appointment of Director in compliance with the Regulation 17(1) of SEBI Listing Regulation. The Company has applied to the stock exchanges for the waiver of the penalty and the matter is pending with the stock exchanges for the appropriate decision.

**(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):**

The funds raised through the preferential allotment of equity shares in November

2021 are kept in the fixed deposits pending utilisation in terms of the objects of the issue. The Board of Directors at their Meeting held on March 22, 2023 have approved the alteration in the end use for the funds raised in the preferential issue, subject to approval of the shareholders.

**(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, 2023 is given below. No payments have been made to any network firms / network entities, of which the statutory auditor is a part.

(₹ Lakhs)

Particulars	Company	Subsidiaries	Total
Statutory Audit fees	13.00	2.50	15.50
Other services	21.00	0.90	21.90
Reimbursement of expenses	0.43	Nil	0.43

**(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 and 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 and Share Transfer Agents have already sent three reminders to those shareholders whose share certificates were returned undelivered and remain unclaimed so far, for transfer of the said unclaimed shares to one folio in the name of "Prime Securities Limited - Unclaimed

Suspense Account", and the freezing of the voting rights thereon till the shares are claimed by the rightful owners. Details are given below:

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

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

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

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

**11. Means of Communication:**

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

**12. General Shareholder Information:**

* AGM Date, Time and Venue	Tuesday, June 13, 2023 at 3:00 p.m. at Victoria Memorial School for the Blind, Tardeo Road, Opp. Film Centre, Near Hindustan Petroleum Petrol Pump, Mumbai 400034
* Financial Year and Indicative Calendar	<p>Financial Year – April 1, 2023 to March 31, 2024</p> <p>i) First Quarter ending June 30, 2023 – on or before August 14, 2023</p> <p>ii) Second Quarter and Half-year ending September 30, 2023 – on or before November 14, 2023</p> <p>iii) Third Quarter and Nine Months ended December 31, 2023 – on or before February 14, 2024</p> <p>iv) Fourth Quarter and Year ended March 31, 2024 □ during April 2024 to May 2024</p>

• Date of Book Closure	Wednesday, June 7, 2023 to Tuesday, June 13, 2023 (both days inclusive)
• Dividend payment date	On or after Tuesday, June 20, 2023
• 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 2023-2024
• 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 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	96.28% of the total shareholding has been dematerialized as on March 31, 2023

* Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact of equity	None except 23,43,100 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:

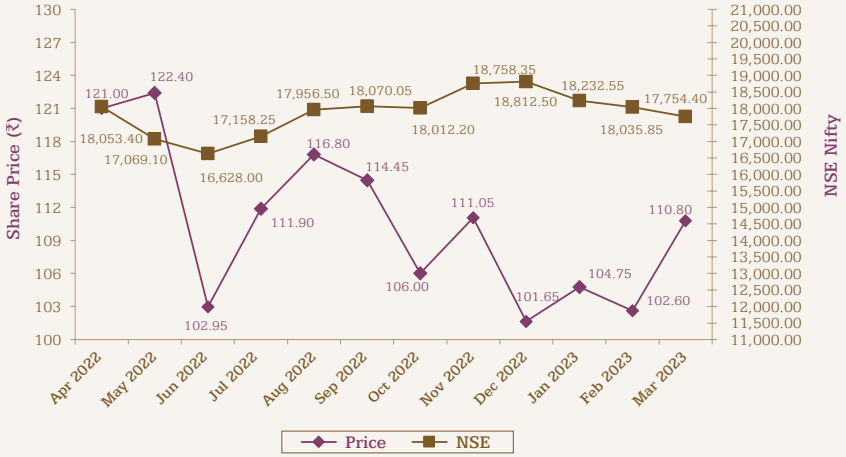
The Company has appointed M/s. Mahajan and Aibara LLP, Chartered Accountant, as an Internal Auditor pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The Internal Audit plan is approved by the Audit Committee and the Internal Auditor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

### Annexure I to Report on Corporate Governance

#### Market Price Data: High / Low from April 2022 to March 2023

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr-22	121.40	96.05	53,063	121.00	95.90	6,49,807
May-22	121.55	92.25	1,55,836	122.40	92.25	10,88,790
Jun-22	102.25	92.95	1,73,639	102.95	91.75	7,92,457
Jul-22	111.30	95.55	76,169	111.90	95.90	7,99,065
Aug-22	117.45	104.15	52,719	116.80	104.90	16,29,637
Sep-22	115.90	98.45	1,81,585	114.45	98.15	8,67,619
Oct-22	106.10	97.60	17,873	106.00	98.15	9,22,099
Nov-22	111.65	97.85	46,286	111.05	98.40	11,78,498
Dec-22	101.75	98.20	45,054	101.65	98.90	17,07,559
Jan-23	104.45	97.65	1,44,786	104.75	97.55	13,72,690
Feb-23	101.80	97.55	36,453	102.60	97.10	7,84,400
Mar-23	109.82	97.28	46,152	110.80	98.35	18,75,460

**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, 2023)**

Number of Equity Shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares Held	Percentage of Shareholdings
Upto 500	17,305	92.31	20,98,456	6.4853
501 – 1,000	619	3.30	5,13,036	1.5855
1,001 – 2,000	293	1.56	4,53,297	1.4009
2,001 – 3,000	113	0.60	2,88,902	0.8929
3,001 – 4,000	60	0.32	2,15,776	0.6669
4,001 – 5,000	73	0.39	3,44,708	1.0653
5,001 – 10,000	115	0.61	8,89,304	2.7484
Above 10,000	171	0.91	2,75,53,746	85.1548
<b>Total</b>	<b>18,749</b>	<b>100.00</b>	<b>3,23,57,225</b>	<b>100.00</b>

**Annexure IV to Report on Corporate Governance**  
**Shareholding Pattern of the Company (As on March 31, 2023)**

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 (1)</b>	<b>Nil</b>	<b>Nil</b>
<b>B Public Shareholding</b>		
<b>1) Institutions (Domestic)</b>		
a) Mutual Funds	10,400	0.03
b) Banks	3,202	0.01
c) NBFCs registered with RBI	50,200	0.16
<b>Sub-Total (2)</b>	<b>63,802</b>	<b>0.20</b>
<b>2) Institutions (Foreign)</b>		
a) Foreign Portfolio Investors Category I	6,57,752	2.03
b) Foreign Portfolio Investors Category II	12,26,357	3.79
c) Any Other (Foreign Institutional Investors / Foreign Banks)	11,200	0.03
<b>Sub-Total (3)</b>	<b>18,95,309</b>	<b>5.85</b>
<b>3) Non-Institutions</b>		
a) Directors and their relatives (excluding independent directors and nominee directors)	13,79,062	4.26
b) Key Managerial Personnel	963	0.01
c) Resident Individuals holding nominal share capital up to ₹ 2 lakhs	58,17,539	17.98
d) Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	68,36,837	21.13
e) Non Resident Indians (NRIs)	16,80,566	5.19
f) Bodies Corporate	92,30,027	28.53
g) Trusts	19,00,100	5.87
h) Bodies Corporate - LLP	31,48,060	9.73
i) HUF	2,81,515	0.87
j) Clearing Members	94845	0.29
k) Overseas Corporate Bodies	28,600	0.09
<b>Sub-Total (4)</b>	<b>3,03,98,114</b>	<b>93.95</b>
<b>Grand Total (1+2+3+4)</b>	<b>3,23,57,225</b>	<b>100.00</b>

Annexure V to Report on Corporate Governance

Top 10 Shareholders of the Company (As on March 31, 2023)

Sr. No.	Name of Shareholder	Category	Number of Shares held	% of Total Equity Share Capital
1.	Gkk Capital Markets Private Limited	Public	39,25,000	12.13
2.	Statin Enterprise LLP	Public	31,48,059	9.73
3.	Siddarth M Pai	Public	19,00,000	5.87
4.	Saint Capital Fund	Public	12,26,357	3.79
5.	Anand Jaikumar Jain	Public	12,00,000	3.71
6.	Judith Investments Private Limited	Public	17,83,497	5.51
7.	Mahendra Jayantilal Shah	Public	9,94,023	3.07
8.	Koppara Sajeeve Thomas	Public	7,50,000	2.32
9.	Akshay Gupta	Public	6,28,138	1.94
10.	Himanshi Kela	Public	5,50,000	1.70
	<b>Total</b>		<b>1,61,05,074</b>	<b>49.77</b>

For and on behalf of the Board of Directors

Mumbai  
April 21, 2023

**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, 2023 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, 2023, 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, 2023.
  - (i) There are no significant changes in Accounting Policies during the Year ended March 31, 2023; 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**

Mumbai  
April 21, 2023

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

**Arun Shah**  
Chief Financial Officer



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

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

The Board of Directors  
**Prime Securities Limited**  
Mumbai

Dear Sir / Madam,

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

I confirm that the Company has, in respect of the Financial Year ended March 31, 2023, 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, 2023.

Yours faithfully,  
For **Prime Securities Limited**

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

Mumbai  
April 21, 2023

## Annexure "C"

## CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI

(Listing Obligation and Disclosure Requirements) Regulations, 2015)

To

The Members,

**Prime Securities Limited**

1109/1110, Maker Chambers V,

Nariman Point, Mumbai City MH 400021 IN

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 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	SmitaCawasAffinwalla	07106628	14/02/2019
6	Ashok Kacker	01647408	27/09/2022
7	Sujit Kumar Varma	09075212	27/09/2022

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: F000334E000106957

Date: April 21, 2023

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, 2023 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 Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

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

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

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

**For Pramod S. Shah & Associates**  
Practising Company Secretaries

**Pramod S. Shah**  
Partner  
Membership No.: FCS 334  
COP No.: 3804  
UDIN: F000334E000106979

Date: April 21, 2023  
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:

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

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

The Average Net Profit of the Company, as per Section 198 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 ("CSR Rules"), for last Three Financial Years is ₹ 984.68 lakhs.

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

₹ 19.69 lakhs

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

- a. Total amount to be spent for the Financial Year: ₹ 19.69 lakhs;
- b. Earlier years overspent: ₹ 33.89 lakhs
- c. Spent during the year: ₹ 16.00 lakhs
- d. Surplus spend carried forward for utilizing against spend required for future years: ₹ 30.19 lakhs
- e. Amount unspent: ₹ Nil;

f. Manner in which the amount was spent during the Financial Year 2022-23: (₹ in lakh)

Sr. No.	CSR Project / Program	Sector Covered	District and State where Project / Program was Under-taken	Amount Outlay (Budget)	Amount Spent	Cumulative Expenditure upto the reporting period	Amount spent - Direct / Through implementing agency
1.	Promoting gender equality, empowering women	Skill Development	Delhi	10.00	10.00	10.00	Through Implementation Agency
2.	Preventive healthcare	Healthcare	Osmanabad, Maharashtra	6.00	6.00	6.00	Through Implementation Agency

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

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

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

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

For and on behalf of the Board of Directors

**Namrata Kaul**  
Chairman of CSR Committee

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

Mumbai  
April 21, 2023

## Contents of CSR Policy

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

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

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

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

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

**Annexure 4 to Director's Report**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023**

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 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)**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998 (Not Applicable during the Audit Period); and
- (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 **(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;

During the period under the review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 30 of SEBI (LODR) Regulations, 2015 read with Part A Schedule III	Intimation of the demise of Chief Financial Officer not informed to the Stock Exchange within twenty fours.	There was a delay in uploading intimation of demise of Chief Financial Officer i.e Mr. S. R. Sharma Death took placed on 23.09.2022 and Stock Exchange was informed on 26.09.2022
2.	Regulation 17 (1) of SEBI (LODR) Regulations, 2015	The Composition of Board of Directors fallen below six from 1st April, 2022 till 26th September, 2022. (Prime Securites Limited is under Top 2000 listed Companies)	Due to resignation of Mr. Alpana Parida Shaha Independent Director on 31 st March, 2022 the composition was fallen below six and it was compiled on 27th September, 2022 pursuant to appointment of 2 new Directors by members at AGM. The Company has applied for waiver of penalty and the application is pending with Stock Exchanges.



We further report that

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

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

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

We 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.

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

During the review period Board approved the allotment of 11,81,400/- Equity Shares of face value of ₹ 5/- each of the Company to the eligible employees, pursuant to the exercise of Options granted under Employee Stock Option Scheme 2018 of the Company.

**For Pramod S. Shah & Associates**  
Practising Company Secretaries

**Pramod S. Shah**  
Partner

Membership No.: FCS 334  
COP No.: 3804

UDIN: F000334E000107001

Date: 21 April, 2023

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	Ratio	
		Name of the Director		
1.	The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year	N. Jayakumar, Managing Director and Group CEO	15.45 X	
		Pradip Dubhashi, Chairman & Independent Director	N.A.	
		Akshay Gupta, Whole-time Director	N.A.	
		Namrata Kaul, Independent Director	N.A.	
		Smita Affinwalla, Independent Director	N.A.	
		Ashok Kacker, Non-Executive & Non-Independent Director	N.A.	
		Sujit Kumar Varma, Non-Executive & Non-Independent Director	N.A.	
		1. The Median Remuneration of Employees of the Company was ₹ 24.12 lakhs		
		2. Independent Directors are not paid any remuneration except Sitting Fees, which has not been considered as remuneration		
		3. Non-Executive & Non-Independent Directors are not paid any remuneration except Sitting Fees which has not been consider as remuneration		
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	<b>Name of the Director</b>	<b>%</b>	
		N. Jayakumar, Managing Director and Group CEO	(16.26)	
		Pradip Dubhashi, Chairman & Independent Director	N.A.	
		Akshay Gupta, Whole-time Director	N.A.	
		Namrata Kaul, Independent Director	N.A.	
		Smita Affinwalla, Independent Director	N.A.	
		Ashok Kacker, Non-Executive & Non-Independent Director	N.A.	
		Sujit Kumar Varma, Non-Executive & Non-Independent Director	N.A.	
		Arun Shah, Chief Financial Officer	17.84	
		Ajay Shah, Company Secretary	4.84	
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 not paid any remuneration except Sitting Fees which has not been consider as remuneration				

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 2023, the percentage increase in the median remuneration of employees as compared to previous year was 7.34	
4.	The number of Permanent Employees on the rolls of Company	There were 17 employees as on March 31, 2023	
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 3.21% for employees other than managerial personnel and (14.66)% 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  
April 21, 2023

**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 ₹ 27.40 per share for 10,50,000 Options (Fair value determined based on 10% discount to the three months average price, upto the Grant Date)
c)	Options vested	36,35,000
d)	Options exercised	12,91,900
e)	The total number of shares arising as a result of exercise of option	12,91,900
f)	Options lapsed	9,82,000
g)	Variation of terms of options	Nil
h)	Money raised by exercise of options	4,20,91,960
i)	Total number of options in force	23,43,100
j)	Employee wise details of options granted	
	i) Senior managerial personnel	Total 19,50,000 Options granted to 3 senior managerial personnel (employees one level below the Board of Directors including employees of subsidiaries) (Only summary given due to sensitive nature of information)
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of the option granted during that year	No Options granted during the financial year 2022-23
	iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	No Options granted during the financial year 2022-23
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	₹ 2.30 per share of face value of ₹ 5/- each
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 ₹ 14 lakhs and basic & diluted EPS is lower by ₹ 0.03 per share

Particulars		ESOS 2018
m)	Weighted average exercise price and weighted average fair value	Weighted average exercise price: ₹ 34.70 per Share (Grant Date 13-Nov-2018), ₹ 36.50 Per Share (Grant Date 18-May-2019), ₹ 27.40 Per Share (Grant Date 20-May-2020) Weighted average fair value – ₹ 27.80
n)	Fair value of options based on Black Scholes methodology - assumptions	
	Risk free rate	5.95% - 6.10%
	Expected life of options	6.5 years - 7.5 years
	Expected volatility	67.61% - 66.90%
	Expected dividends	–
	Closing market price of share on date of option grant	–

For and on behalf of the Board of Directors

Mumbai  
April 21, 2023

**Pradip Dubhashi**  
Chairman

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



STANDALONE  
FINANCIAL  
STATEMENT

# Independent Auditor's Report

To the Members of  
**Prime Securities Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of Prime Securities Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, 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 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 Matter – Proposed acquisition

4. We draw attention to Note 52 to the accompanying standalone financial statements which describes that subsequent to the balance sheet date, the Board of Directors of the Company, in its meeting held on 13 April 2023, have approved an agreement to acquire ownership in Bridgeweave Limited, UK, details of which are described in the aforesaid note. Our opinion is not modified in respect of this matter.

### Key Audit Matters

5. 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.
6. We have determined the matters 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
<b>Revenue Recognition</b> We refer to the Company's significant accounting policies in note 2(b) and the revenue related disclosure in note 37 of the standalone financial statements.	Our audit procedures to address this key audit matter included, but were not limited to, the following: <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; and</li></ul>

Key audit matter	How our audit addressed the key audit matter
<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>	<ul style="list-style-type: none"> <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 recognised, by 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; and</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>
<p><b>Valuation of unquoted investments carried at fair value</b></p> <p><b>Refer note 2(g) for significant accounting policies and note 7 of standalone financial statements</b></p> <p>As at 31 March 2023, the Company held unquoted investments carried at fair value amounting to ₹ 3,917 lacs which represents 29.7 % of the total assets of the Company as at 31 March 2023.</p> <p>The aforesaid investments are not traded in the active market. These investments are fair valued using Level 2 and Level 3 inputs. The fair valuation of Level 3 investments is determined by a management-appointed independent valuation specialist. The process of computation of fair valuation of Level 3 investments includes use of unobservable inputs and management judgements and estimates which are complex.</p> <p>The key assumptions underpinning management's assessment of fair value of Level 3 investments, include application of liquidity discounts, calculation of discounting rates and the estimation of projections of revenues, projections of future cash flows and growth rates.</p>	<p>Our audit procedures in relation to valuation of unquoted investments with the involvement of our valuation experts included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of Company's business model and its assessment in accordance with Ind AS 109 for classification and valuation of its investments;</li> <li>• Obtained a detailed understanding of the management's process and controls for determining the fair valuation of these investments. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Company including its valuation policy and discussion with those involved in the process of valuation;</li> <li>• Evaluated the design and tested the operational effectiveness of relevant key controls over the valuation process, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorization and data input controls, independent price verification performed by the management expert;</li> <li>• Obtained and evaluated for reasonableness, the market observable inputs used by the management for valuation of Level 2 investments;</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<p>The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the standalone financial statements due to the materiality of total value of investments to the standalone financial statements and the complexity involved in the valuation of these investments.</p>	<ul style="list-style-type: none"> <li>• Obtained the valuation reports issued by the management's expert and assessed the expert's competence, objectivity and independence in performing the valuation of Level 3 investments;</li> <li>• Performed a reasonableness test on the valuation reports provided by Management by carrying out following procedures: <ul style="list-style-type: none"> <li>• Analyzed financial performance of the investee company from the date of investment till the valuation date.</li> <li>• Applied calibration to price of recent Investment methodology in assessing the impact if any on the valuation of investee company as on the valuation date.</li> <li>• Screened for comparable companies / comparable transactions (wherever transaction data was available) for each of the investee companies.</li> </ul> </li> <li>• Ensured the appropriateness and sufficiency of the carrying value of these investments in the standalone financial statements and the gain or loss recognized in the standalone financial statements as a result of such fair valuation;</li> <li>• Ensured the appropriateness of the disclosures in accordance with the applicable accounting standards; and</li> <li>• Obtained written representations from the management and those charged with governance whether they believe significant assumptions used in valuation of the investments are reasonable.</li> </ul>

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

7. The 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 standalone financial statements and our auditor's report thereon. This report is expected to be made available to us after the date of this auditor's report.

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

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

obtained in the audit or otherwise appears to be materially misstated.

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

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

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with

the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

16. 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.
17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. Further to our comments in Annexure I, as required by section 143(3) of the Act based on

our audit, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The standalone financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II, wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company, as detailed in note 30 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
  - iii. There were no amounts which were

required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 50(b) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 50(a) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. As stated in note 49 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. Further, the final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

**For Walker Chandiook & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Murad D. Daruwalla**

*Partner*

Membership No.: 043334

UDIN: 23043334BGSDXF5629

Place: Mumbai

Date: April 21, 2023

## Annexure I

Annexure I referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Prime Securities Limited on the standalone financial statements for the year ended 31 March 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, right of use assets under which the assets are physically verified once in every 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification was carried out by the management of the Company during the year, and we are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification.
- (c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of

the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii) (a) of the Order is not applicable to the Company.
- (b) As disclosed in note 13 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crore, by a bank on the basis of security of current assets. Pursuant to the terms of the sanction letter, the Company is not required to file any quarterly return or statement with such bank.
- (iii) (a) The Company has not provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. The Company has provided loans to Others during the year as per details given below:

(Amount in lakhs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
<b>Aggregate amount provided/granted during the year:</b>				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	52	-
<b>Balance outstanding as at balance sheet date in respect of above cases:</b>				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	52	-

- (b) During the year, company has made investment in 4 entities amounting ₹ 612 lakhs and has granted a loan to 1 party amounting ₹ 52 lakhs. In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of loan are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or given any security or advances in the nature of loans during the year.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal has not been stipulated and accordingly, we are unable to comment as to whether the repayments of principal are regular. The Company does not have any outstanding advances in the nature of loans at the beginning of the current year

nor has granted any advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company with respect to advances in the nature of loans.

