

PRIME SECURITIES LIMITED

Regd. Office : Phoenix House, A Wing, 4th Floor, 462, Senapati Bapat Marg, Lower Parel, Mumbai 400013.

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2003

Amt. in Rs. Lacs

	Nine Months ended	Quarter ended	Quarter ended	Year ended	Year ended	Consolidated	
	31.12.2003	31.03.2003	31.03.2002	31.03.2003	31.03.2002	Year ended 31.03.2003	Year ended 31.03.2002
A. Income from Operations	28	13	26	41	45	299	290
B. Other Income	10	2	2	12	18	17	44
Total Income	38	15	28	53	63	316	334
C. Total Expenditure:							
Staff Cost	48	20	14	68	88	131	154
Rent	12	2	4	14	16	38	34
Telephone, Postage and Courier	7	2	2	9	14	19	21
Other Expenditure	36	10	14	46	47	206	164
	103	34	34	137	165	394	373
D. Gross Profit / (Loss)	(65)	(19)	(6)	(84)	(102)	(78)	(39)
E. Interest	23	(19)	(30)	4	20	6	35
F. Depreciation	11	2	4	13	24	137	148
G. Diminution in Portfolio	-	3	34	3	34	3	35
H. Provision for Non-Performing Assets and Contingencies	-	3	41	3	41	3	41
I. Other Provisions / Write-offs / (Write-backs)	-	-	3	-	3	-	3
J. Profit/(Loss) before Tax	(99)	(8)	(58)	(107)	(224)	(227)	(301)
K. Provision for Tax	-	-	-	-	-	-	(3)
L. Deferred Tax Savings	3	3	2	6	2	(2)	2
M. Profit/(Loss) after Tax	(96)	(5)	(56)	(101)	(222)	(229)	(302)
N. Prior Period Adjustment	-	(1)	21	(1)	-	(1)	-
O. Extraordinary Items:							
- Non-Recurring Expenses	-	-	50	-	-	-	-
- Debts written back	-	-	-	-	-	-	1
P. Profit/(Loss) after Adjustments	(96)	(6)	15	(102)	(222)	(230)	(301)
Q. Paid-up Capital							
- Equity	2,341	2,341	2,341	2,341	2,341	2,341	2,341
- Preference	200	200	200	200	200	200	200
R. Reserves (excluding Revaluation Reserves)				7,577	7,577	7,577	7,577
S. Debit Balance in P & L Account				(8,593)	(8,492)	(9,160)	8,931
T. Earnings per Share (in Rs. not annualised)							
- Basic	(0.41)	(0.02)	(0.24)	(0.43)	(0.95)	(0.98)	(1.29)
- Diluted	(0.40)	(0.02)	(0.24)	(0.42)	(0.90)	(0.95)	(1.23)
U. Aggregate of Non-Promoter Shareholding							
- Number of Shares	2,28,46,996	2,28,46,996	2,03,50,497	2,28,46,996	2,03,50,497	2,28,46,996	2,03,50,497
- Percentage of Shareholding	94.64	94.64	84.30	94.64	84.30	94.64	84.30

Notes :

- The Company does not have any identifiable segments as required by Accounting Standard 17 issued by ICAI.
- As required by Accounting Standard 22 "Accounting for Taxes on Income" issued by ICAI, the Company has accounted for deferred tax savings of Rs 5.99 lacs during the year.
- Diminution in portfolio is done at the year end.
- The above Results were taken on record by the Board of Directors of the Company at its Meeting held on June 30, 2003.
- Previous period figures have been re-grouped / re-classified wherever necessary.

Observations made by Auditors and Management Perception thereof :

- Auditors' Observation :** Going Concern assumption has been used in drawing the financial statements despite the accumulated losses. The Company's ongoing operations are largely dependent upon successful restructuring of debts / generation of cash from operations. **Management Perception :** The management, in its continued endeavour to reduce the Company's debts, has been successful in its negotiations during the year with its bankers / lenders and is of the opinion that sufficient funds will be available from operations.
- Auditors' Observation :** Concessions / Waivers amounting to Rs 825.76 lacs have been considered in the financial statements. As the negotiations for rescheduling of the outstanding settled amounts are not concluded and / or waivers are conditional upon compliance with the terms of the settlement, an opinion regarding the liability cannot be formed. **Management Perception :** In view of the financial constraints, the Company has from time to time been renegotiating with the lenders and has generally been successful. The availability of concessions is dependent upon payments on time.
- Auditors' Observation :** The company has not provided for interest of Rs 28.58 lacs on unsecured loan. Had this provision been made, the loss for the year and the accumulated loss till dated would have increased by Rs 28.58 lacs. **Management Perception :** The management is negotiating for settlement of its dues and is confident of getting concessions / waivers. In view of the above, no provision is made for interest amounting to Rs. 28.58 lacs during the year on the said borrowing.
- Auditors' Observation :** An investment of Rs 1,113.65 lacs is in unquoted equity shares for which adequate information relating to the investee companies is not available. Therefore, the diminution in their value, other than temporary, cannot be ascertained. **Management Perception :** These investments continue to be included at cost as the management believes that there is no diminution, other than temporary, in their value requiring provision in the accounts.
- Auditors' Observation :** Preference Shares amounting to Rs 200 lacs have not been redeemed which fell due for redemption on August 10, 1997. **Management Perception :** The Company is negotiating with the Preference Shareholder for further rescheduling of payments and does not expect withdrawal of concessions / waivers already granted to it.
- Auditors' Observation :** The auditors are unable to form an opinion on the value of investments amounting to Rs 1,752.72 lacs made in subsidiaries. **Management Perception :** In view of the long term nature of the Company's investment in subsidiaries, no provisions are presently considered necessary.

REPORTING OF SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT

Amt. in Rs. Lacs

Sr No	Particulars	Audited	Audited
		Year ended 31.03.2003	Year ended 31.03.2002
1	SEGMENT REVENUE		
	- Merchant Banking	38.36	29.03
	- Broking	248.12	240.14
	- Unallocated	29.13	64.68
	Total Revenue	315.61	333.85
2	SEGMENT RESULTS		
	- Merchant Banking	(112.14)	(158.08)
	- Broking	(12.76)	27.33
	- Unallocated	(102.29)	(170.25)
	Net Loss before Tax	(227.19)	(301.00)
3	CAPITAL EMPLOYED		
	Assets Less Liabilities of :		
	- Merchant Banking	279.23	344.06
	- Broking	337.18	412.71
	- Unallocated	308.96	386.51
	Total Capital Employed	925.37	1143.28

For Prime Securities Limited

Mumbai
June 30, 2003

Nikhil Shah
Whole-Time Director