

# PRIME SECURITIES LIMITED

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



## UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2003

Amt. in Rs. Lacs

	Quarter ended 30.06.2003	Quarter ended 30.06.2002	Year ended 31.03.2003 (Audited)
A. Income from Operations	37	2	41
B. Other Income	3	3	12
Total Income	40	5	53
C. Total Expenditure:			
Staff Cost	16	16	68
Rent	3	4	14
Telephone, Postage and Courier	1	2	9
Share Issue Expenses	3	3	11
Other Expenditure	5	7	35
Total	28	32	137
<b>D. Gross Profit / (Loss)</b>	<b>12</b>	<b>(27)</b>	<b>(84)</b>
E. Interest	1	8	4
F. Depreciation	3	7	13
G. Diminution in Portfolio	*	*	3
H. Provision for Non-Performing Assets and Stock-in-Trade	*	*	3
I. Other Provisions / Write-offs / (Write-backs)	(1)	-	-
<b>J. Profit/(Loss) before Tax</b>	<b>9</b>	<b>(42)</b>	<b>(107)</b>
K. Deferred Tax Savings	1	1	6
<b>L. Profit/(Loss) after Tax</b>	<b>10</b>	<b>(41)</b>	<b>(101)</b>
M. Prior Period Adjustments	-	-	(1)
<b>N. Profit/(Loss) after Adjustments</b>	<b>10</b>	<b>(41)</b>	<b>(102)</b>
O. Paid-up Capital			
- Equity	2,341	2,341	2,341
- Preference	200	200	200
P. Reserves (excluding Revaluation Reserves)			7,577
Q. Debit Balance in P & L Account			(8,593)
R. Earnings per Share (in Rs. not annualised)			
- Basic	0.04	(0.18)	(0.43)
- Diluted	0.04	(0.17)	(0.42)
S. Aggregate of Non-Promoter Shareholding			
- Number of Shares	2,28,86,196	2,27,41,979	2,28,46,996
- Percentage of Shareholding	94.80	94.20	94.64

\* Provision/Diminution, if any, will be made at the year end

### Notes :

- The above Results were taken on record by the Board of Directors of the Company at its Meeting held on July 22, 2003.
- Pursuant to Clause 41 of the Listing Agreement, the Statutory Auditors have carried out a Limited Review of the results for the Quarter ended June 30, 2003.
- The Company does not have any identifiable segments as required by Accounting Standard 17 issued by ICAI.
- Previous period figures have been re-grouped / re-classified wherever necessary.
- The Company had received 8 investor complaints during the Quarter ended June 30, 2003 and all have been resolved and there were no investor complaints pending at the beginning of the Quarter.

### Observations made by Auditors in the report for the year ended March 31, 2003 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 reschedulement 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 date 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 company 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 reschedulement 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.

For Prime Securities Limited

Mumbai  
July 22, 2003

Nikhil Shah  
Whole-Time Director