- (d) In the absence of stipulated schedule of repayment of principal and payment of interest in respect of loans we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of such principal amounts and interest.
- (e) The Company has not granted any loan repayable on demand. The Company has granted loans without specifying any terms or period of repayment, as per details below:

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)	52	–	52
- Agreement does not specify any terms or period of repayment (B)	–	–	–
Total (A+B)	52	–	52
Percentage of loans/advances in nature of loan to the total loans	100%	–	100%

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments, as applicable. Further, the Company has not entered into any transaction covered under section 185 and 186 of the Act in respect of guarantees and security.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect

thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and

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

(Amount in lakhs)

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

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or in the payment of interest thereon to lender. However, loan amounting to ₹ 485 lakhs is repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. Further, such loan and interest thereon have not been demanded for repayment as on date.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the

information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company. However,

the Company had made a preferential allotment of shares in the previous year, the amounts so raised remained unutilised as on 31 March 2023 and have been invested in readily realisable liquid investments.

- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section

138 of the Act which is commensurate with the size and nature of its business.

- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to



the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as

at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For Walker Chandiook & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Murad D. Daruwalla**

*Partner*

Membership No.: 043334

UDIN: 23043334BGSDXF5629

Place: Mumbai

Date: April 21, 2023

## Annexure II

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

1. In conjunction with our audit of the standalone financial statements of Prime Securities Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone 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 Standalone Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 Standalone Financial Statements**

6. A company's internal financial controls with reference to standalone 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 Standalone Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

**For Walker Chandiook & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Murad D. Daruwalla**

*Partner*

Membership No.: 043334

UDIN: 23043334BGSDXF5629

Place: Mumbai

Date: April 21, 2023

## Balance Sheet as at 31st March, 2023

(₹ in Lakhs, unless otherwise stated)

Particulars	Note No.	As at	
		March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>I. Financial assets</b>			
a) Cash and cash equivalents	3	64	725
b) Bank balance other than (a) above	4	4,333	4,555
c) Receivables	5		
(i) Trade receivables		1,491	301
(ii) Other receivables		440	393
d) Loans	6	55	–
e) Investments	7	6,107	4,885
f) Other financial assets	8	62	83
<b>Sub total (I)</b>		<b>12,552</b>	<b>10,942</b>
<b>II. Non-financial assets</b>			
a) Current tax assets (net)	9	283	598
b) Property, plant and equipment	10(a)	225	227
c) Capital work-in-progress	10(b)	–	65
d) Other Intangible assets	10(c)	7	0
e) Other non-financial assets	11	121	129
<b>Sub total (II)</b>		<b>636</b>	<b>1,019</b>
<b>TOTAL ASSETS (I + II)</b>		<b>13,188</b>	<b>11,961</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		8	18
b) Borrowings (Other than debt securities)	13	487	496
c) Other financial liabilities	14	556	733
<b>Sub total (I)</b>		<b>1,051</b>	<b>1,247</b>
<b>II. Non-financial liabilities</b>			
a) Provisions	15	175	132
b) Deferred tax liabilities (net)	16	349	187
c) Other non-financial liabilities	17	41	37
<b>Sub total (II)</b>		<b>565</b>	<b>356</b>
<b>III. Equity</b>			
a) Equity share capital	18	1,618	1,559
b) Other equity		9,954	8,799
<b>Sub total (III)</b>		<b>11,572</b>	<b>10,358</b>
<b>TOTAL LIABILITIES AND EQUITY (I + II + III)</b>		<b>13,188</b>	<b>11,961</b>
Summary of significant accounting policies and other explanatory information to the financial statements.	1-55		

This is the Balance Sheet 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

Place : Mumbai

Date : April 21, 2023

**Arun Shah**

Chief Financial Officer

Place : Mumbai

Date : April 21, 2023

**Ajay Shah**

Company Secretary

(ACS-14359)

## Statement of Profit and Loss for the year ended 31st March, 2023

(₹ in Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended	
		March 31, 2023	March 31, 2022
<b>I. Revenue from operations</b>			
i) Fee and Commission income	19	2,404	3,115
<b>Total Revenue from operations (I)</b>		<b>2,404</b>	<b>3,115</b>
<b>II. Other Income</b>			
i) Interest income	20	319	214
ii) Dividend on investments		4	10
iii) Net gain on fair value changes	21	-	52
iv) Gain on sale / redemption of investments (net)	22	104	10
v) Other		42	12
<b>Total other income (II)</b>	23	<b>469</b>	<b>298</b>
<b>III. Total income (I + II)</b>		<b>2,873</b>	<b>3,413</b>
<b>IV. Expenses</b>			
i) Finance costs	24	65	44
ii) Fees and commission expense		34	27
iii) Net loss on fair value changes	21	120	-
iv) Impairment on financial instruments	25	(55)	7
v) Employee benefits expense	26	1,124	1,295
vi) Depreciation and amortisation expense	10(a) & 10(b)	100	72
vii) Other expenses	27	574	481
<b>Total expenses (IV)</b>		<b>1,962</b>	<b>1,926</b>
<b>V. Profit before exceptional items and tax</b>		<b>911</b>	<b>1,487</b>
<b>VI. Exceptional items (net gain)</b>	28	<b>173</b>	<b>277</b>
<b>VII. Profit before tax (V) + (VI)</b>		<b>1,084</b>	<b>1,764</b>
<b>VIII. Tax expense</b>			
i) Current tax	42	197	307
ii) Earlier year tax	42	170	10
iii) Deferred tax	42	(59)	27
<b>Total Tax expense (VIII)</b>		<b>308</b>	<b>344</b>
<b>IX. Profit after tax (VII) - (VIII)</b>		<b>776</b>	<b>1,420</b>
<b>X. Other comprehensive income / (loss)</b>			
Item that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) of the defined benefit plans		(19)	(15)
Remeasurement gain on fair valuation of investments		979	925
Deferred tax on remeasurement of the defined benefit plans		6	4
Deferred tax on remeasurement of gain on fair valuation		(228)	(215)
<b>Other comprehensive income for the year (X)</b>		<b>738</b>	<b>699</b>
<b>XI. Total comprehensive income for the year (IX) + (X)</b>		<b>1,514</b>	<b>2,119</b>
Earnings per equity share of nominal value of ₹ 5 each	29		
Basic (in ₹)		2.44	5.03
Diluted (in ₹)		2.30	4.67
Summary of significant accounting policies and other explanatory information to the financial statements.	1-55		

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

**For Walker Chandiook & Co LLP**

**For Prime Securities Limited**

Chartered Accountants

Firm Registration Number : 001076N/N500013

**N. Jayakumar**

Managing Director & Group CEO

(DIN: 00046048)

**Pradip Dubhashi**

Chairman

(DIN: 01445030)

**Murad D. Daruwalla**

Partner

Membership No 043334

Place : Mumbai

Date : April 21, 2023

**Arun Shah**

Chief Financial Officer

Place : Mumbai

Date : April 21, 2023

**Ajay Shah**

Company Secretary

(ACS-14359)

## Statement of Cash Flows for the year ended 31st March, 2023

(₹ in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cash flow from operating activities:</b>		
Profit before tax	911	1,487
Adjustments for :		
Depreciation and amortisation expense	100	72
Changes in fair valuation of investment (net)	120	(52)
(Profit)/ Loss on sale of property, plant and equipments (net)	(6)	-
Gain on sale of investments (net)	(104)	(10)
Interest Expense	53	26
Interest income on deposits	(319)	(214)
Dividend income	(4)	(10)
Share issue expenses	-	2
Share based payment to employees	14	74
Recovery of bad debts	(123)	-
Impairment of financial assets	61	7
<b>Operating profit before working capital changes</b>	<b>703</b>	<b>1,382</b>
<b>Adjustments for changes in working capital:</b>		
<b>Non current liabilities</b>		
(Decrease) / Increase in provisions	43	27
Increase / (Decrease) in trade payables	(10)	(209)
Increase/ (Decrease) in other financial liabilities	(177)	213
Increase/ (Decrease) in other non-financial liabilities	5	(1,275)
(Increase)/ Decrease in other financial assets	(40)	(325)
(Increase)/ Decrease in other receivables	(47)	-
Decrease/ (Increase) in trade receivables	(1,191)	64
Decrease/ (Increase) in other non-financial assets	9	(75)
(Increase)/ Decrease in Loans	(55)	62
<b>Total changes in working capital</b>	<b>(1,463)</b>	<b>(1,518)</b>
<b>Cash generated from / (used in) operations</b>	<b>(760)</b>	<b>(136)</b>
Taxes paid, net of refunds	(52)	(128)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>(812)</b>	<b>(264)</b>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipments including capital work-in-progress	(26)	(172)
Proceeds from sale / disposal of property, plant and equipments	6	-
Purchase of Investments	(901)	(1,465)
Proceeds form sale / redemption of investments	609	18
Decrease/ (Increase) in fixed deposits original maturity more than 3 months	222	(3,102)
Interest income	319	214
Dividend received	4	10
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>232</b>	<b>(4,497)</b>

## Statement of Cash Flows for the year ended 31st March, 2023

(₹ in Lakhs, unless otherwise stated)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
<b>Cash flow from financing activities:</b>		
Proceeds from issuance of Share capital	698	4,140
Borrowings availed during the year	–	477
Borrowings availed during the year from related party	483	396
Borrowings repaid during the year	(492)	(394)
Share issue expenses	–	(2)
Interest paid	(53)	(26)
Payment of Dividend to shareholders	(717)	(1,193)
<b>Net cash generated from /(used in) financing activities (C)</b>	<b>(81)</b>	<b>3,398</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(660)</b>	<b>(1,364)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>724</b>	<b>2,088</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>64</b>	<b>724</b>
<b>Total</b>	<b>(660)</b>	<b>(1,364)</b>
<b>Notes:</b>		
1) Cash and cash equivalents comprise of		
Cash on hand	0	1
Balances with banks		
In current account	64	21
Term deposits with banks with original maturity period less than 3 months	–	703
<b>Cash and cash equivalents at the end of the year</b>	<b>64</b>	<b>724</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 Chandik & Co LLP

Chartered Accountants

Firm Registration Number : 001076N/N500013

### Murad D. Daruwalla

Partner

Membership No 043334

Place : Mumbai

Date : April 21, 2023

### For Prime Securities Limited

### N. Jayakumar

Managing Director & Group CEO

(DIN: 00046048)

### Arun Shah

Chief Financial Officer

Place : Mumbai

Date : April 21, 2023

### Pradip Dubhashi

Chairman

(DIN: 01445030)

### Ajay Shah

Company Secretary

(ACS-14359)

# Statement of Changes in Equity for the year ended 31st March, 2023

(₹ in Lakhs, unless otherwise stated)

## Equity share capital

Particulars	Amount
<b>Balance as at April 1, 2021</b>	<b>1,326</b>
Restated balance as at April 1, 2021	1,326
Changes in equity share capital during the year	233
<b>Balance as at March 31, 2022</b>	<b>1,559</b>
<b>Balance as at April 1, 2022</b>	<b>1,559</b>
Restated balance as at April 1, 2022	1,559
Changes in equity share capital during the year	59
<b>Balance as at March 31, 2023</b>	<b>1,618</b>

## Other equity

Particulars	Reserves & Surplus			Share application money pending allotment	Items of other Comprehensive Income (net of tax)		Total
	Securities Premium	Share Options outstanding account	Retained earnings		Remeasurement of defined benefit liability / assets	Fair value gain / loss on Financial assets carried at FVTOCI	
Opening balance as at April 1, 2021	--	830	3,115	--	(67)	--	3,878
<b>Transactions during the year</b>							
Profit after tax for the year	--	--	1,420	--	--	--	1,420
Other comprehensive income/ (loss) for the year (net of tax)	--	--	--	--	(11)	710	699
Dividend paid	--	--	(1,193)	--	--	--	(1,193)
Securities premium	3,874	--	--	--	--	--	3,874
Share Application during the Year	--	--	--	0	--	--	0
Share based compensation	--	121	--	--	--	--	121
<b>Closing balance as at March 31, 2022</b>	<b>3,874</b>	<b>951</b>	<b>3,342</b>	<b>0</b>	<b>(77)</b>	<b>710</b>	<b>8,799</b>
<b>Transactions during the year</b>							
Profit after tax for the year	--	--	776	--	--	--	776
Other comprehensive income/ (loss) for the year (net of tax)	--	--	--	--	(13)	751	738
Dividend Paid	--	--	(717)	--	--	--	(717)
Securities premium	639	--	--	--	--	--	639
Share Application during the Year	--	--	--	5	--	--	5
Share based compensation	--	(287)	--	--	--	--	(287)
<b>Closing balance as at March 31, 2023</b>	<b>4,513</b>	<b>664</b>	<b>3,401</b>	<b>5</b>	<b>(91)</b>	<b>1,462</b>	<b>9,954</b>

## Nature and purpose of reserve

### - Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013.

### - Share Options outstanding account

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to securities premium and unvested portion if any, will be transferred to securities premium account.

### - Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Summary of significant accounting policies and other explanatory.

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

For Walker Chandiook & Co LLP

For Prime Securities Limited

Chartered Accountants

Firm Registration Number : 001076N/N500013

N. Jayakumar

Managing Director & Group CEO

(DIN: 00046048)

Pradip Dubhashi

Chairman

(DIN: 01445030)

Murad D. Daruwalla

Partner

Membership No 043334

Place : Mumbai

Date : April 21, 2023

Arun Shah

Chief Financial Officer

Place : Mumbai

Date : April 21, 2023

Ajay Shah

Company Secretary

(ACS-14359)

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 1 Corporate Information

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

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

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

The Financial statements were approved for issuance by the Company's Board of Director on April 21, 2023.

### 2 Significant Accounting Policies

#### a) Basis of preparation

##### i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, other relevant provisions of the Act and the guidelines issued by Securities Exchange Board of India to the extent applicable. The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

##### ii) Historical cost convention

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

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

##### iii) Preparation of financial statements

The Company is covered in the definition of non-banking financial company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company presents the Balance Sheet, the Statement of Profit and Loss and the statement of Changes in Equity in the order of liquidity as per the format prescribed under Division III of Schedule III to the Companies Act, 2013. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is prescribed in Note 45.

##### 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 Lakhs, 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.

### **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

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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 evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals). The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain to not exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend or terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate of the Company, specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### Fair valuation of unlisted equity shares

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

- a) Investment in equity instrument is valued at purchase cost at the time of initial recognition.
- b) For subsequent measurement the company adopts the following process for valuation of investments:
  - i. At any time or at each quarter end if there is any indicator trigger as per para B5.2.4 of Ind AS,
  - ii. Availability of sufficient information such as subsequent allotment of shares,
  - iii. 30th September and 31st March every year for investments held for more than six months, whichever is earlier.

### b) Revenue Recognition

The Company derives revenues primarily from advisory services. Fee income is recognised based on the stage of completion of assignments and terms of agreement with the client.

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.

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

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

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

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

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

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

### c) Recognition of Other 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 recognized using the effective interest rate method on accrual basis.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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) 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, if any.

#### 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.

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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.

The estimated useful lives of assets are as follows:

Assets	Estimated Useful life
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers and other hardware	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. Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Assets	Useful lif
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) Capital Work-in-Progress

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

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

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### g) Financial Instruments:

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

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

#### Fair value of financial instruments:

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

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

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the closing price. These instruments are included in level 1
- Level 2: The fair value of financial instruments that are not traded in an active market 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. During the year, there have been no transfers amongst the hierarchy levels.

#### Financial Assets:

##### (i) Initial recognition and measurement:

All financial assets except trade receivables, 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. Trade receivables are initially recognised at transaction price. Purchases or sales of financial

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assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### (ii) Classification and subsequent measurement:

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

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

#### 1. Financial assets carried at amortised cost

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

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

#### 2. Equity instruments

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

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- b) Trade receivables - 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. 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.

The Company is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the receivables are classified based on the default and the aging of the outstanding. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the receivables impairment allowance account accordingly.

The Company considers outstanding overdue for more than 180 days from the date of invoice for calculation of expected credit loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The write-back is recognised in the statement of profit and loss.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### (iv) Derecognition:

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

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

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

### 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.

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### (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.

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.



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### j) Share based payments

#### Employee stock option scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions. Information about the valuation techniques and inputs used in determining the fair value of options disclosed in note 31.

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

### k) Borrowing Costs:

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

### l) Foreign Exchange Transactions:

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

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

### m) Leases:

#### Leases – As lessee:

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

#### Measurement and recognition of leases as a lessee:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. 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.

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

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

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

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

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The discounted rate is generally based on incremental borrowing rate specific to the lease being evaluated.

### n) **Taxation:**

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

#### i) **Current tax:**

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

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

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

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ii) **MAT :**

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

iii) **Deferred tax:**

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

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

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

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

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

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

**Deferred tax assets and liabilities are offset only if:**

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

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

o) **Cash and cash equivalents:**

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

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

**p) Impairment of non-financial assets:**

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

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

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

**q) Provisions, Contingent Assets and Contingent Liabilities:**

**Contingent assets / liabilities:**

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

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

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

**r) Dividend payable**

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

**s) Earnings per share**

**a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Company by

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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.

**t) Operating segment**

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

**u) Rounding of amounts**

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

**v) Events after reporting date**

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

**w) Recent accounting developments**

MCA, vide its circular dated 31 March 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015. The amendments are effective from April 1, 2023. Key amendments include:

- a) Ind AS 1: Requirement to disclose 'material accounting policies' instead of 'significant accounting policies' and related guidance included to determine whether the policy is material or not.
- b) Ind AS 8: Definition of 'accounting estimates' now included in the standard enabling distinction between change in accounting estimates from change in accounting policies.
- c) Ind AS 12 and Ind AS 101: Transactions that do not give rise to equal taxable and deductible temporary differences at the time of initial transaction have now been included in the exemptions for recognition of deferred tax liability and deferred tax assets in case of taxable temporary differences.
- d) Ind AS 101: New guidance added for deferred tax related to leases and decommissioning, restoration and similar liabilities.

The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- x) These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.**

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 3 Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	0	1
<b>Balances with banks</b>		
In current accounts	64	21
Term deposits with banks with original maturity period less than 3 months*	–	703
<b>Total</b>	<b>64</b>	<b>725</b>

\* The term deposit is lien against the bank overdraft.

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

	As at March 31, 2023	As at March 31, 2022
<b>Others</b>		
Term deposits with banks with original maturity period more than 3 months	4,254	4,502
Other Bank Balance *	79	53
<b>Total</b>	<b>4,333</b>	<b>4,555</b>

\* Other Bank balance is against the unclaimed dividend.

### 5 Receivables

	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivable (including unbilled revenue)</b>		
(i) Receivables considered good-secured	–	–
(ii) Receivables considered good-unsecured	1,498	294
(iii) Receivables which have significant increase in credit risk-unsecured	54	14
(iv) Receivables-credit impaired-unsecured	58	181
	1,610	489
Less: Expected credit losses	(119)	(188)
	1,491	301
Other Receivable*	440	393
<b>Total</b>	<b>1,931</b>	<b>694</b>

\* Refer Note 51 (k)

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 5 Receivables (contd...)

#### Trade Receivable Aging Schedule

Particulars	As at March 31, 2023						
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	Unbilled Revenue
(i) Undisputed Trade receivables / unbilled revenue - considered good	527	21	-	-	-	548	950
(ii) Undisputed Trade receivables - Which have significant increase in credit risk *	-	54	-	-	-	54	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	58	-	58	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>527</b>	<b>75</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>660</b>	<b>950</b>

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

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

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

Refer note 38 E (i) for credit risk analysis & aging.

No debts are due from directors or other officers or any of them either severally or jointly with any other person, except loan to KMP as disclosed in Note 6.

