

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 DECEMBER 31, 2004

Amt. in Rs. Lacs

	Prime Securities Limited					Consolidated		
	Quarter ended 31.12.04	Quarter ended 31.12.03	Nine Months ended 31.12.04	Nine Months ended 31.12.03	Year ended 31.03.04 (Audited)	Nine Months ended 31.12.04	Nine Months ended 31.12.03	Year ended 31.03.04 (Audited)
Merchant Banking and Other Fees	97	84	265	181	244	583	550	776
Income from Securities	253	2	275	43	47	275	43	47
Other Income	2	1	3	5	8	4	54	34
Total Income	352	87	543	229	299	862	647	858
Staff Cost	44	19	89	53	69	174	107	145
Rent	3	2	8	8	11	29	29	38
Share Issue Expenses	3	3	9	9	11	9	9	11
Other Expenditure	8	11	43	31	62	146	169	239
Total Expenditure	58	35	149	101	153	358	314	433
Gross Profit	294	52	394	128	146	504	333	425
Interest	-	1	1	2	2	13	4	4
Depreciation	3	3	9	10	13	103	105	137
Diminution in Portfolio	*	*	*	*	-	*	*	(1)
Provision for Non-Performing Assets & Stock-in-Trade	*	*	*	*	(3)	*	*	(3)
Other Provisions/Write-offs/(Write-backs)	-	(2)	(1)	(3)	(1)	(1)	(3)	(1)
Extraordinary Items	(194)	-	(194)	-	(84)	(224)	-	(43)
Profit before Tax	485	50	579	119	219	613	227	332
Provision for Tax	-	-	-	-	-	(45)	(15)	(18)
Deferred Tax Savings	1	1	3	3	4	3	3	(66)
Profit after Tax	486	51	582	122	223	571	215	248
Prior Period Adjustments	-	-	7	-	23	7	-	21
Profit after Adjustments	486	51	589	122	246	578	215	269
Paid-up Capital								
- Equity	2,344	2,341	2,344	2,341	2,344	2,344	2,341	2,344
- Preference	200	200	200	200	200	200	200	200
Reserves (excluding Revaluation Reserves)					7,577			7,577
Debit Balance in P & L Account					(8,348)			(8,891)
Earnings per Share (in Rs. not annualised)								
- Basic	2.08	0.22	2.49	0.52	0.95	2.44	0.92	1.06
- Diluted	1.90	0.21	2.28	0.50	0.87	2.26	0.89	0.97
Aggregate of Non-Promoter Shareholding								
- Number of Shares	22145296	22886196	22145296	22886196	22362696	22145296	22886196	22362696
- Percentage of Shareholding	94.64	94.80	94.64	94.80	94.69	94.64	94.80	94.69

* 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 January 20, 2005.
- The shareholders of the Company, at their AGM held on October 25, 2004, have approved the financial restructuring as follows: (1) utilisation of share premium account for creation of capital redemption reserve for redemption of preference shares and (2) write-off the debit balances in profit and loss account and miscellaneous expenditure account by reducing equity share capital and share premium, resulting in reduction in face value of equity shares from Rs 10/- per share to Rs 5/- per share.
- a) Extraordinary Items for the quarter ended December 31, 2004 represent write back of secured / unsecured loans consequent to full and final settlements.
b) A payment of Rs 200 lacs has been made into a no-lien account with the Preference Shareholder, in accordance with the settlement terms and the said amount will be appropriated towards redemption of preference shares on High Court approval.
- Pursuant to Clause 41 of the Listing Agreement, the Statutory Auditors have carried out a Limited Review of the results for the third quarter ended December 31, 2004.
- 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 22 investor complaints during the Quarter ended December 31, 2004 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, 2004 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, has successfully negotiated the settlement of its dues and hence no provision is required 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.

For Prime Securities Limited

Mumbai
January 20, 2005

Nikhil Shah
Whole-Time Director