

PRIME SECURITIES LIMITED

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

PRIME

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2004

Amt. in Rs. Lacs

	Prime Securities Limited					Consolidated		
	Quarter ended 30.9.04	Quarter ended 30.9.03	Half Year ended 30.9.04	Half Year ended 30.9.03	Year ended 31.3.04 (Audited)	Half Year ended 30.9.04	Half Year ended 30.9.03	Year ended 31.3.04 (Audited)
Income from Operations	73	66	167	97	244	394	305	776
Other Income	23	36	24	45	55	25	90	82
Total Income	96	102	191	142	299	419	395	858
Staff Cost	14	18	45	34	69	104	67	145
Rent	2	3	5	6	11	18	20	38
Telephone, Postage and Courier	7	4	9	5	10	15	9	18
Share Issue Expenses	3	3	6	6	11	6	6	11
Other Expenditure	15	10	26	15	52	98	93	221
Total Expenditure	41	38	91	66	153	241	195	433
Gross Profit	55	64	100	76	146	178	200	425
Interest	1	-	1	1	2	3	2	4
Depreciation	3	4	6	7	13	69	70	137
Diminution in Portfolio	*	*	*	*	-	*	*	(1)
Provision for Non-Performing Assets & Stock-in-Trade	*	*	*	*	(3)	*	*	(3)
Other Provisions / Write-offs/(Write-backs)	-	-	(1)	(1)	(1)	(1)	(1)	(1)
Extraordinary Items	-	-	-	-	(84)	-	-	(43)
Profit before Tax	51	60	94	69	219	107	129	332
Provision for Tax	-	-	-	-	-	(27)	(9)	(18)
Deferred Tax Savings	1	1	2	2	4	2	2	(66)
Profit after Tax	52	61	96	71	223	82	122	248
Prior Period Adjustments	7	-	7	-	23	7	-	21
Profit after Adjustments	59	61	103	71	246	89	122	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	0.22	0.26	0.41	0.30	0.95	0.35	0.52	1.06
- Diluted	0.20	0.25	0.38	0.29	0.87	0.32	0.48	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 October 28, 2004.
- Pursuant to Clause 41 of the Listing Agreement, the Statutory Auditors have carried out a Limited Review of the results for the second quarter ended September 30, 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 16 investor complaints during the Quarter ended September 30, 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 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 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
October 28, 2004

Nikhil Shah
Whole-Time Director