\* 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 except a debt of ₹ 54 lakhs is due from Super Six Sports Gaming Private Limited in which the Managing Director and Group CEO is a member.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 6 Loans

	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Related Parties		
KMP's*	55	–
<b>Total</b>	<b>55</b>	<b>–</b>
<b>Percentage</b>		
Related Parties		
KMP's	100%	–
<b>Total</b>	<b>55</b>	<b>–</b>

\*Company has given unsecured loan to it's KMP at prevailing market interest rate at 8% which is repayable on demand

There are no loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

- (a) repayable on demand; or
- (b) without specifying any terms or period of repayment

#### Loans In India

Particulars	As at March 31, 2023	As at March 31, 2022
Others	55	–
<b>Total</b>	<b>55</b>	<b>–</b>

#### Stage wise break up of loans

Particulars	As at March 31, 2023	As at March 31, 2022
i) Low credit risk (Stage 1)	55	–
ii) Significant increase in credit risk (Stage 2)	–	–
iii) Credit impaired (Stage 3)	–	–
<b>Total</b>	<b>55</b>	<b>–</b>



## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 7 Investments

Particulars	As at March 31, 2023		As at March 31, 2022	
	Share / Unit	Carrying value / Net Asset Value	Share / Unit	Carrying value / Net Asset Value
<b>At Cost</b>				
Wholly-owned Subsidiary Companies				
Prime Research & Advisory Limited	13,50,000	1,320	13,50,000	1,307
Prime Funds Management Limited	50,000	5	50,000	5
<b>Total investment in wholly owned subsidiary (A)</b>		<b>1,325</b>		<b>1,312</b>
<b>At fair value through profit or loss</b>				
<b>Investments in equity instruments:</b>				
<b>Quoted</b>				
Ironwood Education Limited	68,804	20	68,804	23
Grindwell Norton Limited	–	–	200	4
Solid Stone Company Limited	1,72,731	58	1,72,731	41
Reliance Industries Limited	–	–	16,060	423
Jamna Auto Industries Limited	–	–	1,000	1
<b>Total investments in equity instruments FVTPL (B)</b>		<b>78</b>		<b>492</b>
<b>Investments in Bonds</b>				
<b>Quoted</b>				
09.22% Tata Capital Housing Finance Limited	25	261	25	267
8.25% BOB Perpetual Bonds	25	265	25	269
9.56% SBI Perpetual Bonds	25	260	25	269
<b>Total investments in bonds (C)</b>		<b>786</b>		<b>806</b>
<b>At fair value through Other Comprehensive Income</b>				
<b>Unquoted</b>				
<b>Investments in Convertible Instrument</b>				
Jalpak Foods India Private Limited	–	–	7,11,111	160
<b>Investments in equity instruments:</b>				
Super Six Sports Gaming Private Limited	496	2,344	357	954
Feast Software Private Limited	8,04,218	221	8,04,218	221
88 Academics (India) Private Limited	8,000	64	8,000	80
Hindustan Wellness Private Limited	45,000	50	45,000	50
IBS Fintech India Private Limited	8,407	94	8,407	118
Jalpak Foods India Private Limited	7,11,111	160	–	–
Entity Gaming Private Limited	666	50	666	50
Last Mile Channel Enhancement Private Limited	41,668	280	41,668	280
Lithion Power Private Limited	65,087	318	65,087	317
Steel Infra Solutions Private Limited - Fully Paid	57,500	68	–	–
Steel Infra Solutions Private Limited - Partly Paid	95,042	28	1,52,542	45
V-One Ventures Private Limited	167	150	–	–
Absolute Legends Sports Private Limited	250	45	–	–
BDEL Wellness Private Limited	1,026	45	–	–
<b>Total investments in equity instruments FVTOCI (D)</b>		<b>3,917</b>		<b>2,275</b>
<b>Total investment (A) + (B) + (C) + (D)</b>		<b>6,107</b>		<b>4,885</b>
Investments in India		6,107		4,885
Investments outside India		–		–
<b>Total</b>		<b>6,107</b>		<b>4,885</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 8 Other financial assets

	As at March 31, 2023	As at March 31, 2022
Security deposits	42	43
Employee advances	20	40
<b>Total</b>	<b>62</b>	<b>83</b>

### 9 Current tax asset (net)

	As at March 31, 2023	As at March 31, 2022
Advance income tax	283	598
(Net of provision for tax ₹197 lakhs) (March 31, 2022 ₹1,992 lakhs)		
<b>Total</b>	<b>283</b>	<b>598</b>

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

Particulars	Right to Use (Refer note 34)	Lease hold improvement	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles* (Refer note 32)	Total
<b>Gross carrying value</b>							
Gross carrying value as of April 1, 2021	245	-	19	13	26	169	473
Adjustments due to modification in lease arrangements	(5)	-	-	-	-	-	(5)
Additions **	103	-	1	2	5	-	112
Disposals	-	-	(4)	(2)	-	-	(7)
<b>Gross carrying value as of March 31, 2022</b>	<b>344</b>	<b>-</b>	<b>16</b>	<b>13</b>	<b>31</b>	<b>169</b>	<b>573</b>
Adjustments due to modification in lease arrangements	14	-	-	-	-	-	14
Additions	-	75	7	-	0	-	82
Disposals	-	-	(2)	-	-	(123)	(125)
<b>Gross carrying value as of March 31, 2023</b>	<b>358</b>	<b>75</b>	<b>21</b>	<b>13</b>	<b>31</b>	<b>46</b>	<b>545</b>
<b>Accumulated depreciation</b>							
Accumulated depreciation as of April 1, 2021	100	-	12	8	21	139	280
Depreciation for the year	59	-	4	2	2	6	72
Accumulated depreciation on disposals	-	-	(4)	(2)	-	-	(7)
<b>Accumulated depreciation March 31, 2022</b>	<b>159</b>	<b>-</b>	<b>11</b>	<b>7</b>	<b>23</b>	<b>145</b>	<b>345</b>
Depreciation for the year	70	15	5	2	1	6	99
Accumulated depreciation on disposals	(0)	-	(2)	-	-	(123)	(125)
<b>Accumulated depreciation March 31, 2023</b>	<b>229</b>	<b>15</b>	<b>14</b>	<b>9</b>	<b>24</b>	<b>28</b>	<b>319</b>
<b>Net carrying value</b>							
Net carrying value as on April 1, 2021	145	-	7	5	6	30	192
Net carrying value as on March 31, 2022	185	-	4	6	8	24	227
<b>Net carrying value as on March 31, 2023</b>	<b>129</b>	<b>60</b>	<b>7</b>	<b>4</b>	<b>7</b>	<b>18</b>	<b>225</b>

\* Vehicles taken on Term Loan.

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 10(b) Capital work-in-progress

#### Movement in CWIP

Particulars	Project in progress
Carrying value	
Carrying value as of April 1, 2021	–
Additions	65
Disposals	–
Carrying value as of March 31, 2022	65
Additions	10
Capitalised	(75)
Carrying value as of March 31, 2023	–

#### As at March 31, 2023

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

#### CWIP completion schedule

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

#### As at March 31, 2022

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

#### CWIP completion schedule

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 10(c) Intangible assets

Particulars	Computer software#
<b>Gross carrying value</b>	
Gross carrying value as of April 1, 2021	3
Additions	–
Disposals	(1)
<b>Gross carrying value as of March 31, 2022</b>	<b>2</b>
Additions	8
Disposals	–
<b>Gross carrying value as of March 31, 2023</b>	<b>10</b>
<b>Accumulated amortisation</b>	
Accumulated amortisation as of April 1, 2021	2
Amortisation for the year	0
Accumulated amortisation on disposals	(1)
<b>Accumulated amortisation as of March 31, 2022</b>	<b>1</b>
Amortisation for the year	1
Accumulated amortisation on disposals	–
<b>Accumulated amortisation as of March 31, 2023</b>	<b>3</b>
<b>Net carrying value</b>	
Net carrying value as on April 1, 2021	1
Net carrying value as on March 31, 2022	0
Net carrying value as on March 31, 2023	7

# Other than internally generated.

### 11 Other non-financial assets

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good:		
Balances with government authorities	74	84
Prepaid expenses	47	45
<b>Total</b>	<b>121</b>	<b>129</b>

### 12 Trade payables

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

	As at March 31, 2023	As at March 31, 2022
a) Others		
(i) Payable to dealers / vendors / customers	8	18
<b>Total</b>	<b>8</b>	<b>18</b>

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 12 Trade payables (contd...)

#### Total outstanding dues of micro enterprises and small enterprises

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

	As at March 31, 2023	As at March 31, 2022
(a) The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
(b) The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the suppliers beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-
<b>Total</b>	-	-

	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	8	-	-	-	8
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>8</b>	-	-	-	<b>8</b>

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 12 Trade payables (contd...)

	As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	18	–	–	–	18
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–
<b>Total</b>	<b>18</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>18</b>

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

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

### 13 Borrowings (Other than debt securities)

	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
<b>a) Term loans</b>		
<b>Secured - In India</b>		
From Bank *	2	10
<b>b) Loan repayable on demand</b>		
<b>Secured</b>		
From Bank #	–	484
<b>c) Loan from related parties</b>		
<b>Unsecured</b>		
On demand **	485	2
<b>Total</b>	<b>487</b>	<b>496</b>
Borrowings in India	487	496
Borrowings outside India	–	–
<b>Total</b>	<b>487</b>	<b>496</b>

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

# Short term loan is against the fixed deposit for Working Capital, there is no requirement for any other compliance to the bank.

\*\* ₹ 485 lakhs payable to Wholly-owned subsidiary. Privious year ₹ 2 lakhs payable in respect of interest on loan taken. The terms of repayment not specified and hence considered payable on demand.

For terms of repayment and interest rate refer Note 32.

### 14 Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Lease Liability (Refer note 34)		
- Long term (Obligation payable more than 12 months)	88	159
- Short term (Obligation payable within 12 months)	61	64
Other payables	184	128
Interest Payable On Inter Corporate Deposit	11	–
Accrued employees benefit expenses	212	382
<b>Total</b>	<b>556</b>	<b>733</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 15 Provisions

	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer note 40)	112	71
Provision for compensated absences (Refer note 40)	63	61
<b>Total</b>	<b>175</b>	<b>132</b>

### 16 Deferred tax assets / (liability) (net)

	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax assets / (liabilities) (Refer note 42 and 43)</b>		
Liability towards lease rentals	6	11
Provision for compensated absences	19	17
Net Mark-to-Market Loss/(Gain) on investments (net)	(429)	(260)
Provision for Doubtful Debt (ECL)	-	2
Provision for gratuity	33	21
Merger expenses	1	0
Depreciation / amortisation	21	22
<b>Total</b>	<b>(349)</b>	<b>(187)</b>

### 17 Other non-financial liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory dues (including provident fund, tax deducted at source and goods and services tax)	41	37
<b>Total</b>	<b>41</b>	<b>37</b>

### 18 Equity share capital

	As at March 31, 2023	As at March 31, 2022
<b>Authorised :</b>		
4,30,00,000 (March 31, 2022 4,30,00,000) Equity Shares of ₹ 5/- each	2,150	2,150
18,00,000 (March 31, 2022 18,00,000) Unclassified Shares of ₹ 100/- each	1,800	1,800
	<b>3,950</b>	<b>3,950</b>
<b>Issued :</b>		
3,31,06,425 (March 31, 2022 3,19,25,025) Equity Shares of ₹ 5/- each	1,613	1,596
	<b>1,613</b>	<b>1,596</b>
<b>Subscribed and paid up:</b>		
3,23,57,225 (March 31, 2022 3,11,75,825) Equity Shares of ₹ 5/- each	1,618	1,559
<b>Total</b>	<b>1,618</b>	<b>1,559</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 18 Equity share capital (contd...)

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

	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity shares:</b>				
Balance as at the beginning of the year	3,11,75,825	1,559	2,65,15,325	1,326
Changes in Equity due to prior year error	–	–	–	–
Restated balance at the beginning of the current year	3,11,75,825	1,559	2,65,15,325	1,326
Changes in Equity during the current year	11,81,400	59	46,60,500	233
Balance at the end of the current year	3,23,57,225	1,618	3,11,75,825	1,559

#### (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, 2023		As at March 31, 2022	
	Number of Shares	%	Number of Shares	%
<b>Equity shares:</b>				
GKK Capital Markets Private Limited	39,25,000	12.13	35,50,000	11.39
Statin Enterprise LLP	31,48,059	9.73	31,48,059	10.10
Siddarth M. Pai	19,00,000	5.87	19,00,000	6.09
Judith Investments Private Limited	17,83,497	5.51	17,83,497	5.72

#### (d) Details of shares held by the Promoter in the Company

There are no Promoters in the Company hence these details are not applicable to the Company as notified by MCA amendments to Schedule III to the Companies Act, 2013 on March 24, 2021.

#### (e) Details of holding & ultimate holding Company

There are no holding or ultimate holding company hence these details are not applicable to the Company.

(f) There are 23,43,100 shares reserved for issue under employee stock option scheme.

(g) Aggregate number and class of shares allotted as fully paid-up pursuant to contract without payment being received in cash and bonus shares issued and shares bought back during the period of five years immediately preceding the current year

The company has neither allotted any class of shares as fully paid-up pursuant to contract without payment being received in cash nor issued bonus shares and there has not been any buy back of shares during the five years immediately preceding March 31, 2023.



## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 19 Fee and commission income

	Year ended March 31, 2023	Year ended March 31, 2022
Merchant Banking and Advisory Fees	2,404	3,115
<b>Total</b>	<b>2,404</b>	<b>3,115</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, 2023	Year ended March 31, 2022
<b>Primary geographical market</b>		
India	2,404	3,115
Outside India	–	–
<b>Total</b>	<b>2,404</b>	<b>3,115</b>
<b>Major products/ service lines</b>		
Merchant Banking and Advisory Fees	2,404	3,115
<b>Total</b>	<b>2,404</b>	<b>3,115</b>
<b>Timing of revenue recognition</b>		
At a point in time	2,404	3,115
Over a period of time	–	–
<b>Total</b>	<b>2,404</b>	<b>3,115</b>

### 20 Interest Income

	Year ended March 31, 2023	Year ended March 31, 2022
<b>On Financial Assets measured at FVTPL</b>		
- Interest income from investments	68	68
<b>On Financial Assets measured at Amortised Cost</b>		
- Interest income on deposits with bank	251	146
<b>Total</b>	<b>319</b>	<b>214</b>

### 21 Net (gain) / loss on fair value changes

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Net (gain) / loss on financial instruments at fair value through profit or loss</b>		
- On equity instruments	99	(60)
- On other financial instruments		
Bonds	21	8
Mutual Funds	–	(0)
<b>Total Net (gain) / loss on fair value changes</b>	<b>120</b>	<b>(52)</b>
<b>Fair value changes</b>		
- Realised	–	–
- Unrealised	120	(52)
<b>Total Net (gain) / loss on fair value changes</b>	<b>120</b>	<b>(52)</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

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

	Year ended March 31, 2023	Year ended March 31, 2022
Gain on redemption of Mutual Funds	–	9
Gain on redemption of Shares	104	1
<b>Total</b>	<b>104</b>	<b>10</b>

### 23 Other

	Year ended March 31, 2023	Year ended March 31, 2022
Gain on sale of property, plant and equipments (net)	6	–
Net gain on foreign currency transactions and translations	(0)	(0)
Bad debts recovered	–	8
Lease modification gain	16	–
Miscellaneous income	0	4
Investment - written back	20	–
<b>Total</b>	<b>42</b>	<b>12</b>

### 24 Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
<b>At amortised cost</b>		
- Interest on borrowings	53	12
- Interest on lease liabilities (Refer note 34)	12	32
<b>Total</b>	<b>65</b>	<b>44</b>

### 25 Impairment on financial instruments

	Year ended March 31, 2023	Year ended March 31, 2022
<b>On financial instruments measured at amortised cost</b>		
Recovery of Impaired financial assets	(123)	–
Trade receivables - credit impaired	44	7
Trade receivables - considered good	24	–
<b>Total</b>	<b>(55)</b>	<b>7</b>

### 26 Employee benefits expense

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Salaries, bonus and allowances</b>	<b>1,029</b>	<b>1,134</b>
Contribution to provident and other funds (Refer note 40)	19	18
Contribution towards Gratuity Fund paid to LIC	1	9
Gratuity (Refer note 40)	22	8
Compensated absences	34	42
Employee share based payments (Refer note 31)	14	74
Staff welfare expenses	5	10
<b>Total</b>	<b>1,124</b>	<b>1,295</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 27 Other expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Repairs and maintenance - others	6	9
Rates and taxes	6	6
Insurance	26	26
Electricity	2	2
Travelling, conveyance and car hire	58	8
Membership and Subscription	74	62
Legal and professional fees	214	167
Payment to Auditor's (Refer note 41)	34	29
Directors' sitting fees	62	58
Commission to Non-Executive Directors	21	11
Spend towards Corporate Social Responsibility (CSR) activities (Refer note 36)	16	45
Miscellaneous expenditure	55	58
<b>Total</b>	<b>574</b>	<b>481</b>

### 28 Exceptional items

	Year ended March 31, 2023	Year ended March 31, 2022
Provision for Diminution	173	338
Legal & Professional fees	-	(61)
<b>Total</b>	<b>173</b>	<b>277</b>

The exceptional item consist of certain listed shares, which had formed part of the Company's investments but were misplaced and hence, written-off in earlier years. These shares have since been reinstated at the average cost they were carried at. The difference between the market value of such shares on the date of reinstatement and the average cost at which they have been reinstated and related expense, has been accounted for through "Exceptional Items". Subsequent changes in fair valuations have been shown under "Net Gain / (Loss) on fair value changes"

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 29 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, 2023	Year ended March 31, 2022
<b>Basic earnings per share</b>		
Profit attributable to equity shareholders (₹ in lakhs) (A)	776	1,420
Nominal value per share (₹)	5	5
Weighted average number of equity shares outstanding during the year (B)	3,17,87,198	2,82,09,551
Earnings per share (Basic) (₹) [ (A) / (B) ]	2.44	5.03
<b>Diluted earnings per share</b>		
Profit attributable to equity shareholders (₹ In Lakhs)	776	1,420
Less: Impact on profit due to exercise of diluted potential equity shares	-	-
Profit attributable to equity shareholders for calculation of diluted earnings per share (₹ In Lakhs) (A)	776	1,420
Weighted average number of equity shares used in computing basic earnings per share	3,17,87,198	2,82,09,551
Effect of potential equity shares for stock options outstanding	19,69,110	21,88,570
Weighted number of equity shares used in computing diluted earnings per share [B]	3,37,56,308	3,03,98,121
Earnings per share (Diluted) (₹) [ (A) / (B) ]	2.30	4.67

### 30 Contingent Liabilities and commitment to the extent not provided for in respect of:

#### A. Contingent Liabilities

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Other money for which the company is contingently liable	175	175

In respect of A.Y. 2017-2018, the assessing authority has considered certain receipts as income and demanded tax thereon. Aggrieved by the order, Company has made an appeal to the concerned authorities. The Company is of the opinion that the demand will be set aside and hence no provision is made.

#### B. Commitment

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Uncalled liability on shares and other investments partly paid		
- Partly paid up shares of Steel Infra Solutions Private Limited	84	135

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 31 Employees Stock Option Schemes (ESOS)

The Company's stock based compensation plan for director / employees has been implemented through a scheme (ESOS 2018) duly approved by the Shareholders.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Weighted Average Exercise Price	No of Shares	Weighted Average Exercise Price
<b>ESOS 2018</b>				
Options outstanding, beginning of the Year	35,24,500	33.38	36,35,000	33.37
Add: Granted during the Year	–	–	–	–
Less: Exercised during the Year	11,81,400	32.52	1,10,500	33.21
Less: Lapsed during the Year	–	–	–	–
Options outstanding, end of the Year	23,43,100	33.81	35,24,500	33.38

There are 23,43,100 shares (Previous Year: 35,24,500 shares) reserved for issue under employee stock option scheme.

Weighted average remaining contractual life of the share option outstanding at the end of the year is 1,232 days (Previous Year 1,571 days).

The Company has its accounting policy for ESOSs 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	Nil (Previous Year: 0.65 Years)
Vested but not exercised	3.41 Years (Previous Year: 4.07 Years)
Weighted average share price at the date of exercise for stock options exercised during the year	₹ 103.42 (Previous Year: ₹ 103.94)
Exercise period	5 years from vesting date
Vesting conditions	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time.
Weighted average fair value of options as on grant date	27.80

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

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 ₹ 14 lakhs (Previous year ₹ 74 lakhs). The Carrying amount of ESOP reserve as on March 31, 2023 is ₹ 664 lakhs (March 31, 2022 ₹ 951 lakhs).

The company provides the sensitivity analysis to show the impact to the Company's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the company's estimation by the stated percentages.

Impact on the income statement of a change in leaver assumptions	Year ended March 31, 2023	Year ended March 31, 2022
(+) 5%	-	-
(-) 5%	-	4

### 32 Borrowings:

#### (A) Secured loans:

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

Term loan of ₹ 2 lakhs (March 31, 2022 ₹ 10 lakhs) from the Bank is secured against Vehicle of the Company.

##### b) Term of Repayment

Term Loan from Bank is repayable in equal monthly instalment, the last instalment is due on June 5, 2023 as per repayment schedule having interest rate of 8.60% p.a.

##### c) Loan repayable on demand

Short term loan from Bank is repayable on demand and having interest rate of 9% p.a.

#### (B) Unsecured loans:

Loan from related party is received from Wholly-owned Subsidiary which is unsecured, carries interest @10%p.a.

### 33 Related Party Disclosures:

#### Names of related parties and their relationships:

Subsidiary Companies:	Prime Research & Advisory Limited
	Prime Funds Management Limited
Enterprises in which Key Management Personnels and the relatives exercise significant influence:	Gateway Entertainment Limited
	Judith Investments Private Limited
	Statin Enterprise LLP

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

<b>Key Management Personnels:</b>	Mr. N. Jayakumar
	Mr. Ajay Shah
	Mr. S R Sharma (Demise on September 23, 2022)
	Mr. Arun B Shah (From March 22, 2023)
<b>Independent Directors:</b>	Mr. Pradip Dubhashi
	Ms. Alpna Parida (Upto March 31, 2022)
	Ms. Namrata Kaul
	Ms. Smita Cawas Affinwalla
<b>Executive &amp; Non-Independent Director:</b>	Mr. Akshay Gupta
<b>Non-Executive &amp; Non-Independent Director:</b>	Mr. Ashok Kacker (From September 27, 2022)
	Mr. Sujit Kumar Varma (From September 27, 2022)

The following transactions were carried out with the related parties in the ordinary course of business and are on arm's length basis:

(₹ in lakhs)

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
1	Loans given to Prime Research & Advisory Limited	Subsidiary		
	Sums received		500	394
	Sums given		17	332
2	Interest paid to Prime Research & Advisory Limited	Subsidiary	22	2
3	Remuneration paid to Key Managerial Personnel			
	- Mr. N Jayakumar	Key Management Personnel	376	454
	- Mr. S. R. Sharma	Key Management Personnel	55	93
	- Mr. Ajay Shah	Key Management Personnel	69	64
	- Mr. Arun Shah	Key Management Personnel	25	-
4	Payment to Independent Directors			
	- Sitting Fees	Independent Directors	62	58
	- Commission	Independent Directors	21	11
5	ESOP Charge to Prime Research & Advisory Limited	Subsidiary	13	79
6	Interest charged on Loan			
	- Mr. Arun Shah	Key Management Personnel	3	-

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

Outstanding Balance			(₹ in lakhs)	
Sr. No.	Nature of Transaction [Receivable / (Payable)]	Relationship	Balance as on	
			March 31, 2023	March 31, 2022
1	Loan given / received to Prime Research & Advisory Limited*	Subsidiary	496 (Credit)	2 (Credit)
2	Ex-gratia to Key Managerial Personnel	Key Management Personnel	114 (Credit)	220 (Credit)
3	Loan to Key Managerial Personnel	Key Management Personnel	55 (Debit)	0

\* The outstanding balance ₹ 496 lakhs includes interest payable of ₹ 11 lakhs (P.Y. ₹ 2 Lakhs)

### 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.

### 34 Leases

As a lease the Company classified property lease as operating lease under Ind AS 116. These include office premises taken on lease. Lease include conditions such as non-cancellable period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation of price.

