

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, 2004



Amt. in Rs. Lacs

	Nine Months ended		Quarter ended		Year ended		Consolidated	
	31.12.2003	31.03.2004	31.03.2003	31.03.2004	31.03.2003	31.03.2004	31.03.2003	31.03.2004
A. Income from Operations	181	63	8	244	36	776	287	
B. Other Income	48	7	7	55	17	82	29	
Total Income	229	70	15	299	53	858	316	
C. Total Expenditure								
Staff Cost	53	16	20	69	68	145	131	
Rent	8	3	2	11	14	38	38	
Telephone, Postage & Courier	7	3	2	10	9	18	19	
Share Issue Expenses	9	2	2	11	11	11	11	
Other Expenditure	24	28	8	52	35	221	195	
	101	52	34	153	137	433	394	
D. Gross Profit/(Loss)	128	18	(19)	146	(84)	425	(78)	
E. Interest	2	-	(19)	2	4	4	6	
F. Depreciation	10	3	2	13	13	137	137	
G. Diminution in Portfolio	-	-	3	-	3	(1)	3	
H. Provision for Non-Performing Assets & Contingencies								
Made/(Written-back)	(3)	-	3	(3)	3	(3)	3	
I. Other Provisions/Write-offs/(Write-backs)	-	(1)	-	(1)	-	(1)	-	
J. Extraordinary Items	-	(84)	-	(84)	-	(43)	-	
K. Profit/(Loss) before Tax	119	100	(8)	219	(107)	332	(227)	
L. Provision for Tax	-	-	-	-	-	(18)	-	
M. Deferred Tax Savings	3	1	3	4	6	(66)	(2)	
N. Profit/(Loss) after Tax	122	101	(5)	223	(101)	248	(229)	
O. Prior Period Adjustments	-	23	(1)	23	(1)	21	(1)	
P. Profit/(Loss) after Adjustments	122	124	(6)	246	(102)	269	(230)	
Q. Paid-up Capital								
- Equity	2,341	2,344	2,341	2,344	2,341	2,344	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				(8,348)	(8,593)	(8,891)	(9,160)	
T. Earnings per Share (in Rs. not annualised)								
- Basic	0.52	0.43	(0.02)	0.95	(0.43)	1.06	(0.98)	
- Diluted	0.50	0.37	(0.02)	0.87	(0.42)	0.97	(0.95)	
U. Aggregate of Non-Promoter Shareholding								
- Number of Shares	2,28,86,196	2,23,62,696	2,28,46,996	2,23,62,696	2,28,46,996	2,23,62,696	2,28,46,996	
- Percentage of Shareholding	94.80	94.69	94.64	94.69	94.64	94.69	94.64	

Notes

- The Company does not have any identifiable segments as required by Accounting Standard 17 issued by ICAI. However, the segmentwise revenue, results and capital employed in respect of consolidated accounts is enclosed.
- As required by Accounting Standard 22 "Accounting for Taxes on Income" issued by ICAI, the Company has accounted for deferred tax savings of Rs 4.04 lacs during the year.
- Diminution in portfolio is done at the year end.
- Prior Period Adjustments include write-back of excess provision of depreciation of Rs 15.56 lacs, write-back of excess provision of income tax of Rs 8.78 lacs and provision for prior period expenses of Rs 1.68 lacs.

- Extraordinary Items include write-back of secured/unsecured loans Rs 805.31 lacs, write-back of provision against asset Rs 276 lacs, write-back of provision for contingencies Rs 50 lacs and provision for diminution in value of investment Rs 1047.65 lacs.
- Pursuant to the resolution passed at the EGM on February 9, 2004, the Board of Directors of the Company has allotted 14 lacs equity share warrants on a preferential basis. An amount of Rs 14 lacs received towards application money for the same has been utilised for repayment of debts.
- The increase in promoter holding is due to forfeiture of shares held by persons included under non-promoters.
- The Company received 18 investor complaints during the quarter ended March 31, 2004 and all have been resolved and there were no investor complaints pending at the beginning of the quarter.
- Previous period figures have been re-grouped / re-classified wherever necessary.
- The above Results were taken on record by the Board of Directors of the Company at its Meeting held on June 29, 2004.

Observations made by Auditors and Management Perception thereof

- Auditors' Observation:** The company has not provided for interest of Rs 28.31 lacs on unsecured loan. Had this provision been made, the profit for the year would have been lower by Rs 28.31 lacs and the accumulated loss till date would have increased by Rs 56.89 lacs. **Management Perception:** The management is negotiating with the lender 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 28.31 lacs during the year on the said borrowing.
- Auditors' Observation:** Inability to verify the diminution in value of investment of Rs 1047.65 lacs in unquoted equity shares in the absence of adequate information. **Management Perception:** The management is of the opinion that the diminution in value is other than temporary and hence provision has been made in the financial results.
- Auditors' Observation:** Inability to express an opinion regarding write-back of unsecured loans of Rs 242.34 lacs. **Management Perception:** Upon scrutiny and analysis of the said liabilities, the management is of the opinion that the same are no longer payable and hence written-back.

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED BASED ON CONSOLIDATED ACCOUNTS AS PER CLAUSE 41 OF THE LISTING AGREEMENT

Sr No	Particulars	Amt. in Rs. Lacs	
		Audited Year ended 31.03.2004	Audited Year ended 31.03.2003
1	Segment Revenue		
	- Merchant Banking	252	39
	- Broking	529	248
	- Unallocated	77	29
	Total Revenue	858	316
2	Segment Results		
	- Merchant Banking	88	(112)
	- Broking	246	(13)
	- Unallocated	(41)	(102)
	Net Profit/(Loss) before Tax	293	(227)
3	Capital Employed		
	Assets Less Liabilities of		
	- Merchant Banking	616	279
	- Broking	711	337
	- Unallocated	(103)	309
	Total Capital Employed	1224	925

For Prime Securities Limited

Mumbai
June 29, 2004

Nikhil Shah
Whole-Time Director