The Company has taken various office premises on operating lease for the period which ranges from 12 months to 60 months with an option to renew the lease by mutual consent on mutually agreeable terms.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2022 is 10.00 %.

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

#### (A) Right-of-use assets

Right-of-use assets relate to building that are presented separately within property and equipment  
(₹ in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Opening balance</b>	185	145
Addition during the period	–	103
Adjustments due to modification in lease arrangements	14	(5)
Deletion during the period	–	–
Depreciation charge for the period	(70)	(59)
<b>Closing balance</b>	<b>129</b>	<b>185</b>

#### (B) Movement of Lease liabilities

(₹ in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Opening balance</b>	224	175
Addition during the period	–	98
Deletion during the period	–	–
Finance Cost	12	32
Adjustments due to modification in lease arrangements	(2)	–
Payment of lease liabilities	(84)	(82)
<b>Closing balance</b>	<b>150</b>	<b>224</b>



## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

(C) Future minimum lease payments under non-cancellable operating lease were payable as follows:

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Less than one month	6	7
Between one and three months	12	14
Between three months and one year	55	63
Between one and five years	96	178
More than five years	–	–
<b>Total</b>	<b>169</b>	<b>262</b>

(D) Amounts recognised in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Interest on lease liabilities	12	32
Depreciation of ROU lease asset	70	59
Gain / (loss) on termination of leases	–	–
Rent concession related to COVID-19	–	–

(E) Amounts recognised in Statement of Cash Flow

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Total Cash outflow for leases	84	82

Company has considered entire lease term for the purpose of determination of Right of Use assets and lease

### 35 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, 2023. There is no distinguishable component of the company engaged in providing services in a different economic environment. The company has no offices outside India and there are no reportable geographical segments.

All assets of the Company are domiciled in India.

Revenue of ₹ 1,683 lakhs (March 31, 2022 : ₹ 1,775 lakhs) is derived from three external customers (three external customers in PY) and revenue from each such customer constitutes more than 10% of the Company's revenue.

### 36 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 2022-23 ₹ 20 lakhs (Previous year ₹ 18 lakh).

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

(b) Amount spent during the year on:		(₹ in lakhs)	
Particulars	2022-23	2021-22	
(i) Amount required to be spent by the company during the year	20	18	
(ii) Amount of expenditure incurred			
- Construction / acquisition of any asset	-	-	
- On purposes other than above	16	45	
(iii) Shortfall at the end of the year	-	-	
(iv) Adjustment of earlier years overspent	4	-	
(v) Earlier years overspent carry forward	30	34	
(vi) Total of previous years shortfall	-	-	
(vii) Reason for shortfall	NA	NA	
(viii) Nature of CSR activities*	-	-	
(ix) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-	
(x) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-	

\*Contribution to Various Trusts for Medical, Training and skill development of women, children and special abled persons.

### 37 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, 2023 : ₹ 1,491 lakhs, March 31, 2022: ₹ 301 lakhs. (Refer note 5)

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

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

#### IV. Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

Particulars	2022-23	2021-22
Revenue from the Contracts (as per Contract)	2,404	3,115
Less :- Discounts / Incentive to Customers	-	-
<b>Revenue from the Contracts (as per Statement of Profit and Loss)</b>	<b>2,404</b>	<b>3,115</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 38 Financial instruments – Fair values and risk management

#### A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2023	Fair Value Through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised	Total Carrying Value
<b>Financial assets</b>				
Cash and cash equivalents	–	–	64	64
Bank balance other	–	–	4,333	4,333
Trade receivables	–	–	1,491	1,491
Other receivables	–	–	440	440
Loans	–	–	55	55
Investments	865	3,917	1,325	6,107
Other financial assets	–	–	62	62
<b>Total</b>	<b>865</b>	<b>3,917</b>	<b>7,770</b>	<b>12,552</b>
<b>Financial liabilities</b>				
Trade payables	–	–	8	8
Borrowings	–	–	487	487
Other financial liabilities	–	–	556	556
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,051</b>	<b>1,051</b>

March 31, 2022	Fair Value Through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised	Total Carrying Value
<b>Financial assets</b>				
Cash and cash equivalents	–	–	725	725
Bank balance other	–	–	4,555	4,555
Trade receivables	–	–	301	301
Other receivables	–	–	393	393
Loans	–	–	–	–
Investments	1,298	2,275	1,312	4,885
Other financial assets	–	–	83	83
<b>Total</b>	<b>1,298</b>	<b>2,275</b>	<b>7,369</b>	<b>10,942</b>
<b>Financial liabilities</b>				
Trade payables	–	–	18	18
Borrowings	–	–	496	496
Other financial liabilities	–	–	733	733
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,247</b>	<b>1,247</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

March 31, 2023	Fair value through Profit and Loss / Other Comprehensive Income				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
<b>Financial assets</b>						
Cash and cash equivalents	–	–	–	–	64	64
Bank balance other	–	–	–	–	4,333	4,333
Trade receivables	–	–	–	–	1,491	1,491
Other receivables	–	–	–	–	440	440
Loans	–	–	–	–	55	55
Investments	604	3,173	1,005	4,782	1,325	1,325
Other financial assets	–	–	–	–	62	62
<b>Total</b>	<b>604</b>	<b>3,173</b>	<b>1,005</b>	<b>4,782</b>	<b>7,770</b>	<b>7,770</b>
<b>Financial liabilities</b>						
Trade payables	–	–	–	–	8	8
Borrowings	–	–	–	–	487	487
Other financial liabilities	–	–	–	–	556	556
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,051</b>	<b>1,051</b>

March 31, 2022	Fair value through Profit and Loss / Other Comprehensive Income				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
<b>Financial assets</b>						
Cash and cash equivalents	–	–	–	–	725	725
Bank balance other	–	–	–	–	4,555	4,555
Trade receivables	–	–	–	–	301	301
Other receivables	–	–	–	–	393	393
Loans	–	–	–	–	–	–
Investments	1,031	267	2,275	3,573	1,312	1,312
Other financial assets	–	–	–	–	83	83
<b>Total</b>	<b>1,031</b>	<b>267</b>	<b>2,275</b>	<b>3,573</b>	<b>7,369</b>	<b>7,369</b>
<b>Financial liabilities</b>						
Trade payables	–	–	–	–	18	18
Borrowings	–	–	–	–	496	496
Other financial liabilities	–	–	–	–	733	733
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,247</b>	<b>1,247</b>

### 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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 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. Few unlisted equity instruments are classified as level 2 in the fair value hierarchy, since there are significant observable inputs available by way of fund raising transaction during the year. Further no significant adjustments needs to be made to the prices obtained from recent transactions.

### Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

### C) Valuation techniques used to determine fair value:

Significant valuation techniques used to value financial instruments include:

The carrying amounts of cash and cash equivalent, trade receivables, other financial assets, loans, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

The following tables show the valuation techniques used in measuring fair values.

Type	Valuation technique
Listed Equity Investments & Bonds (Level 1)	The valuation has been done using the quoted price in active market.
Investments in Bonds and Unquoted equity instrument traded in the market (Level 2)	The valuation has been done based on discounted cash flow method using observable market data and recent transaction available inactive market.
Unquoted equity instrument. (Level 3)	The valuation has been done based on discounted cash flow method using unobservable market data.

Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

Type of Financial Instrument	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Increase in unobservable input	Change in fair value due to increase in unobservable input	Decrease in unobservable input	Change in fair value due to decrease in unobservable input
Investment in unquoted equity shares categorised at Level 3	VC Method	IRR%	-2.5% to 2.5%	2.50%	-2.02	2.50%	1.80
	Discounted projected cash flow	WACC%	-2.5% to 2.5%	2.50%	-7.58	2.50%	9.52
		TGR%	-1% to 1%	1%	1.49	1%	-1.71

### D) Fair value of financial instrument measured at amortised cost

Fair value of financial asset and liabilities are equal to their carrying amount.

**Note:** During the periods mentioned above, there have been no transfers amongst the hierarchy levels.

### E) Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board of Directors have adopted an Enterprise Risk Management Policy framed by the Company, which identifies the risk and lays down the risk minimization procedures. The Management reviews the Risk management policies and systems on a regular basis to reflect changes in market conditions and the Company's activities, and the same is reported to the Board of Directors periodically. Further, the Company, in order to deal with the future risks, has in place various methods / processes which have been imbibed in its organizational structure and proper internal controls are in place to keep a check on lapses, and the same are been modified in accordance with the regular requirements.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

The Audit Committee oversees how Management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal auditors.

The Company has exposure to the following risk arising from financial instruments:

### i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

#### Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

For trade receivables, the company individually monitors outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company monitors each loans and advances given and makes any specific provision wherever required.

The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

The Company uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables, as per which the provision is made at 25% in each of the succeeding four quarters starting with the end of 180 days from the date of the Invoice.

The movement in expected credit loss:

Particulars	Carrying amount (₹ in lakhs)	
	March 31, 2023	March 31, 2022
Opening balance	188	181
Provided during the year	68	7
Written Back	(137)	–
Closing balance	119	188

#### Ageing of Expected credit loss provided during the year

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Less than 1 year	61	7
1-2 years	7	–
2-3 years	–	–
More than 3 years	–	–

Management believes that the unimpaired amounts which are past due are collectible in full.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### Cash and cash equivalents and other Bank balances

The Company held cash and cash equivalents and other bank balances of ₹ 4,397 lakhs as on March 31, 2023 (March 31, 2022 ₹ 5,279 lakhs). The cash and cash equivalents are held with banks with good credit ratings.

### Loans:

The Company held Loans of ₹ 55 as on March 31, 2023 (March 31, 2022 ₹ Nil). The loans are in the nature of loans to related party 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 lakhs)

March 31, 2023	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	8	8	8	–	–	–	–
Borrowings	487	487	2	–	485	–	–
Other financial liabilities	556	556	437	32	59	29	–

March 31, 2022	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	18	18	18	–	–	–	–
Borrowings	496	496	490	4	2	–	–
Other financial liabilities	733	733	541	33	76	83	–

The gross outflows disclosed in the above tables represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity.

### iii) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

### Currency risk

The Company has insignificant amount of foreign currency denominated assets. Accordingly, the exposure to currency risk is insignificant.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### Interest rate risk

The Company's investments are primarily in fixed rate interest instruments. Accordingly, the exposure to interest rate risk is also insignificant.

### Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer or the market. The Company exposed to price risk from its investment in Mutual Funds, Equity Shares, Bonds classified in the balance sheet at fair value through profit and loss or fair value through other comprehensive income.

Particulars	March 31, 2023		March 31, 2022	
	Profit & Loss	Other Comprehensive Income	Profit & Loss	Other Comprehensive Income
Exposure to price risk	865	3,917	1,298	2,275

### Sensitivity analysis

The table below sets out the effect on profit or loss and Other Comprehensive Income due to reasonable possible weakening / strengthening in prices of 5% in carrying cost of quoted investment, unquoted investment & debt instruments:

Particulars	March 31, 2023		March 31, 2022	
	Change in Statement of Profit & Loss	Change in Other Comprehensive Income	Change in Statement of Profit & Loss	Change in Other Comprehensive Income
5% increase in the prices	43	196	65	114
5% decrease in the prices	(43)	(196)	(65)	(114)

Decrease in prices by 5% will have equal and opposite impact in financial statements. Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the investment portfolio as on the reporting date.

## 39 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using debt to equity ratio.

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Borrowings	487	496
Gross Debt	487	496
Less: Cash & Bank Balance	(4,397)	(5,279)
Net debt (A)	-	-
Total equity (B)	11,572	10,358
Net debt to equity ratio (A) / (B)	N.A.	N.A.



## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, 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 ₹ 19 lakhs for year ended March 31, 2023 (₹ 18 lakhs for year ended March 31, 2022) 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:

##### A) 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, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(₹ in lakhs)

Particulars	Gratuity	
	March 31, 2023	March 31, 2022
Defined benefit obligation	194	149
Fair value of Plan Assets at the end of the year	82	78
Net Obligation at the end of the year	112	71

##### B) Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(₹ in lakhs)

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening balance	149	112	78	64	71	48
Included in profit or loss	–	–	–	–	–	–
Current service cost	17	14	–	–	17	14
Past service cost	–	–	–	–	–	–
Interest cost / (income)	11	8	6	5	5	3
	177	134	84	69	93	65
Included in OCI						
Remeasurement loss (gain):	–	–	–	–	–	–
Actuarial loss / (gain) arising from:	–	–	–	–	–	–
Demographic assumptions	–	(0)	–	–	–	(0)
Financial assumptions	10	7	–	–	10	7
Experience adjustment	8	8	–	–	8	8
Return on plan assets excluding interest income	–	–	(1)	(0)	2	0
	195	149	83	69	112	80

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

(₹ in lakhs)

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Other</b>						
Contributions paid by the employer	-	-	-	9	-	(9)
Benefits paid	-	-	-	-	-	-
<b>Closing balance</b>	<b>195</b>	<b>149</b>	<b>83</b>	<b>78</b>	<b>112</b>	<b>71</b>
Represented by						
Net defined benefit asset	-	-	-	-	(83)	(78)
Net defined benefit liability	-	-	-	-	195	149
	-	-	-	-	112	71

### C) Plan assets

Plan assets comprise the following:

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Fund managed by Insurance Company	83	78
<b>Total</b>	<b>83</b>	<b>78</b>

### 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, 2023	March 31, 2022
Discount rate	7.62%	7.25%
Expected Rate of Return on Plan Assets	7.62%	7.25%
Salary escalation rate	7.00%	6.00%
Employee Turnover	2.00%	2.00%
Mortality rate	N.A.	N.A.
	Indian Assured Lives	Indian Assured Lives
	Mortality (2012-14)	Mortality (2012-14)
	Urban	Urban

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, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(14)	17	(12)	14
Future salary growth (1% movement)	17	(15)	14	(12)
Rate of employee turnover (1% movement)	1	(1)	1	(1)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2023 were as follows

### Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2023, i.e. ₹ 1 lakhs

Expected future benefit payments	(₹ in lakhs)
March 31, 2024	15
March 31, 2025	5
March 31, 2026	6
March 31, 2027	91
March 31, 2028	3
Thereafter	314

### 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 ₹ 34 lakhs (March 31, 2022 ₹ 42 lakhs). Accumulated provision for leave encashment aggregates ₹ 63 lakhs (March 31, 2022 ₹ 61 lakhs).

## 41 Auditors Remuneration (excluding taxes)

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payment to Auditor		
Audit Fees	34	27
Tax Audit Fees	–	–
Other Services (includes out of pocket expenses)*	–	2
<b>Total</b>	<b>34</b>	<b>29</b>

\* Other Services include fees for Certifications

## 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 lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Amounts recognised in statement of profit or loss</b>		
<b>Current tax</b>		
Current year (a)	197	307
Changes in estimates related to prior years (b)	170	10
<b>Deferred tax (c)</b>		
Origination and reversal of temporary differences	(59)	27
<b>Tax expense (a)+(b)+(c)</b>	<b>308</b>	<b>344</b>
<b>B. Tax recognised in other comprehensive income</b>		
Deferred Tax on remeasurement of defined benefit liability	6	4
<b>Total</b>	<b>6</b>	<b>4</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
<b>C. Reconciliation of effective tax</b>		
Profit/(Loss) before tax	911	1,487
Tax at the rate of 29.12%	265	433
Effect of:		
Net Disallowance of Expenses	139	76
Impact due to differential tax rates	(64)	1
Current and brought forward losses	(1)	(1)
Difference due to MAT	(142)	(202)
Tax adjustment of earlier year	170	10
Deferred Tax	(59)	27
Effective tax	308	344
Effective Tax Rate (%)	33.80	23.12
<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	21	22
Lease Rent adjustment as per Ind AS 116	6	11
Net Mark-to-Market Loss/(Gain) on investments (net)	(429)	(260)
Merger expenses	1	0
Provision for Gratuity	33	21
Provision for Doubtful Debt (ECL)	-	2
Provision for compensated absence	19	17
<b>Net Deferred Tax Expense</b>	<b>(349)</b>	<b>(187)</b>

**Note:**

The Company's reconciliation of the effective tax rate is based on its domestic tax rate applicable to respective financial years.

**Amounts recognised in Other Comprehensive Income**

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Before Tax	Tax (expenses) benefit	Net of tax	Before Tax	Tax (expenses) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of defined benefit liability (asset)	(19)	6	(13)	(15)	4	(11)
<b>Items that are or may be reclassified subsequently to profit or loss</b>						
Fair value gain on Financial Assets carried at FVTOCI	979	(228)	751	925	(215)	710
<b>Total</b>	<b>960</b>	<b>(222)</b>	<b>738</b>	<b>910</b>	<b>(211)</b>	<b>699</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 43 Net Deferred Tax

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Deferred tax asset on account of:		
Lease Rent adjustment as per Ind AS 116	6	11
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	21	22
Provision for gratuity	33	21
Provision for Doubtful Debt (ECL)	–	2
Merger expenses	1	0
Net Mark-to-Market Loss/(Gain) on investments (net)	(429)	(260)
Provision for compensated absences	19	17
<b>Total Deferred tax assets (A)</b>	<b>(349)</b>	<b>(187)</b>
<b>Total Deferred tax liability (B)</b>	<b>–</b>	<b>–</b>
<b>Net Deferred Tax Assets / (Liability) (A) - (B)</b>	<b>(349)</b>	<b>(187)</b>

### 44 Movement of Deferred Tax

(₹ in lakhs)

Particulars	As at	Recognised	Recognised	As at
	March 31, 2023	through Other	through	March 31, 2022
		Comprehensive	Profit	
		Income	and Loss	
Deferred tax asset on account of:				
Lease Rent adjustment as per Ind AS 116	6	–	(5)	11
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	21	–	(1)	22
Provision for gratuity	33	6	6	21
Provision for Doubtful Debt (ECL)	–	–	(2)	2
Merger expenses	1	–	1	0
Provision for compensated absences	19	–	1	17
Net Mark-to-Market Loss/ (Gain) on investments (net)	(429)	(168)	–	(260)
<b>Total Deferred tax assets (A)</b>	<b>(349)</b>	<b>162</b>	<b>(0)</b>	<b>(187)</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>(349)</b>	<b>162</b>	<b>(0)</b>	<b>(187)</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 45 Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
<b>Financial Assets</b>						
Cash and Cash Equivalents	64	–	64	725	–	725
Bank Balance other than Cash and Cash Equivalents above	4,333	–	4,333	4,555	–	4,555
Receivables						
- Trade Receivables (Net)	1,491	–	1,491	301	–	301
- Other Receivables	47	393	440	–	393	393
Loans	55	–	55	–	–	–
Investments	78	6,029	6,107	69	4,816	4,885
Other Financial Assets	20	42	62	40	43	83
<b>Total financial assets (A)</b>	<b>6,088</b>	<b>6,464</b>	<b>12,552</b>	<b>5,690</b>	<b>5,252</b>	<b>10,942</b>
<b>Non-financial assets</b>						
Current Tax Assets (Net)	–	283	283	–	598	598
Deferred Tax Assets (Net)	–	–	–	–	–	–
Property, Plant and Equipment	–	225	225	–	227	227
Other Intangible assets	–	7	7	–	0	0
Capital work-in-progress	–	–	–	–	65	65
Other non-financial assets	121	–	121	129	0	129
<b>Total Non-financial Assets (B)</b>	<b>121</b>	<b>515</b>	<b>636</b>	<b>129</b>	<b>890</b>	<b>1,019</b>
<b>Total Assets (C) = (A) + (B)</b>	<b>6,209</b>	<b>6,979</b>	<b>13,188</b>	<b>5,819</b>	<b>6,142</b>	<b>11,961</b>

(₹in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
<b>Financial liabilities</b>						
Payables						
Trade Payables						
Total Outstanding dues of Micro enterprises and small enterprises	–	–	–	–	–	–
Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	8	–	8	18	–	18
Borrowings	2	485	487	494	2	496
Other financial liabilities	468	88	556	574	159	733
<b>Total Financial Liabilities (A)</b>	<b>478</b>	<b>573</b>	<b>1,051</b>	<b>1,086</b>	<b>161</b>	<b>1,247</b>
<b>Non Financial Liabilities</b>						
Provisions	63	112	175	61	71	132
Deferred tax liabilities (net)	–	349	349	–	187	187
Other non financial liabilities	41	–	41	37	–	37
<b>Total Non-Financial Liabilities (B)</b>	<b>104</b>	<b>461</b>	<b>565</b>	<b>98</b>	<b>258</b>	<b>356</b>
<b>Total Liabilities (C) = (A) + (B)</b>	<b>582</b>	<b>1,034</b>	<b>1,616</b>	<b>1,184</b>	<b>419</b>	<b>1,603</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 46 Assets pledged as security

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Property, Plant and Equipment (Vehicle)	18	24
Cash & Cash equivalents (Fixed deposits)	–	703
<b>Total assets pledged as security</b>	<b>18</b>	<b>727</b>

### 47 Changes in liabilities arising from financing activities

(₹ in lakhs)

Particulars	As at	Cash flows	Others	As at	Cash flows	Others	As at
	April 1, 2021			March 31, 2022			March 31, 2023
Borrowings (Other than debt securities)	17	479	–	496	(9)	–	487

Particulars	As at	Cash flows	Others	As at	Cash flows	Others	As at
	April 1, 2020			March 31, 2021			March 31, 2022
Borrowings (Other than debt securities)	23	(6)	–	17	479	–	496

48 The issue proceeds received against the issue of 45,50,000 equity shares to specified investors in November 2021, on a preferential basis at a price of ₹ 88.75 per equity share, have been invested in the fixed deposits with bank pending utilisation in terms of the objects of the issue. The Board of Directors have at their Meeting held on March 22, 2023 approved the amendment in the object clause for the utilization of funds, subject to approval of the shareholders, for which a Postal Ballot is asked for and the fate will be known after May 3, 2023.

49 The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On April 21, 2023 the Board of Directors of the Company have proposed a dividend of Re. 0.50 (P.Y. ₹ 2.25) per equity share of ₹5 each in respect of the financial year ended March 31, 2023, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹ 162 lakhs (P.Y. ₹ 701 lakhs).

- 50 a) The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, except as stated hereunder:

Particulars	March 31, 2023		March 31, 2022	
	Date	Amount	Date	Amount
<b>Invested in</b>				
Jalpak Food India Private Limited (intermediary)		–	04-12-2021	160
<b>Further invested by intermediary</b>				
White Spread Foods Private Limited		–	27-12-2021	50
(Subsidiary of Jalpak Food India Private Limited)		–	03-01-2022	100
		–	01-02-2022	10

The Company is in compliance with relevant provisions of the Foreign Exchange Management Act 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the prevention of Money-Laundering Act 2002,(15 of 2003).

51 The disclosure on the following matters required under Section III amended not being relevant or applicable in case of the Company for the year ended March 31, 2023, same are not covered:

- a) The company has not traded or invested in crypto currency or virtual currency during the financial year.
- b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- c) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- d) The Company has not entered into any scheme of arrangement.
- e) No satisfaction of charges are pending to be filed with ROC.
- f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- g) The Company has not entered into any transaction with Company struck off under section 248 of the Companies Act, 2013.
- h) The Company has taken overdraft facility from bank on security of Fixed deposits and hence there is no requirement for filling of any periodical return or information to any authorities.
- i) The Company does not have any step down subsidiaries hence compliance of layer of companies are not applicable.
- j) Disclosure of ratios, is not applicable to the Company as it is in merchant banking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.



## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

- k). Disclosures of immovable property not in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director	Property held since which date*	Reason for not being held in the name of the company*
Other Receivable	Building	393	Mr. Anil Mithalal Shah	No	Under Litigation (From 1995)	Under Litigation

\* In the earlier year, pursuant to the order of the Hon'ble High Court, the possession of the flat was handed over to the Official Assignee. An appeal was filed by the Company against the said order whereby the said order was set aside. Pursuant to the fresh chamber summons filed by the Company for removing attachment, the Official Assignee has been directed not to sell or dispose-off the flat. The Company has been legally advised that the said developments will not have a bearing on the Company's title to the flat and consequently there is no impairment in the value of the asset and the Company is not likely to have any further claim or liability against the said flat.

- 52 The Board of Directors have on April 13, 2023 approved an agreement between the Company and Bridgeweave Limited (Bridgeweave UK), a UK based Artificial Intelligence / Machine Learning-based technology company, that has developed a suite of financial products for retail investors. The two-step process to acquire a majority / 100% ownership in Bridgeweave will be as under:

- The Company will acquire an 8% equity stake in Bridgeweave UK, through a primary infusion of INR 10 Cr. at a pre-money valuation of INR 115 Cr.
- Post execution of definitive documentation over the next 90 days and subject to approval of the shareholders and / or other regulatory or statutory approvals, the Company will seek to acquire the balance 92% equity stake in Bridgeweave UK through a stock swap of equity shares of the Company, at a floor valuation of INR 130 per equity share.

### 53 Events after reporting date

There have been no events after the reporting date other than disclosed in Note 52, that require disclosure in these financial statements.

- 54 The figures for the previous year have been regrouped wherever necessary. The impact of such regroupings / reclassifications are not material to Financial Statements.

- 55 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 : April 21, 2023

#### For Prime Securities Limited

#### N. Jayakumar

Managing Director & Group CEO

(DIN: 00046048)

#### Arun Shah

Chief Financial Officer

Place : Mumbai

Date : April 21, 2023

#### Pradip Dubhashi

Chairman

(DIN: 01445030)

#### Ajay Shah

Company Secretary

(ACS-14359)



CONSOLIDATED  
FINANCIAL  
STATEMENT

# Independent Auditor's Report

To the Members of  
**Prime Securities Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Prime Securities Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2023, 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 notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described

in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Proposed acquisition

4. We draw attention to Note 52 to the accompanying consolidated financial statements which describes that subsequent to the balance sheet date, the Board of Directors of the Company, in its meeting held on 13 April 2023, have approved an agreement to acquire ownership in Bridgeweave Limited, UK, details of which are described in the aforesaid note. Our opinion is not modified in respect of this matter.

### Key Audit Matters

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 of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters 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 Group's significant accounting policies in note 2(c) and the revenue related disclosure in note 37 of the consolidated financial statements.</p> <p>The Group'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 Group is contractually expected to receive in exchange for those services as set forth under the terms of engagement.</p> <p>Identification of the various performance obligations within the contract and allocation of consideration to these performance obligations, is complex and requires significant management judgement.</p> <p>Considering the materiality of amounts involved, significant judgements, this has been identified as a key audit matter in respect of consolidated financial statements.</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the Group'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 Group, 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 Group 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 Group to the extent of revenue recognised, by performing enquiry with the management and inspecting supporting documents evidencing completion of such work.</li> <li>• On a sample basis, tested invoices raised in relation to the advisory services and traced the receipt of money in respect of such invoices to the bank statements. Accounting of unbilled revenue was verified with invoices issued in subsequent period.</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 recognised in the correct period.</li> </ul> </li> </ul>
<p><b>Valuation of unquoted investments carried at fair value</b></p> <p><b>Refer note 2 (h) for significant accounting policies and note 7 of consolidated financial statements</b></p> <p>As at 31 March 2023, the Group held unquoted investments carried at fair value amounting to ₹ 3,917 lakhs which represents 27.8 % of the total assets of the Group as at 31 March 2023.</p>	<p>Our audit procedures in relation to valuation of unquoted investments with the involvement of our valuation experts included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of Group's business model and its assessment in accordance with Ind AS 109 for classification and valuation of investments;</li> <li>• Obtained a detailed understanding of the management's process and controls for determining the fair valuation of these investments. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Group including its valuation policy and discussion with those involved in the process of valuation;</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>The aforesaid investments are not traded in the active market. These investments are fair valued using Level 2 and Level 3 inputs. The fair valuation of Level 3 investments is determined by a management-appointed independent valuation specialist. The process of computation of fair valuation of Level 3 investments includes use of unobservable inputs and management judgements and estimates which are complex.</p> <p>The key assumptions underpinning management's assessment of fair value of Level 3 investments, include application of liquidity discounts, calculation of discounting rates and the estimation of projections of revenues, projections of future cash flows and growth rates.</p> <p>The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the consolidated financial statements due to the materiality of total value of investments to the consolidated financial statements and the complexity involved in the valuation of these investments.</p>	<ul style="list-style-type: none"> <li>• Evaluated the design and tested the operational effectiveness of relevant key controls over the valuation process, including the Group's review and approval of the estimates and assumptions used for the valuation including independent price verification performed by the management expert;</li> <li>• Obtained and evaluated for reasonableness, the market observable inputs used by the management for valuation of Level 2 investments;</li> <li>• Obtained the valuation reports of the management's expert and assessed the expert's competence, objectivity and independence in performing the valuation of Level 3 investments;</li> <li>• Performed a reasonableness test on the valuation reports provided by management by carrying out following procedures: <ul style="list-style-type: none"> <li>o Analysed financial performance of the investee company from the date of investment till the valuation date;</li> <li>o Applied calibration to price of recent Investment methodology in assessing the impact, if any, on the valuation of investee company as on the valuation date;</li> <li>o Screened for comparable companies / comparable transactions (wherever transaction data was available) for each of the investee companies.;</li> </ul> </li> <li>• Ensured the appropriateness of the carrying value of these investments in the consolidated financial statements and the gain or loss recognized in the consolidated financial statements as a result of such fair valuation;</li> <li>• Ensured the appropriateness and sufficiency of the disclosures in accordance with the applicable accounting standards; and</li> <li>• Obtained written representations from the management and those charged with governance whether they believe significant assumptions used in valuation of the investments are reasonable.</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. The Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
9. 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.

10. 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**

11. 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.
12. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the

consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. 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.
14. 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.
15. 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**

16. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 2,747 lakhs and net assets of ₹ 2,460 lakhs as at 31 March 2023, total revenues of ₹ 1,820 lakhs and net cash outflows amounting to ₹ 127 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to

us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act

have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements for the year ended 31 March 2023 and covered under the Act we report that:

A) Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2023 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1.	Prime Securities Limited	L67120MH1982PLC026724	Holding Company	Clause (vii)(a)
2.	Prime Research & Advisory Limited	U65990MH1993PLC071007	Subsidiary	Clause (vii)(a)

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account

as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;



- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2023 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 II, wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 30 to the consolidated financial statements;
  - ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
  - 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 2023; and

- iv. a. The respective managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in note 50(b) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company and its subsidiary companies to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The respective managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 50(a) to the accompanying consolidated financial statements, no funds have been received by the Holding Company and its subsidiary companies from any person or entity, including foreign

entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor's notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement
- v. As stated in note 49 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed

final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. Further, the final dividend paid by the Holding Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. The subsidiary companies have not declared or paid any dividend during the year ended 31 March 2023.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

**For Walker Chandio & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Murad D. Daruwalla**

*Partner*

Membership No.: 043334

UDIN: 23043334BGSDXG6314

Place: Mumbai  
Date: April 21, 2023

## Annexure I

### List of entities included in the Consolidated Financial Statements:

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

## Annexure II

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

1. In conjunction with our audit of the consolidated financial statements of Prime Securities Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

6. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external

purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated 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 Consolidated Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 consolidated financial statements and such controls were operating effectively as at 31 March 2023, 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 ₹ 2,747 lakhs and net assets of ₹ 2,460 lakhs as at 31 March 2023, total revenues of ₹ 1,820 lakhs and net cash outflows amounting to ₹ 127 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditor whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditor of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

**For Walker Chandiook & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Murad D. Daruwalla**

*Partner*

Membership No.: 043334

UDIN: 23043334BGSDXG6314

Place: Mumbai

Date: April 21, 2023

## Consolidated Balance Sheet as at 31st March, 2023

(₹ in Lakhs, unless otherwise stated)

Particulars	Note No.	As at	
		March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>I. Financial assets</b>			
a) Cash and cash equivalents	3	194	981
b) Bank balance other than (a) above	4	5,541	5,643
c) Receivables	5		
(i) Trade receivables		1,492	349
(ii) Other receivables		440	393
d) Loans	6	55	–
e) Investments	7	5,552	4,419
f) Other financial assets	8	64	94
<b>Sub total (I)</b>		<b>13,338</b>	<b>11,879</b>
<b>II. Non-financial assets</b>			
a) Current tax assets (net)	9	330	697
b) Property, plant and equipment	10(a)	264	292
c) Capital work-in-progress	10(b)	–	65
d) Other Intangible assets	10(c)	8	2
e) Other non-financial assets	11	143	136
<b>Sub total (II)</b>		<b>745</b>	<b>1,192</b>
<b>TOTAL ASSETS (I + II)</b>		<b>14,083</b>	<b>13,071</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		8	18
b) Borrowings (Other than debt securities)	13	2	504
c) Other financial liabilities	14	744	980
<b>Sub total (I)</b>		<b>754</b>	<b>1,502</b>
<b>II. Non-financial liabilities</b>			
a) Provisions	15	222	161
b) Deferred tax liabilities (net)	16	332	178
c) Other non-financial liabilities	17	81	85
<b>Sub total (II)</b>		<b>635</b>	<b>424</b>
<b>III. Equity</b>			
a) Equity share capital	18	1,618	1,559
b) Other equity		11,076	9,586
<b>Sub total (III)</b>		<b>12,694</b>	<b>11,145</b>
<b>TOTAL LIABILITIES AND EQUITY (I + II + III)</b>		<b>14,083</b>	<b>13,071</b>
Summary of significant accounting policies and other explanatory information to the financial statements.	1-57		

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

Place : Mumbai

Date : April 21, 2023

**Arun Shah**

Chief Financial Officer

Place : Mumbai

Date : April 21, 2023

**Ajay Shah**

Company Secretary

(ACS-14359)

## Statement of Consolidated Profit and Loss for the year ended 31st March, 2023 (₹ in Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended	
		March 31, 2023	March 31, 2022
<b>I. Revenue from operations</b>			
i) Fee and Commission income	19	4,054	4,154
<b>Total Revenue from operations (I)</b>		<b>4,054</b>	<b>4,154</b>
<b>II. Other Income</b>			
i) Interest income	20	467	332
ii) Dividend income		4	10
iii) Net gain on fair value changes	21	-	44
iv) Gain on sale / redemption of investments (net)	22	117	16
v) Other		42	15
<b>Total other income (II)</b>	23	<b>630</b>	<b>417</b>
<b>III. Total income (I + II)</b>		<b>4,684</b>	<b>4,571</b>
<b>IV. Expenses</b>			
i) Finance costs	24	57	43
ii) Fees and commission expense		650	129
iii) Net loss on fair value changes	21	141	-
iv) Impairment on financial instruments	25	(54)	7
v) Employee benefits expense	26	1,749	1,904
vi) Depreciation and amortisation expense	10(a) & 10(c)	114	87
vii) Other expenses	27	683	536
<b>Total expenses (IV)</b>		<b>3,340</b>	<b>2,706</b>
<b>V. Profit before exceptional items and tax</b>		<b>1,344</b>	<b>1,865</b>
<b>VI. Exceptional items (net gain)</b>	28	<b>173</b>	<b>277</b>
<b>VII. Profit before tax (V) + (VI)</b>		<b>1,517</b>	<b>2,142</b>
<b>VIII. Tax expense</b>			
i) Current tax	42	318	406
ii) Earlier year tax	42	147	10
iii) Deferred tax	42	(66)	28
<b>Total Tax expense (VIII)</b>		<b>399</b>	<b>444</b>
<b>IX. Profit after tax (VII) - (VIII)</b>		<b>1,118</b>	<b>1,698</b>
<b>X. Other comprehensive income / (loss)</b>			
Item that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) of the defined benefit plans		(26)	(26)
Remeasurement gain on fair valuation of investments		979	925
Deferred tax on remeasurement of the defined benefit plans		7	7
Deferred tax on remeasurement of gain on fair valuation		(228)	(215)
<b>Other comprehensive income for the year (X)</b>		<b>732</b>	<b>691</b>
<b>XI. Total comprehensive income for the year (IX) + (X)</b>		<b>1,850</b>	<b>2,389</b>
Earnings per equity share of nominal value of ₹ 5 each	29		
Basic (in ₹)		3.52	6.02
Diluted (in ₹)		3.31	5.59
Summary of significant accounting policies and other explanatory information to the financial statements.	1-57		

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

**For Walker Chandiook & Co LLP**

**For Prime Securities Limited**

Chartered Accountants

Firm Registration Number : 001076N/N500013

**N. Jayakumar**

Managing Director & Group CEO  
(DIN: 00046048)

**Pradip Dubhashi**

Chairman  
(DIN: 01445030)

**Murad D. Daruwalla**

Partner

Membership No 043334

Place : Mumbai

Date : April 21, 2023

**Arun Shah**

Chief Financial Officer

Place : Mumbai

Date : April 21, 2023

**Ajay Shah**

Company Secretary  
(ACS-14359)

## Consolidated Statement of Cash Flows for the year ended 31st March, 2023

(₹ in Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>1,344</b>	<b>1,865</b>
<b>Adjustments for :</b>		
Depreciation and amortisation expense	114	87
(Profit)/ Loss on sale of property, plant and equipments (net)	11	-
Changes in fair valuation of investment (net)	141	(44)
Gain on sale of investments (net)	(117)	(16)
Interest Expense	57	43
Interest income on deposits	(467)	(332)
Dividend income	(4)	(10)
Share issue expenses	-	2
(Appreciation) /Diminution in value of Investments	(123)	-
Share based payment to employees	27	153
Impairment of financial assets	61	7
<b>Operating profit before working capital changes</b>	<b>1,044</b>	<b>1,755</b>
<b>Adjustments for changes in working capital:</b>		
(Decrease) / Increase in provisions	61	36
(Decrease) / Increase in trade payables	(10)	(209)
(Decrease) / Increase in other financial liabilities	(236)	272
(Decrease) / Increase in other non-financial liabilities	(4)	(1,263)
(Increase)/ Decrease in Loans	(56)	-
(Increase)/ Decrease in other financial assets	(31)	(322)
(Increase)/ Decrease in other receivables	(47)	-
(Increase)/ Decrease in trade receivables	(1,143)	16
(Increase)/ Decrease in other non-financial assets	(7)	(12)
<b>Total changes in working capital</b>	<b>(1,472)</b>	<b>(1,482)</b>
<b>Cash generated from (used in) operations</b>	<b>(428)</b>	<b>273</b>
Taxes paid, net of refunds	(99)	(153)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>(528)</b>	<b>119</b>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipments including capital work-in-progress	(35)	(191)
Proceeds from sale / disposal of property, plant and equipments	8	-
Purchase of Investments	(874)	(1,457)
Proceeds from sale / redemption of investments	673	25
Decrease/ (Increase) in fixed deposits original maturity more than 3 months	103	(3,535)
Interest income	467	332
Dividend received	4	10
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>345</b>	<b>(4,816)</b>

## Statement of Cash Flows for the year ended 31st March, 2023

(₹ in Lakhs, unless otherwise stated)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
<b>Cash flow from financing activities:</b>		
Proceeds from issuance of Share capital	698	4,140
Borrowings availed during the year	–	471
Borrowings repaid during the year	(502)	–
Share issue expenses	(27)	(2)
Interest Paid	(57)	(43)
Payment of Dividend to shareholders	(717)	(1,193)
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>(604)</b>	<b>3,373</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(787)</b>	<b>(1,324)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>981</b>	<b>2,306</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>194</b>	<b>981</b>
<b>Total</b>	<b>(787)</b>	<b>(1,324)</b>
<b>Notes:</b>		
1) Cash and cash equivalents comprise of		
Cash on hand	0	1
Balances with banks		
In current account	194	80
Term deposits with banks with original maturity period less than 3 months	–	901
<b>Cash and cash equivalents at the end of the year</b>	<b>194</b>	<b>981</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 Chandiook & Co LLP

Chartered Accountants

Firm Registration Number : 001076N/N500013

**Murad D. Daruwalla**

Partner

Membership No 043334

Place : Mumbai

Date : April 21, 2023

### For Prime Securities Limited

**N. Jayakumar**

Managing Director & Group CEO

(DIN: 00046048)

**Arun Shah**

Chief Financial Officer

Place : Mumbai

Date : April 21, 2023

**Pradip Dubhashi**

Chairman

(DIN: 01445030)

**Ajay Shah**

Company Secretary

(ACS-14359)



## Consolidated Statement of Changes in Equity for the year ended 31st March, 2023 (₹ in Lakhs, unless otherwise stated)

### Equity share capital

Particulars	Amount
<b>Balance as at April 1, 2021</b>	<b>1,326</b>
Restated balance as at April 1, 2021	1,326
Changes in equity share capital during the year	233
<b>Balance as at March 31, 2022</b>	<b>1,559</b>
<b>Balance as at April 1, 2022</b>	<b>1,559</b>
Restated balance as at April 1, 2022	1,559
Changes in equity share capital during the year	59
<b>Balance as at March 31, 2023</b>	<b>1,618</b>

### Other equity

Particulars	Reserves & Surplus			Share application money pending allotment	Items of other Comprehensive Income (net of tax)		Total
	Securities Premium	Share Options outstanding account	Retained earnings		Remeasurement of defined benefit liability / assets	Fair value gain / loss on Financial assets carried at FVTOCI	
Opening balance as at April 1, 2021	–	830	3,632	–	(68)	–	4,395.27
<b>Transactions during the year</b>							
Profit after tax for the year	–	–	1,698	–	–	–	1,698
Other comprehensive income/ (loss) for the year (net of tax)	–	–	–	–	(19)	710	691
Securities premium	3,874	–	–	–	–	–	3,874
Dividend Paid	–	–	(1,193)	–	–	–	(1,193)
Share Application during the Year	–	–	–	–	–	–	–
Share based compensation	–	121	–	–	–	–	121
<b>Closing balance as at March 31, 2022</b>	<b>3,874</b>	<b>952</b>	<b>4,137</b>	<b>–</b>	<b>(87)</b>	<b>710</b>	<b>9,586</b>
<b>Transactions during the year</b>							
Profit after tax for the year	–	–	1,118	–	–	–	1,118
Other comprehensive income/ (loss) for the year (net of tax)	–	–	–	–	(19)	751	732
Securities premium	639	–	–	–	–	–	639
Dividend Paid	–	–	(717)	–	–	–	(717)
Share Application during the Year	–	–	–	5	–	–	5
Share based compensation	–	(287)	–	–	–	–	(287)
<b>Closing balance as at March 31, 2023</b>	<b>4,513</b>	<b>665</b>	<b>4,538</b>	<b>5</b>	<b>(106)</b>	<b>1,461</b>	<b>11,076</b>

### Nature and purpose of reserve

#### - Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013.

#### - Share Options outstanding account

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to securities premium and unvested portion if any, will be transferred to securities premium account.

#### - Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Summary of significant accounting policies and other explanatory.

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration Number : 001076N/NS00013

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 : April 21, 2023

Arun Shah

Chief Financial Officer

Place : Mumbai

Date : April 21, 2023

Ajay Shah

Company Secretary

(ACS-14359)

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 1 Corporate Information

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

Prime Securities Limited and its subsidiaries (collectively, the Group) are engaged in Investment Banking and Corporate Advisory services. The Group specializes in providing value added advice and services to its clients on complex strategic and financial decisions and transactions focused around Fund Raising, Mergers & Acquisitions, Equity & Debt Private Placements, Initial Public Offerings, Corporate Advisory, and Capital Restructuring.

These consolidated financial statements contain financial information of the Group and were authorized for issue by the Board of Directors on April 21, 2023. Information on the Group's structure is provided in note 54.

### 2 Significant Accounting Policies

#### a) Basis of preparation

##### i) Compliance with Ind AS

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

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

##### ii) Historical cost convention

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

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

##### iii) Preparation of consolidated financial statements

The Holding Company is covered in the definition of non-banking financial company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Holding Company presents the Balance Sheet, the Statement of Profit and Loss and the statement of Changes in Equity in the order of liquidity as per the format prescribed under Division III of Schedule III to the Companies Act, 2013. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is prescribed in Note 45.

##### 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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

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.

- **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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

exercise behaviour which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.

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

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals). The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain to not exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend or terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate of the Group, specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Fair valuation of unlisted equity shares**

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

- a) Investment in equity instrument is valued at purchase cost at the time of initial recognition.
- b) For subsequent measurement the company adopts the following process for valuation of investments:
  - i. At any time or at each quarter end if there is any indicator trigger as per para B5.2.4 of Ind AS,
  - ii Availability of sufficient information such as subsequent allotment of shares,
  - iii 30th September and 31st March every year for investments held for more than six months, whichever is earlier.

**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.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

Intercompany transactions, balances and unrealized gains on transactions within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and balance sheet respectively. Statement of Profit and Loss including Other Comprehensive Income (OCI) is attributable to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interest and such balance is attributed even if this results in controlling interest is having a deficit balance.

### c) Revenue Recognition

The Group derives revenues primarily from advisory services. Fee income is recognised based on the stage of completion of assignments and terms of agreement with the client.

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 and accordingly revenue is recognized at transaction price. 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 Other 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.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

- ii) Interest income is recognized using the effective interest rate method on accrual basis.
- The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.
- 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) 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, if any.

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.

The estimated useful lives of assets are as follows:

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

**f) 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 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 Lakhs, 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.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Assets	Useful life
Computer Software	5 years

### Derecognition

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

### g) Capital Work-in-Progress

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

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

### h) Financial Instruments:

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

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 closing price. These instruments are included in level 1
- Level 2: The fair value of financial instruments that are not traded in an active market 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 Lakhs, unless otherwise stated)

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. During the year, there have been no transfers amongst the hierarchy levels.

### Financial Assets:

#### (i) Initial recognition and measurement:

All financial assets except trade receivables, 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. Trade receivables are initially recognised at transaction price. 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 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



## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

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 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, deposits, and bank balance.
- b) Trade receivables - 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. 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.

The Group is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the receivables are classified based on the default and the aging of the outstanding. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the receivables impairment allowance account accordingly.

The Group considers outstanding overdue for more than 180 days from the date of invoice for calculation of expected credit loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The write-back is recognised in the statement of profit and loss.

A financial asset is written off when there is no reasonable expectation of recovering the contractual 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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

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.

### 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.

#### i) Offsetting of financial instruments:

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

#### j) Employee Benefits:

##### i) Short Term Employee Benefits:

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

##### ii) Post Employment / Retirement Benefits:

###### Defined contribution plan:

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

###### Defined Benefit Plans:

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

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 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.

### k) Share based payments

#### Employee stock option scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Holding Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Holding Company that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions. Information about the valuation techniques and inputs used in determining the fair value of options disclosed in note 31.

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

### l) Borrowing Costs:

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

### m) Foreign Exchange Transactions:

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

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

### n) Leases:

#### Leases – As lessee:

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

the asset is used throughout the period of use.

### Measurement and recognition of leases as a lessee:

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Group has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

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

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

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

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

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

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The discounted rate is generally based on incremental borrowing rate specific to the lease being evaluated.

### o) Taxation:

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

(₹ in Lakhs, unless otherwise stated)

### i) **Current tax:**

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

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

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

### ii) **MAT :**

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

### iii) **Deferred tax:**

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

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

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

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

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

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

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

**p) Cash and cash equivalents:**

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

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

**q) Impairment of non-financial assets:**

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

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

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

**r) Provisions, Contingent Assets and Contingent Liabilities:**

Contingent assets / liabilities:

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

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

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

**s) Dividend payable**

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

- t) **Earnings per share**
  - a) **Basic earnings per share**

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

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

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

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirements.
- w) **Events after reporting date**

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

MCA, vide its circular dated 31 March 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015. The amendments are effective from April 1, 2023. Key amendments include:

  - a) Ind AS 1: Requirement to disclose 'material accounting policies' instead of 'significant accounting policies' and related guidance included to determine whether the policy is material or not.
  - b) Ind AS 8: Definition of 'accounting estimates' now included in the standard enabling distinction between change in accounting estimates from change in accounting policies.
  - c) Ind AS 12 and Ind AS 101: Transactions that does not give rise to equal taxable and deductible temporary differences at the time of initial transaction have now been included in the exemptions for recognition of deferred tax liability and deferred tax assets in case of taxable temporary differences.
  - d) Ind AS 101: New guidance added for deferred tax related to leases and decommissioning, restoration and similar liabilities.

The Group is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.
- y) These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 3 Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	0	1
<b>Balances with banks</b>		
In current accounts	194	80
Term deposits with banks with original maturity period less than 3 months*	–	901
<b>Total</b>	<b>194</b>	<b>981</b>

\* The term deposit is lien against the bank overdraft.

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

	As at March 31, 2023	As at March 31, 2022
<b>Others</b>		
Term deposits with banks with original maturity period more than 3 months	5,462	5,590
Other Bank Balance *	79	53
<b>Total</b>	<b>5,541</b>	<b>5,643</b>

\* Other Bank balance is against the unclaimed dividend.

### 5 Receivables

	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivable (including unbilled revenue)</b>		
(i) Receivables considered good-secured	–	–
(ii) Receivables considered good-unsecured	1,499	342
(iii) Receivables which have significant increase in credit risk-unsecured	54	14
(iv) Receivables-credit impaired-unsecured	58	181
	1,611	537
Less: Expected credit losses	(119)	(188)
	1,492	349
Other Receivable*	440	393
<b>Total</b>	<b>1,932</b>	<b>741</b>

\* Refer Note no. 51 (k)

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



## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 5 Receivables (contd...)

#### Trade Receivable Aging Schedule

Particulars	As at March 31, 2023						Unbilled Revenue
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Trade receivables / unbilled revenue - considered good	527	22	-	-	-	549	950
(ii) Undisputed Trade receivables - Which have significant increase in credit risk*	-	54	-	-	-	54	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	58	-	58	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>527</b>	<b>76</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>661</b>	<b>950</b>

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

Particulars	As at March 31, 2022						Unbilled Revenue
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Trade receivables / unbilled revenue - considered good	-	48	-	-	-	48	294
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	14	-	-	-	14	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	181	-	181	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>62</b>	<b>-</b>	<b>181</b>	<b>-</b>	<b>243</b>	<b>294</b>

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

Refer note 38 E (i) for credit risk analysis & aging

No debts are due from directors or other officers or any of them either severally or jointly with any other person, except loan to KMP as disclosed in Note 6.

\* 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 except a debt of ₹ 54 lakhs is due from Super Six Sports Gaming Private Limited in which the Managing Director and Group CEO is a member.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 6 Loans

	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
<b>Related Parties</b>		
KMP's	55	–
<b>Total</b>	<b>55</b>	<b>–</b>
<b>Percentage</b>		
<b>Related Parties</b>		
KMP's	100%	–
<b>Total</b>	<b>55</b>	<b>–</b>

\*Company has given unsecured loan to it's KMP at prevailing market interest rate at 8% which is repayable on demand

There are no loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

- (a) repayable on demand; or
- (b) without specifying any terms or period of repayment

#### Loans In India

Particulars	As at March 31, 2023	As at March 31, 2022
Others	55	–
<b>Total</b>	<b>55</b>	<b>–</b>

#### Stage wise break up of loans

Particulars	As at March 31, 2023	As at March 31, 2022
i) Low credit risk (Stage 1)	55	–
ii) Significant increase in credit risk (Stage 2)	–	–
iii) Credit impaired (Stage 3)	–	–
<b>Total</b>	<b>55</b>	<b>–</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 7 Investments

Particulars	As at March 31, 2023		As at March 31, 2022	
	Share / Unit	Carrying value / Net Asset Value	Share / Unit	Carrying value / Net Asset Value
<b>At fair value through profit or loss</b>				
<b>Investments in equity instruments:</b>				
<b>Quoted</b>				
Ironwood Education Limited	68,804	20	68,804	23
Grindwell Norton Limited		–	200	4
Solid Stone Company Limited	1,72,731	58	1,72,731	41
Reliance Industries Limited		–	16,060	423
Jamna Auto Industries Limited		–	1,000	1
<b>Total investments in equity instruments FVTPL (A)</b>		<b>79</b>		<b>492</b>
<b>Investments in Bonds</b>				
<b>Quoted</b>				
09.22% Tata Capital Housing Finance Limited	25	507	25	520
8.25% BOB Perpetual Bonds	25	529	25	542
9.56% SBI Perpetual Bonds	25	520	25	539
<b>Total investments in bonds (B)</b>		<b>1,556</b>		<b>1,601</b>
<b>Investments in Mutual Funds</b>				
ICICI Prudential Liquid Fund	–	–	16,039	51
<b>Total investments in mutual funds (C)</b>		<b>–</b>		<b>51</b>
<b>At fair value through Other Comprehensive Income</b>				
<b>Unquoted</b>				
<b>Investments in Convertible Instrument</b>				
Jalpak Foods India Private Limited	–	–	7,11,111	160
<b>Investments in equity instruments:</b>				
Super Six Sports Gaming Private Limited	496	2,344	357	954
Feast Software Private Limited	8,04,218	221	8,04,218	221
88 Academics (India) Private Limited	8,000	64	8,000	80
Hindustan Wellness Private Limited	45,000	50	45,000	50
IBS Fintech India Private Limited	8,407	94	8,407	118
Jalpak Foods India Private Limited	7,11,111	160	–	–
Entity Gaming Private Limited	666	50	666	50
Last Mile Channel Enhancement Private Limited	41,668	280	41,668	280
Lithion Power Private Limited	65,087	318	65,087	317
Steel Infra Solutions Private Limited - Fully Paid	57,500	68	1,52,542	45
Steel Infra Solutions Private Limited - Partly Paid	95,042	28	–	–
V-One Ventures Private Limited	167	150	–	–
Absolute Legends Sports Private Limited	250	45	–	–
BDEL Wellness Private Limited	1,026	45	–	–
<b>Total investments in equity instruments FVTOCI (D)</b>		<b>3,917</b>		<b>2,275</b>
<b>Total investment (A) + (B) + (C) + (D)</b>		<b>5,552</b>		<b>4,419</b>
Investments in India		5,552		4,419
Investments outside India		–		–
<b>Total</b>		<b>5,552</b>		<b>4,419</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 8 Other financial assets

	As at March 31, 2023	As at March 31, 2022
Security deposits	44	43
Employee advances	20	40
Advance Given	–	11
<b>Total</b>	<b>64</b>	<b>94</b>

### 9 Current tax asset (net)

	As at March 31, 2023	As at March 31, 2022
Advance income tax	330	697
(Net of provision for tax ₹ 385 lakhs) (March 31, 2022 ₹ 2,416 lakhs)		
<b>Total</b>	<b>330</b>	<b>697</b>

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

Particulars	Right to Use (Refer note 34)	Lease hold improvement	Computers and other hardware	Office equipment	Furniture and fixtures	Vehicles* (Refer note 32)	Total
<b>Gross carrying value</b>							
Gross carrying value as of April 1, 2021	384	–	27	16	62	207	696
Adjustments due to modification in lease arrangements	(5)	–	–	–	–	–	(5)
Additions**	103	–	2	2	5	19	131
Disposals	(62)	–	(4)	(2)	–	–	(69)
<b>Gross carrying value as of March 31, 2022</b>	<b>420</b>	<b>–</b>	<b>25</b>	<b>16</b>	<b>67</b>	<b>226</b>	<b>754</b>
Adjustments due to modification in lease arrangements	14	–	–	–	–	–	14
Additions	5	75	8	1	0	–	89
Disposals	–	–	(2)	–	(36)	(123)	(161)
<b>Gross carrying value as of March 31, 2023</b>	<b>439</b>	<b>75</b>	<b>31</b>	<b>17</b>	<b>31</b>	<b>103</b>	<b>696</b>
<b>Accumulated depreciation</b>							
Accumulated depreciation as of April 1, 2021	173	–	19	10	30	151	383
Depreciation for the year	62	–	5	2	5	11	86
Accumulated depreciation on disposals	–	–	(4)	(2)	–	0	(7)
<b>Accumulated depreciation March 31, 2022</b>	<b>235</b>	<b>–</b>	<b>20</b>	<b>10</b>	<b>35</b>	<b>162</b>	<b>462</b>
Depreciation for the year	71	15	5	3	5	13	112
Accumulated depreciation on disposals	(0)	–	(2)	–	(17)	(123)	(141)
<b>Accumulated depreciation March 31, 2023</b>	<b>306</b>	<b>15</b>	<b>23</b>	<b>13</b>	<b>23</b>	<b>52</b>	<b>432</b>
<b>Net carrying value</b>							
Net carrying value as on April 1, 2021	211	–	8	6	32	56	313
Net carrying value as on March 31, 2022	185	–	5	7	32	64	292
Net carrying value as on March 31, 2023	133	60	8	4	8	51	264

\* Vehicles taken on Term Loan, except for the current year additions.

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 10(b) Capital work-in-progress

#### Movement in CWIP

Particulars	Project in progress
Carrying value	
Carrying value as of April 1, 2021	–
Additions	65
Disposals	–
Carrying value as of March 31, 2022	65
Additions	10
Capitalised	(75)
Carrying value as of March 31, 2023	–

#### As at March 31, 2023

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Lease hold improvement	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–

#### CWIP completion schedule

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

#### As at March 31, 2022

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

#### CWIP completion schedule

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 10(c) Other intangible assets

Particulars	Computer software#
<b>Gross carrying value</b>	
Gross carrying value as of April 1, 2021	8
Additions	–
Disposals	(1)
<b>Gross carrying value as of March 31, 2022</b>	<b>7</b>
Additions	8
Disposals	–
<b>Gross carrying value as of March 31, 2023</b>	<b>15</b>
<b>Accumulated amortisation</b>	
Accumulated amortisation as of April 1, 2021	4
Amortisation for the year	1
Accumulated amortisation on disposals	(1)
<b>Accumulated amortisation as of March 31, 2022</b>	<b>5</b>
Amortisation for the year	2
Accumulated amortisation on disposals	–
<b>Accumulated amortisation as of March 31, 2023</b>	<b>7</b>
<b>Net carrying value</b>	
Net carrying value as on April 1, 2021	3
Net carrying value as on March 31, 2022	2
Net carrying value as on March 31, 2023	8

# Other than internally generated.

### 11 Other non-financial assets

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good:</b>		
Balances with government authorities	84	84
Prepaid expenses	59	52
<b>Total</b>	<b>143</b>	<b>136</b>

### 12 Trade payables

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

	As at March 31, 2023	As at March 31, 2022
a) Others		
(i) Payable to dealers / vendors / customers	8	18
<b>Total</b>	<b>8</b>	<b>18</b>

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 12 Trade payables (contd...)

#### Total outstanding dues of micro enterprises and small enterprises

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

	As at March 31, 2023	As at March 31, 2022
(a) The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
(b) The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the suppliers beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-
<b>Total</b>	-	-

	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	8	-	-	-	8
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>8</b>	-	-	-	<b>8</b>

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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 12 Trade payables (contd...)

	As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	18	–	–	–	18
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–
<b>Total</b>	<b>18</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>18</b>

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

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

### 13 Borrowings (Other than debt securities)

	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
<b>a) Term loans</b>		
<b>Secured - In India</b>		
From Bank *	2	20
<b>b) Loan repayable on demand</b>		
<b>Secured</b>		
From Bank #	–	484
<b>Total</b>	<b>2</b>	<b>504</b>
Borrowings in India	2	504
Borrowings outside India	–	–
<b>Total</b>	<b>2</b>	<b>504</b>

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

# Short term loan is against the fixed deposit for Working Capital, there is no requirement for any other compliance to the bank.

For terms of repayment and interest rate refer Note 32.

### 14 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability (Refer note 34)		
- Long term (Obligation payable more than 12 months)	88	159
- Short term (Obligation payable within 12 months)	65	64
Employees dues payable	12	–
Other payables	196	182
Accrued employees benefit expenses	383	575
<b>Total</b>	<b>744</b>	<b>980</b>



## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 15 Provisions

	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer note 40)	159	100
Provision for compensated absences (Refer note 40)	63	61
<b>Total</b>	<b>222</b>	<b>161</b>

### 16 Deferred tax assets / (liability) (net)

	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax assets / (liabilities) (Refer note 43 and 44)</b>		
Liability towards lease rentals	6	11
Provision for compensated absences	19	17
Net Mark-to-Market Loss/(Gain) on investments (net)	(429)	(260)
Provision for Doubtful Debt (ECL)	-	2
Gain / (loss) on investments	5	(1)
Provision for gratuity	45	28
Merger expenses	1	0
Depreciation / amortisation	23	25
Short term capital Gain / (loss)	(2)	-
<b>Total</b>	<b>(332)</b>	<b>(178)</b>

### 17 Other non-financial liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory dues (including provident fund, tax deducted at source and goods and services tax)	81	85
<b>Total</b>	<b>81</b>	<b>85</b>

### 18 Equity share capital

	As at March 31, 2023	As at March 31, 2022
<b>Authorised :</b>		
4,30,00,000 (March 31, 2022 4,30,00,000) Equity Shares of ₹ 5/- each	2,150	2,150
18,00,000 (March 31, 2022 18,00,000) Unclassified Shares of ₹ 100/- each	1,800	1,800
	<b>3,950</b>	<b>3,950</b>
<b>Issued :</b>		
3,31,06,425 (March 31, 2022 3,19,25,025) Equity Shares of ₹ 5/- each	1,613	1,596
	<b>1,613</b>	<b>1,596</b>
<b>Subscribed and paid up:</b>		
3,23,57,225 (March 31, 2022 3,11,75,825) Equity Shares of ₹ 5/- each	1,618	1,559
<b>Total</b>	<b>1,618</b>	<b>1,559</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 18 Equity share capital (contd...)

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

	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity shares:</b>				
Balance as at the beginning of the year	3,11,75,825	1,559	2,65,15,325	1,326
Changes in Equity due to prior year error	–	–	–	–
Restated balance at the beginning of the current year	3,11,75,825	1,559	2,65,15,325	1,326
Changes in Equity during the current year	11,81,400	59	46,60,500	233
Balance at the end of the current year	3,23,57,225	1,618	3,11,75,825	1,559

#### (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, 2023		As at March 31, 2022	
	Number of Shares	%	Number of Shares	%
<b>Equity shares:</b>				
GKK Capital Markets Private Limited	39,25,000	12.13	35,50,000	11.39
Statin Enterprise LLP	31,48,059	9.73	31,48,059	10.10
Siddarth M. Pai	19,00,000	5.87	19,00,000	6.09
Judith Investments Private Limited	17,83,497	5.51	17,83,497	5.72

#### (d) Details of shares held by the Promoter in the Company

There are no Promoters in the Company hence these details are not applicable to the Company as notified by MCA amendments to Schedule III to the Companies Act, 2013 on March 24, 2021.

#### (e) Details of holding & ultimate holding Company

There are no holding or ultimate holding company hence these details are not applicable to the Company.

#### (f) There are 23,43,100 shares reserved for issue under employee stock option scheme.

#### (g) Aggregate number and class of shares allotted as fully paid-up pursuant to contract without payment being received in cash and bonus shares issued and shares bought back during the period of five years immediately preceding the current year

The company has neither allotted any class of shares as fully paid-up pursuant to contract without payment being received in cash nor issued bonus shares and there has not been any buy back of shares during the five years immediately preceding March 31, 2023.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 19 Fee and commission income

	Year ended March 31, 2023	Year ended March 31, 2022
Merchant Banking and Advisory Fees	2,404	3,115
Restructuring Advisory Fees	1,650	1,035
Income from Commission on Insurance	0	4
<b>Total</b>	<b>4,054</b>	<b>4,154</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, 2023	Year ended March 31, 2022
<b>Primary geographical market</b>		
India	4,054	4,154
Outside India	–	–
<b>Total</b>	<b>4,054</b>	<b>4,154</b>
<b>Major products/ service lines</b>		
Merchant Banking and Advisory Fees	4,054	4,154
<b>Total</b>	<b>4,054</b>	<b>4,154</b>
<b>Timing of revenue recognition</b>		
At a point in time	4,054	4,154
Over a period of time	–	–
<b>Total</b>	<b>4,054</b>	<b>4,154</b>

### 20 Interest Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>On Financial Assets measured at FVTPL</b>		
- Interest income from investments	122	140
<b>On Financial Assets measured at Amortised Cost</b>		
- Interest income on deposits with bank	345	192
<b>Total</b>	<b>467</b>	<b>332</b>

### 21 Net (gain) / loss on fair value changes

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Net (gain) / loss on financial instruments at fair value through profit or loss</b>		
- On equity instruments	99	(60)
- On other financial instruments		
Bonds	42	16
Mutual Funds	–	0
<b>Total Net (gain) / loss on fair value changes</b>	<b>141</b>	<b>(44)</b>
<b>Fair value changes</b>		
- Realised	–	–
- Unrealised	141	(44)
<b>Total Net (gain) / loss on fair value changes</b>	<b>141</b>	<b>(44)</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

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

	Year ended March 31, 2023	Year ended March 31, 2022
Gain on redemption of Mutual Funds	13	15
Gain on redemption of Shares	103	1
<b>Total</b>	<b>116</b>	<b>16</b>

### 23 Other

	Year ended March 31, 2023	Year ended March 31, 2022
Gain on sale of property, plant and equipments (net)	6	–
Bad debts recovered	–	8
Net gain on foreign currency transactions and translations	(0)	(0)
Lease Modification Gain	16	4
Miscellaneous income	0	3
Investment - written back	20	–
<b>Total</b>	<b>42</b>	<b>15</b>

### 24 Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
<b>At amortised cost</b>		
- Interest on borrowings	44	10
- Interest on lease liabilities (Refer note 34)	13	33
<b>Total</b>	<b>57</b>	<b>43</b>

### 25 Impairment on financial instruments

	Year ended March 31, 2023	Year ended March 31, 2022
<b>On financial instruments measured at amortised cost</b>		
Sundry Balance Written-Off (Net)	1	–
Recovery of Impaired financial assets	(123)	–
Trade receivables - credit impaired	44	7
Trade receivables - considered good	24	–
<b>Total</b>	<b>(54)</b>	<b>7</b>

### 26 Employee benefits expense

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, bonus and allowances	1,628	1,656
Contribution to provident and other funds (Refer note 40)	20	19
Contribution towards Gratuity Fund paid to LIC	1	9
Gratuity (Refer note 40)	33	14
Compensated absences	34	42
Employee share based payments (Refer notes 31)	27	153
Staff welfare expenses	7	11
<b>Total</b>	<b>1,750</b>	<b>1,904</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 27 Other expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Repairs and maintenance - others	16	13
Rates and taxes	6	1
Insurance	32	31
Electricity	2	4
Travelling, conveyance and car hire	87	16
Membership and Subscription	75	63
Legal and professional fees	228	171
Payment to Auditors (Refer note 41)	37	32
Directors' sitting fees	63	59
Commission to Non-Executive Directors	29	16
Loss on sale/ disposal of property, plant and equipment (net)	17	–
Spend towards Corporate Social Responsibility (CSR) activities (Refer note 36)	25	52
Miscellaneous expenditure	66	78
<b>Total</b>	<b>683</b>	<b>536</b>

### 28 Exceptional items

	Year ended March 31, 2023	Year ended March 31, 2022
Provision for Diminution	173	338
Legal & Professional fees	–	(61)
<b>Total</b>	<b>173</b>	<b>277</b>

The exceptional item consist of certain listed shares, which had formed part of the Company's investments but were misplaced and hence, written-off in earlier years. These shares have since been reinstated at the average cost they were carried at. The difference between the market value of such shares on the date of reinstatement and the average cost at which they have been reinstated and related expense, has been accounted for through "Exceptional Items". Subsequent changes in fair valuations have been shown under "Net Gain / (Loss) on fair value changes"

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 29 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, 2023	Year ended March 31, 2022
<b>Basic Earnings per Share</b>		
Profit attributable to equity shareholders (₹) (A)	1,118	1,698
Nominal value per share (₹)	5	5
Weighted average number of equity shares outstanding during the year (B)	3,17,87,198	2,82,09,551
Earnings per share (Basic) (₹) [ (A) / (B) ]	3.52	6.02
<b>Diluted earnings per share</b>		
Profit after tax for the year (A)	1,118	1,698
Weighted average number of equity shares used in computing basic earnings per share	3,17,87,198	2,82,09,551
Effect of potential equity shares for stock options outstanding	19,62,601	21,88,570
Weighted number of equity shares used in computing diluted earnings per share [B]	3,37,49,799	3,03,98,121
<b>Earnings per share (Basic/ Diluted) (₹) [ (A) / (B) ]</b>	<b>3.31</b>	<b>5.59</b>

### 30 Contingent Liabilities and commitment to the extent not provided for in respect of:

#### A. Contingent Liabilities

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Other money for which the company is contingently liable	175	175

In respect of A.Y. 2017-2018, the assessing authority has considered certain receipts as income and demanded tax thereon. Aggrieved by the order, Company has made an appeal to the concerned authorities. The Company is of the opinion that the demand will be set aside and hence no provision is made.

#### B. Commitment

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
<b>Uncalled liability on shares and other investments partly paid</b>		
Partly paid up shares of Steel Infra Solutions Private Limited	84	135

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 31 Employees Stock Option Schemes (ESOS)

The Company's stock based compensation plan for director / employees has been implemented through a scheme (ESOS 2018) duly approved by the Shareholders.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Weighted Average Exercise Price	No of Shares	Weighted Average Exercise Price
<b>ESOS 2018</b>				
Options outstanding, beginning of the Year	35,24,500	33.38	36,35,000	33.37
Add: Granted during the Year	–	–	–	–
Less: Exercised during the Year	11,81,400	32.52	1,10,500	33.21
Less: Lapsed during the Year	–	–	–	–
Options outstanding, end of the Year	23,43,100	33.81	35,24,500	33.38

There are 23,43,100 shares (Previous Year: 35,24,500 shares) reserved for issue under employee stock option scheme.

Weighted average remaining contractual life of the share option outstanding at the end of the year is 1,232 days (Previous Year 1,571 days).

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	Nil (Previous Year: 0.65 Years)
Vested but not exercised	3.41 Years (Previous Year: 4.07 Years)
Weighted average share price at the date of exercise for stock options exercised during the year	₹ 103.42 (Previous Year: ₹ 103.94)
Exercise period	5 years from vesting date
Vesting conditions	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time.
Weighted average fair value of options as on grant date	27.80

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

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 ₹ 27 lakhs (Previous year ₹ 153 lakhs). The Carrying amount of ESOP reserve as on March 31, 2023 is ₹ 665 lakhs (March 31, 2022 ₹ 952 lakhs).

The company provides the sensitivity analysis to show the impact to the Company's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the company's estimation by the stated percentages.

Impact on the income statement of a change in leaver assumptions	Year ended	Year ended
	March 31, 2023	March 31, 2022
(+) 5%	—	—
(-) 5%	—	8

### 32 Borrowings:

Secured loans:

**a) Term Loan from Bank:**

Term loan of ₹ 2 lakhs (March 31, 2022 ₹ 20 lakhs) from the Bank is secured against Vehicles of the Group.

**b) Term of Repayment**

Term Loan from Bank is repayable in equal monthly instalment, the last instalment is due on September 15, 2023 as per repayment schedule having interest rate of 8.70% p.a.

**c) Loan repayable on demand**

Short term loan from Bank is repayable on demand and having interest rate of 9% p.a.



## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 33 Related Party Disclosures:

#### Names of related parties and their relationships:

<b>Enterprises in which Key Management Personnels and the relatives exercise significant influence:</b>	Gateway Entertainment Limited
	Judith Investments Private Limited
	Statin Enterprise LLP
<b>Key Management Personnels:</b>	Mr. N. Jayakumar
	Mr. Ajay Shah
	Mr. S R Sharma (CFO in Prime Securities Limited) (Demise on September 23, 2022)
	Mr. Arun Shah (CFO in Prime Securities Limited) (From March 22, 2023)
	Mr. Akshay Gupta (Executive Director of Prime Research & Advisory Limited)
<b>Independent Directors:</b>	Mr. Pradip Dubhashi
	Ms. Alpana Parida (Upto March 31, 2022)
	Ms. Namrata Kaul
	Ms. Smita Cawas Affinwalla
<b>Non-Executive &amp; Non-Independent Director:</b>	Mr. Ashok Kacker (From September 27, 2022)
	Mr. Sujit Kumar Varma (From September 27, 2022)

The following transactions were carried out with the related parties in the ordinary course of business and are on arm's length basis:

(₹ in lakhs)

Sr. No.	Nature of Transaction	Relationship	Transactions	
			Current Year	Previous Year
1	Remuneration paid to Key Managerial Personnel			
	Mr. N Jayakumar	Key Management Personnel	376	454
	Mr. Akshay Gupta	Key Management Personnel	287	323
	Mr. S R Sharma	Key Management Personnel	55	93
	Mr. Ajay Shah	Key Management Personnel	69	64
	Mr. Arun Shah	Key Management Personnel	25	-
2	Payment to Independent Directors			
	- Sitting Fees	Independent Directors	63	59
	- Commission	Independent Directors	29	16
3	Interest charged on Loan			
	- Mr. Arun Shah	Key Management Personnel	3	-

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

Outstanding Balance			(₹ in lakhs)	
Sr. No.	Nature of Transaction [receivable/ payable]	Relationship	Balance as on	
			March 31, 2023	March 31, 2022
1	Ex-gratia to Key Managerial Personnel	Key Management Personnel	189 (Credit)	289 (Credit)
2	Loan to Key Managerial Personnel	Key Management Personnel	55 (Debit)	0

### 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.

### 34 Leases

As a lease the Company classified property lease as operating lease under Ind AS 116. These include office premises taken on lease. Lease include conditions such as non-cancellable period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation of price.

The Company has taken various office premises on operating lease for the period which ranges from 12 months to 60 months with an option to renew the lease by mutual consent on mutually agreeable terms.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2022 is 10.00 %.

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

#### (A) Right-of-use assets

Right-of-use assets relate to building that are presented separately within property and equipment

(₹in lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Opening balance</b>	185	211
Addition during the period	5	106
Adjustments due to modification in lease arrangements	14	(5)
Deletion during the period	–	(65)
Depreciation charge for the period	(71)	(62)
<b>Closing balance</b>	<b>133</b>	<b>185</b>

#### (B) Movement of Lease liabilities

(₹in lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Opening balance</b>	224	243
Addition during the period	5	98
Deletion during the period	–	(65)
Finance Cost	12	33
Adjustments due to modification in lease arrangements	(2)	–
Payment of lease liabilities	(85)	(86)
<b>Closing balance</b>	<b>154</b>	<b>224</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

(C) Future minimum lease payments under non-cancellable operating lease were payable as follows:

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Less than one month	7	7
Between one and three months	13	14
Between three months and one year	58	63
Between one and five years	96	178
More than five years	–	–
<b>Total</b>	<b>174</b>	<b>262</b>

(D) Amounts recognised in the Statement of Profit and Loss (₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Interest on lease liabilities	13	33
Depreciation of ROU lease asset	71	62
Gain / (loss) on termination of leases	–	–
Rent concession related to COVID-19	–	–

(E) Amounts recognised in Statement of Cash Flow (₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Total Cash outflow for leases	85	86

Company has considered entire lease term for the purpose of determination of Right of Use assets and lease

### 35 Segment Information:

The Group has only one segment i.e. Financial Advisory & Intermediation services. There are no separate reportable segments in terms of Ind AS 108.

All assets of the Company are domiciled in India.

Revenue of ₹ 2,349 lakhs (March 31, 2022 : 1,868 lakhs) is derived from three external customers (two external customers in PY) and revenue from each such customer constitutes more than 10% of the Group's revenue.

### 36 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 2022-23 ₹ 28 lakhs (Previous year ₹25 lakhs).

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

(b) Amount spent during the year on:		(₹ in lakhs)	
Particulars	2022-23	2021-22	
(i) Amount required to be spent by the company during the year	28	25	
(ii) Amount of expenditure incurred			
- Construction / acquisition of any asset	-	-	
- On purposes other than above	25	52	
(iii) Shortfall at the end of the year	-	-	
(iv) Adjustment of earlier years overspent	4	-	
(v) Earlier years overspent carry forward	31	35	
(vi) Total of previous years shortfall	-	-	
(vii) Reason for shortfall	NA	NA	
(viii) Nature of CSR activities*	-	-	
(ix) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-	
(x) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-	

\*Contribution to Various Trusts for Medical, Training and skill development of women, children and special abled persons.

### 37 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, 2023 : ₹ 1,492 lakhs, 31 March 2022: ₹ 349 lakhs. (Refer note 5)

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

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

#### IV. Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

Particulars	2022-23	2021-22
Revenue from the Contracts (as per Contract)	4,054	4,154
Less :- Discounts / Incentive to Customers	-	-
<b>Revenue from the Contracts (as per Statement of Profit and Loss)</b>	<b>4,054</b>	<b>4,154</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 38 Financial instruments – Fair values and risk management

#### A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2023	Fair Value Through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised	Total Carrying Value
<b>Financial assets</b>				
Cash and cash equivalents	–	–	194	194
Bank balance other	–	–	5,541	5,541
Trade receivables	–	–	1,492	1,492
Other receivables	–	–	440	440
Loan	–	–	55	55
Investments	1,635	3,917	–	5,552
Other financial assets	–	–	64	64
<b>Total</b>	<b>1,635</b>	<b>3,917</b>	<b>7,786</b>	<b>13,338</b>
<b>Financial liabilities</b>				
Trade payables	–	–	8	8
Borrowings	–	–	2	2
Other financial liabilities	–	–	744	744
<b>Total</b>	<b>–</b>	<b>–</b>	<b>754</b>	<b>754</b>

March 31, 2022	Fair Value Through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised	Total Carrying Value
<b>Financial assets</b>				
Cash and cash equivalents	–	–	981	981
Bank balance other	–	–	5,643	5,643
Trade receivables	–	–	349	349
Other receivables	–	–	393	393
Investments	2,144	2,275	–	4,419
Other financial assets	–	–	94	94
<b>Total</b>	<b>2,144</b>	<b>2,275</b>	<b>7,460</b>	<b>11,879</b>
<b>Financial liabilities</b>				
Trade payables	–	–	18	18
Borrowings	–	–	504	504
Other financial liabilities	–	–	980	980
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,502</b>	<b>1,502</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

March 31, 2023	Fair value through Profit and Loss / Other Comprehensive Income				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
<b>Financial assets</b>						
Cash and cash equivalents	–	–	–	–	194	194
Bank balance other	–	–	–	–	5,541	5,541
Trade receivables	–	–	–	–	1,492	1,492
Other receivables	–	–	–	–	440	440
Loans	–	–	–	–	55	55
Investments	1,128	3,419	1,005	5,552	–	–
Other financial assets	–	–	–	–	64	64
	<b>1,128</b>	<b>3,419</b>	<b>1,005</b>	<b>5,552</b>	<b>7,786</b>	<b>7,786</b>
<b>Financial liabilities</b>						
Trade payables	–	–	–	–	8	8
Borrowings	–	–	–	–	2	2
Other financial liabilities	–	–	–	–	744	744
	–	–	–	–	754	754

March 31, 2022	Fair value through Profit and Loss / Other Comprehensive Income				Amortised Cost	
	Level 1	Level 2	Level 3	Total	Amount	Total
<b>Financial assets</b>						
Cash and cash equivalents	–	–	–	–	981	981
Bank balance other	–	–	–	–	5,643	5,643
Trade receivables	–	–	–	–	349	349
Other receivables	–	–	–	–	393	393
Investments	1,624	520	2,275	4,419	–	–
Other financial assets	–	–	–	–	94	94
	<b>1,624</b>	<b>520</b>	<b>2,275</b>	<b>4,419</b>	<b>7,460</b>	<b>7,460</b>
<b>Financial liabilities</b>						
Trade payables	–	–	–	–	18	18
Borrowings	–	–	–	–	504	504
Other financial liabilities	–	–	–	–	980	980
	–	–	–	–	1,502	1,502

### 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

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

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. Few unlisted equity instruments are classified as level 2 in the fair value hierarchy, since there are significant observable inputs available by way of fund raising transaction during the year. Further no significant adjustments needs to be made to the prices obtained from recent transactions.

### Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

### C) Valuation techniques used to determine fair value:

Significant valuation techniques used to value financial instruments include:

The carrying amounts of cash and cash equivalent, trade receivables, other financial assets, loans, trade payables, other financial liabilities are considered to be approximately equal to the fair value.

The following tables show the valuation techniques used in measuring fair values.

Type	Valuation technique
Listed Equity Investments & Bonds (Level 1)	The valuation has been done using the quoted price in active market.
Investments in Bonds and Unquoted equity instrument traded in the market (Level 2)	The valuation has been done based on discounted cash flow method using observable market data and recent transaction available inactive market.
Unquoted equity instrument (Level 3)	The valuation has been done based on discounted cash flow method using unobservable market data.

Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

Type of Financial Instrument	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Increase in unobservable input	Change in fair value due to increase in unobservable input	Decrease in unobservable input	Change in fair value due to decrease in unobservable input
Investment in unquoted equity shares categorised at Level 3	VC Method	IRR%	-2.5% to 2.5%	2.50%	-2.02	2.50%	1.80
	Discounted projected cash flow	WACC%	-2.5% to 2.5%	2.50%	-7.58	2.50%	9.52
		TGR%	-1% to 1%	1%	1.49	1%	-1.71

### D) Fair value of financial instrument measured at amortised cost

Fair value of financial asset and liabilities are equal to their carrying amount.

**Note:** During the periods mentioned above, there have been no transfers amongst the hierarchy levels.

### E) Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board of Directors have adopted an Enterprise Risk Management Policy framed by the Company, which identifies the risk and lays down the risk

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

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 Company uses the expected credit loss model to assess any required allowances and uses a provision matrix to compute the expected credit loss allowance for trade receivables, as per which the provision is made at 25% in each of the succeeding four quarters starting with the end of 180 days from the date of the Invoice.

The movement in expected credit loss:

Particulars	Carrying amount (₹ in lakhs)	
	March 31, 2023	March 31, 2022
Opening balance	188	181
Provided during the year	68	7
Written Back	(137)	–
Closing balance	119	188



## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

Particulars		
	March 31, 2023	March 31, 2022
Less than 1 year	61	–
1-2 years	7	–
2-3 years	–	–
More than 3 years	–	–

Management believes that the unimpaired amounts which are past due are collectible in full.

### Cash and cash equivalents and other Bank balances

The Company held cash and cash equivalents and other bank balances of ₹ 5,735 lakhs as on March 31, 2023 (March 31, 2022, ₹ 6,625 lakhs). The cash and cash equivalents are held with banks with good credit ratings.

### Loans:

The Company held Loans of ₹ 55 lakhs as on March 31, 2023 (March 31, 2022 ₹ Nil). The loans are in the nature of loans to related party 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.

March 31, 2023	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	8	8	8	–	–	–	–
Borrowings	2	2	2	–	–	–	–
Other financial liabilities	744	744	623	33	59	29	–

March 31, 2022	Carrying amount	Contractual cash flows					
		Total	less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade payables	18	18	18	–	–	–	–
Borrowings	504	504	491	7	6	–	–
Other financial liabilities	980	980	788	33	76	83	–

The gross outflows disclosed in the above tables represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### iii) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

#### Currency risk

The Company has insignificant amount of foreign currency denominated assets. Accordingly, the exposure to currency risk is insignificant.

#### Interest rate risk

The Company's investments are primarily in fixed rate interest instruments. Accordingly, the exposure to interest rate risk is also insignificant.

#### Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer or the market. The Company exposed to price risk from its investment in Mutual Funds, Equity Shares, Bonds classified in the balance sheet at fair value through profit and loss or fair value through other comprehensive income.

Particulars	March 31, 2023		March 31, 2022	
	Profit & Loss	Other Comprehensive Income	Profit & Loss	Other Comprehensive Income
Exposure to price risk	1,635	3,917	2,144	2,275

#### Sensitivity analysis

The table below sets out the effect on profit or loss and Other Comprehensive Income due to reasonable possible weakening / strengthening in prices of 5% in carrying cost of quoted investment, unquoted investment & debt instruments:

Particulars	March 31, 2023		March 31, 2022	
	Change in Statement of Profit & Loss"	Change in Other Comprehensive Income	Change in Statement of Profit & Loss"	Change in Other Comprehensive Income
5% increase in the prices	82	196	107	114
5% decrease in the prices	(82)	(196)	(107)	(114)

Decrease in prices by 5% will have equal and opposite impact in financial statements. Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the investment portfolio as on the reporting date.

## 39 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.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

The Company monitors capital using debt to equity ratio. (₹ in lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Borrowings	2	504
Gross Debt	2	504
Less: Cash & Bank Balance	(5,735)	(6,625)
Net debt (A)	–	–
Total equity (B)	12,694	11,145
Net debt to equity ratio (A) / (B)	N.A.	N.A.

### 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 ₹ 20 lakhs for year ended March 31, 2023 (₹ 19 lakhs for year ended March 31, 2022) provident fund contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### (ii) Defined Benefit Plan:

##### Gratuity

The Company participates in the Employees Gratuity scheme, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(₹ in lakhs)

A) Particulars	Gratuity	
	March 31, 2023	March 31, 2022
Defined benefit obligation	241	178
Fair value of Plan Assets at the end of the year	82	78
Net Obligation at the end of the year	159	100

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### B) Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(₹ in lakhs)

Particulars	Gratuity					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Opening balance</b>	178	125	78	64	100	61
Included in profit or loss	–	–	–	–	–	–
Current service cost	25	19	–	–	25	19
Past service cost	–	–	–	–	–	–
Interest cost / (income)	13	9	6	5	7	4
	<b>216</b>	<b>152</b>	<b>84</b>	<b>69</b>	<b>132</b>	<b>84</b>
<b>Included in OCI</b>						
Remeasurement loss (gain):	–	–	–	–	–	–
Actuarial loss / (gain) arising from:	–	–	–	–	–	–
Demographic assumptions	–	(0)	–	–	–	(0)
Financial assumptions	14	9	–	–	14	9
Experience adjustment	11	16	–	–	11	16
Return on plan assets excluding interest income	–	–	(2)	(0)	2	0
	<b>241</b>	<b>178</b>	<b>82</b>	<b>69</b>	<b>159</b>	<b>109</b>
<b>Other</b>						
Contributions paid by the employer	–	–	–	–	–	–
Benefits paid	–	–	–	9	–	(9)
<b>Closing balance</b>	<b>241</b>	<b>178</b>	<b>82</b>	<b>78</b>	<b>159</b>	<b>100</b>
Represented by						
Net defined benefit asset	–	–	–	–	(82)	(78)
Net defined benefit liability	–	–	–	–	241	178
	–	–	–	–	159	100

### C) Plan assets

Plan assets comprise the following:

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Fund managed by Insurance Company	82	78
	<b>82</b>	<b>78</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 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, 2023	March 31, 2022
Discount rate	7.60%	7.28%
Expected Rate of Return on Plan Assets	3.81%	3.63%
Salary escalation rate	7.00%	6.00%
Employee Turnover	2.00%	2.00%
Mortality rate	N.A.	N.A.
	Indian Assured Lives	Indian Assured Lives
	Mortality (2012-14)	Mortality (2012-14)
	Urban	Urban

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, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(15)	18	(15)	18
Future salary growth (1% movement)	18	(16)	18	(16)
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, 2023 were as follows

#### Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the year ended March 31, 2023, i.e. ₹ 1 lakhs

Expected future benefit payments	(₹ in lakhs)
March 31, 2023	16
March 31, 2024	7
March 31, 2025	7
March 31, 2026	92
March 31, 2027	5
Thereafter	446

#### 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 ₹ 34 lakhs (March 31, 2022 ₹ 42 lakhs). Accumulated provision for leave encashment aggregates ₹ 63 lakhs (March 31, 2022 ₹ 61 lakhs).

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 41 Auditors Remuneration (excluding taxes)

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
<b>Payment to Auditor</b>		
Audit Fees	37	30
Tax Audit Fees	–	1
Other Services (includes out of pocket expenses)*	–	2
<b>Total</b>	<b>37</b>	<b>33</b>

\* Other Services include fees for Certifications

### 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 lakhs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
<b>A. Amounts recognised in statement of profit or loss</b>		
<b>Current tax</b>		
Current year (a)	318	406
Changes in estimates related to prior years (b)	147	10
<b>Deferred tax (c)</b>		
Origination and reversal of temporary differences	(66)	28
<b>Tax expense (a) + (b) + (c)</b>	<b>399</b>	<b>444</b>
<b>B. Tax recognised in other comprehensive income</b>		
Deferred Tax on remeasurement of defined benefit liability	7	7
	<b>7</b>	<b>7</b>
<b>C. Reconciliation of effective tax</b>		
Profit before tax	1,517	2,142
Tax	374	624
Net Disallowance of Expenses	151	(19)
Impact due to differential tax rates	(64)	5
Current and brought forward losses	(1)	(2)
Difference due to MAT	(142)	(202)
Tax adjustment of earlier year	147	10
Deferred Tax	(66)	28
Effective tax	399	444
Effective Tax Rate (%)	26.28	20.71

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
<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	6	11
Net Mark-to-Market Loss/(Gain) on investments (net)	(429)	(260)
Gain / (loss) on investments	5	(1)
Merger expenses	1	0
Provision for Doubtful Debt (ECL)	–	2
Provision for Gratuity	45	28
Provision for compensated absence	19	17
Short term capital Gain / (loss)	(2)	–
<b>Net Deferred Tax Expense</b>	<b>(332)</b>	<b>(178)</b>

### Note:

The Company's reconciliation of the effective tax rate is based on its domestic tax rate applicable to respective financial years.

### Amounts recognised in Other Comprehensive Income

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Before Tax	Tax (expenses) benefit	Net of tax	Before Tax	Tax (expenses) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of defined benefit liability (asset)	(26)	7	(19)	(26)	7	(19)
<b>Items that are or may be reclassified subsequently to profit or loss</b>						
Fair value gain on Financial Assets carried at FVTOCI	979	(228)	751	925	(215)	710
<b>Total</b>	<b>953</b>	<b>(221)</b>	<b>732</b>	<b>899</b>	<b>(208)</b>	<b>691</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 43 Net Deferred Tax

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
<b>Deferred tax asset on account of:</b>		
Lease Rent adjustment as per Ind AS 116	6	11
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	23	25
Provision for gratuity	45	28
Provision for Doubtful Debt (ECL)	–	2
Merger expenses	1	0
Gain / (loss) on investments	5	(1)
Net Mark-to-Market Loss/(Gain) on investments (net)	(429)	(260)
Provision for compensated absences	19	17
Short term capital Gain / (loss)	(2)	
<b>Total Deferred tax assets (A)</b>	<b>(332)</b>	<b>(178)</b>
<b>Total Deferred tax liability (B)</b>	<b>–</b>	<b>–</b>
<b>Net Deferred Tax Assets / (Liability) (A) - (B)</b>	<b>(332)</b>	<b>(178)</b>

### 44 Movement of Deferred Tax

(₹ in lakhs)

Particulars	As at	Recognised through Other Comprehensive Income	Recognised through Profit and Loss	As at
	March 31, 2023			March 31, 2022
<b>Deferred tax asset on account of:</b>				
Lease Rent adjustment as per Ind AS 116	6	–	(5)	11
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	23	–	(2)	25
Net Mark-to-Market Loss/ (Gain) on investments (net)	(429)	(169)	–	(260)
Provision for Doubtful Debt (ECL)	–	–	(2)	2
Gain / (loss) on investments	5	–	6	(1)
Merger expenses	1	–	1	0
Provision for gratuity	45	7	10	28
Provision for compensated absences	19	–	2	17
Short term capital Gain / (loss)	(2)	–	(2)	–
<b>Total Deferred tax assets (A)</b>	<b>(332)</b>	<b>(162)</b>	<b>8</b>	<b>(178)</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>(332)</b>	<b>(162)</b>	<b>8</b>	<b>(178)</b>



## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 45 Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
<b>Financial Assets</b>						
Cash and Cash Equivalents	194	–	194	981	–	981
Bank Balance other than Cash and Cash Equivalents above	79	5,462	5,541	53	5,590	5,643
Receivables						
- Trade Receivables (Net)	1,492	–	1,492	349	–	349
- Other Receivables	47	393	440	–	393	393
Loans	55	–	55	–	–	–
Investments	79	5,473	5,552	492	3,927	4,419
Other Financial Assets	20	44	64	51	43	94
<b>Total financial assets (A)</b>	<b>1,966</b>	<b>11,372</b>	<b>13,338</b>	<b>1,926</b>	<b>9,953</b>	<b>11,879</b>
<b>Non-financial assets</b>						
Current Tax Assets (Net)	–	330	330	–	697	697
Deferred Tax Assets (Net)	–	–	–	–	–	–
Property, Plant and Equipment	–	264	264	–	292	292
Other Intangible assets	–	8	8	–	2	2
Capital work-in-progress	–	–	–	–	65	65
Other non-financial assets	143	–	143	136	–	136
<b>Total Non-financial Assets (B)</b>	<b>143</b>	<b>602</b>	<b>745</b>	<b>136</b>	<b>1,056</b>	<b>1,192</b>
<b>Total Assets (C) = (A) + (B)</b>	<b>2,109</b>	<b>11,974</b>	<b>14,083</b>	<b>2,062</b>	<b>11,009</b>	<b>13,071</b>

(₹ in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
<b>Financial liabilities</b>						
Payables						
Trade payables						
- Total Outstanding dues of Micro enterprises and small enterprises	–	–	–	–	–	–
- Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	8	–	8	18	–	18
Borrowings	2	–	2	498	6	504
Other financial liabilities	656	88	744	821	159	980
<b>Total Financial Liabilities (A)</b>	<b>666</b>	<b>88</b>	<b>754</b>	<b>1,337</b>	<b>165</b>	<b>1,502</b>
<b>Non Financial Liabilities</b>						
Provisions	63	159	222	61	100	161
Deferred Tax Liabilities (Net)	–	332	332	–	178	178
Other non-financial liabilities	81	–	81	85	–	85
<b>Total Non-Financial Liabilities (B)</b>	<b>144</b>	<b>491</b>	<b>635</b>	<b>146</b>	<b>278</b>	<b>424</b>
<b>Total Liabilities (C) = (A) + (B)</b>	<b>810</b>	<b>579</b>	<b>1,389</b>	<b>1,483</b>	<b>443</b>	<b>1,926</b>

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### 46 Assets pledged as security

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Property, Plant and Equipment (Vehicle)	51	64
Cash & Cash equivalents (Fixed deposits)	–	703
<b>Total assets pledged as security</b>	<b>51</b>	<b>767</b>

### 47 Changes in liabilities arising from financing activities

(₹ in lakhs)

Particulars	As at	Cash flows	Others	As at	Cash flows	Others	As at
	April 1, 2021			March 31, 2022			March 31, 2023
Borrowings (Other than debt securities)*	33	471	–	504	(502)	–	2

Particulars	As at	Cash flows	Others	As at	Cash flows	Others	As at
	April 1, 2020			March 31, 2021			March 31, 2022
Borrowings (Other than debt securities)*	44	(11)	–	33	471	–	504

48 The issue proceeds received against the issue of 45,50,000 equity shares to specified investors in November 2021, on a preferential basis at a price of ₹ 88.75 per equity share, have been invested in the fixed deposits with bank pending utilisation in terms of the objects of the issue. The Board of Directors have at their Meeting held on March 22, 2023 approved the amendment in the object clause for the utilization of funds, subject to approval of the shareholders, for which a Postal Ballot is asked for and the fate will be known after May 3, 2023.

49 The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On April 21, 2023 the Board of Directors of the Company have proposed a dividend of Re. 0.50 (P.Y. ₹ 2.25) per equity share of ₹5 each in respect of the financial year ended March 31, 2023, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹ 162 lakhs (P.Y. ₹ 701 lakhs).

- 50 a) The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, except as stated hereunder:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Date	Amount	Date	Amount
<b>Invested in</b>				
Jalpak Food India Private Limited (intermediary)		–	04-12-2021	160
<b>Further invested by intermediary</b>				
White Spread Foods Private Limited		–	27-12-2021	50
(Subsidiary of Jalpak Food India Private Limited)		–	03-01-2022	100
		–	01-02-2022	10

The company is in compliance with relevant provisions of the Foreign Exchange Management Act 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the prevention of Money-Laundering Act 2002,(15 of 2003).

51 The disclosure on the following matters required under Section III amended not being relevant or applicable in case of the Company for the year ended March 31, 2023, same are not covered:

- a) The company has not traded on invested in crypto currency or virtual currency during the financial year.
- b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- c) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- d) The Company has not entered into any scheme of arrangement.
- e) No satisfaction of charges are pending to be filed with ROC.
- f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- g) The Company has not entered into any transaction with Company struck off under section 248 of the Companies Act, 2013.
- h) The Company has taken overdraft facility from bank on security of Fixed deposits and hence there is no requirement for filling of any periodical return or information to any authorities.
- i) The Company does not have any step down subsidiaries hence compliance of layer of companies are not applicable.
- j) Disclosure of ratios, is not applicable to the Company as it is in merchant banking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

### k) Disclosures of immovable property not in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/ director	Property held since which date*	Reason for not being held in the name of the company*
Other Receivable	Building	393	Mr. Anil Mithalal Shah	No	Under Litigation (From 1995)	Under Litigation

\* In the earlier year, pursuant to the order of the Hon'ble High Court, the possession of the flat was handed over to the Official Assignee. An appeal was filed by the Company against the said order whereby the said order was set aside. Pursuant to the fresh chamber summons filed by the Company for removing attachment, the Official Assignee has been directed not to sell or dispose-off the flat. The Company has been legally advised that the said developments will not have a bearing on the Company's title to the flat and consequently there is no impairment in the value of the asset and the Company is not likely to have any further claim or liability against the said flat.

52 The Board of Directors have on April 13, 2023 approved an agreement between the Company and Bridgeweave Limited (Bridgeweave UK), a UK based Artificial Intelligence / Machine Learning-based technology company, that has developed a suite of financial products for retail investors. The two-step process to acquire a majority / 100% ownership in Bridgeweave will be as under:

- i) The Company will acquire an 8% equity stake in Bridgeweave UK, through a primary infusion of INR 10 Cr. at a pre-money valuation of INR 115 Cr.
- ii) Post execution of definitive documentation over the next 90 days and subject to approval of the shareholders and / or other regulatory or statutory approvals, the Company will seek to acquire the balance 92% equity stake in Bridgeweave UK through a stock swap of equity shares of the Company, at a floor valuation of INR 130 per equity share.

### 53 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, 2023 and March 31, 2022 is as under:

Name of the Entities	Country of incorporation	Proportion of ownership interest	
		As at March 31, 2023	As at March 31, 2022
Name of the Subsidiary Companies			
Direct Subsidiaries			
1 Prime Research & Advisory Limited	India	100%	100%
2 Prime Funds Management Limited	India	100%	100%

## Summary of significant accounting policies and other explanatory information

(₹ in Lakhs, unless otherwise stated)

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

(₹ in lakhs)

Sr. No.	Name of the Entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit / (Loss)	Amount	As % of Consolidated OCI	Amount	As % of Total Consolidated Income	Amount
	<b>Parent</b>								
	Prime Securities Limited	82%	11,572	69%	776	101%	738	82%	1,514
	<b>Subsidiary Company</b>								
	<b>Indian</b>								
1	Prime Research & Advisory Limited	18%	2,457	31%	342	-1%	(6)	18%	336
2	Prime Funds Management Limited	0%	4	0%	(0)	0%	-	0%	(0)
	<b>Foreign</b>	0%	-	0%	-	0%	-	0%	-
	<b>Total</b>	100%	14,032	100%	1,117	100%	732	100%	1,850

### 55 Events after reporting date

There have been no events after the reporting date other than disclosed in Note 52, that require disclosure in these consolidated financial statements.

56 The figures for the previous year have been regrouped wherever necessary. The impact of such regroupings / reclassifications are not material to Financial Statements.

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

#### For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration Number : 001076N/N500013

#### Murad D. Daruwalla

Partner

Membership No 043334

Place : Mumbai

Date : April 21, 2023

#### For Prime Securities Limited

#### N. Jayakumar

Managing Director & Group CEO

(DIN: 00046048)

#### Arun Shah

Chief Financial Officer

Place : Mumbai

Date : April 21, 2023

#### Pradip Dubhashi

Chairman

(DIN: 01445030)

#### Ajay Shah

Company Secretary

(ACS-14359)

## FORM AOC-1

### Salient features of the financial statements of Subsidiaries / Associate Companies / Joint Ventures

[Pursuant to the first proviso to sub-section (3) of section 129  
read with rule 5 of the Companies (Accounts) Rules, 2014]

Subsidiaries		(₹ in lakhs)	
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, 2022 to March 31, 2023	April 1, 2022 to March 31, 2023
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	2,322	(1)
5	Total Assets	2,743	4
6	Total Liabilities (Excluding Minority interest)	286	-
7	Investment other than investment in Subsidiary	756	-
8	Turnover and Other Income	1,820	-
9	Profit Before Taxation	433	-
10	Provision for Taxation (incl Deferred Tax)	91	-
11	Profit after Tax	342	-
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)

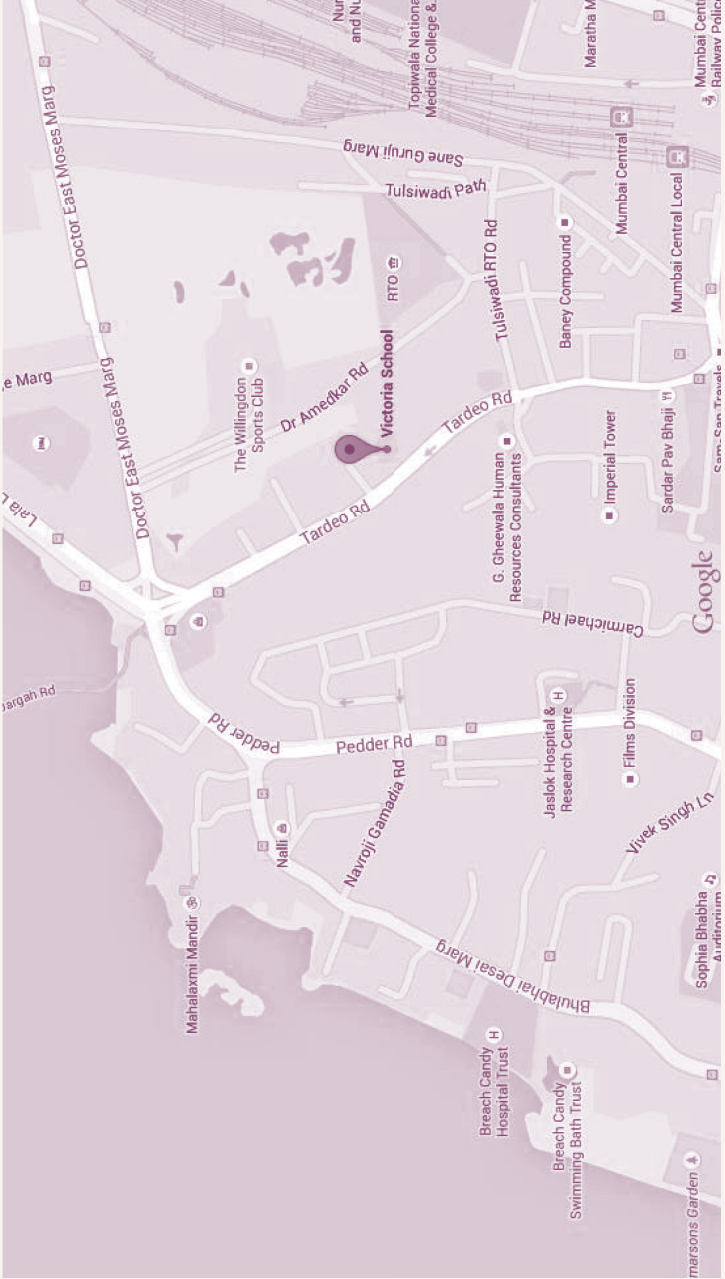
**Arun Shah**  
Chief Financial Officer

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

Place : Mumbai  
Date : April 21, 2023

## Route Map of the AGM Venue

[ 40th AGM scheduled to be held on Tuesday, June 13, 2023 at 3:00 p.m. at Victoria Memorial School for the Blind, Tardeo Road, Opp. Film Centre, Near Hindustan Petroleum Petrol Pump, Mumbai 400034 ]





# PRIME SECURITIES LIMITED

(CIN: L67120MH1982PLC026724)

Regd. Office: 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021

Tel: +91-22-61842525; Website: www.primesec.com, Email: prime@primesec.com

**40<sup>TH</sup> ANNUAL GENERAL MEETING SECHEDULED TO BE HELD ON TUESDAY, JUNE 13, 2023**

Name of Member	
Address	
Folio No. / Client ID No. DP ID	
Number of Shares	

I certify that I am a registered Member / Proxy for the registered Member of the Company. I hereby record my presence at the 40<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, June 13, 2023, at 3:00 p.m. at Victoria Memorial School for the Blind, 73, Tardeo Road, Opp. Film Centre, Near Hindustan Petroleum Petrol Pump, Mumbai 400034.

\_\_\_\_\_  
Name of the Member / Proxy (BLOCK LETTERS)

\_\_\_\_\_  
Signature of Member / Proxy

Members / Proxy holders are requested to bring this Attendance Slip to the Meeting and hand over the same at the entrance duly signed.



# PRIME SECURITIES LIMITED

(CIN: L67120MH1982PLC026724)

Regd. Office: 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021

Tel: +91-22-61842525; Website: www.primesec.com, Email: prime@primesec.com

**40<sup>TH</sup> ANNUAL GENERAL MEETING SECHEDULED TO BE HELD ON TUESDAY, JUNE 13, 2023**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member	
Address	
Folio No. / Client ID No. DP ID	
Email ID	

I/we, being the Member(s), holding \_\_\_\_\_ Equity Shares of the above named Company, hereby appoint:

1. Name: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him/her

2. Name: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him/her

3. Name: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, June 13, 2023 at 3:00 p.m. at Victoria Memorial School for the Blind, 73, Tardeo Road, Opp. Film Centre, Near Hindustan Petroleum Petrol Pump, Mumbai 400034 and at any adjournment thereof in respect of such resolutions as mentioned below:

Resolution No.	Resolutions
Ordinary Business	
1.	Adoption of Audited Financial Statements
2.	Declaration of Dividend
3.	Re-appointment of Director
Special Business	
4.	Alteration of Articles of Association

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2023

Affix ₹ 1  
Revenue  
Stamp

\_\_\_\_\_  
Signature of the Member

\_\_\_\_\_  
Signature of Proxy

**Notes:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 40<sup>th</sup> Annual General Meeting.
- (3) A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
- (4) Proxies submitted on behalf of limited companies, societies, partnership firms, etc., must be supported by appropriate resolution authority as applicable, issued on behalf of the appointing organization.







