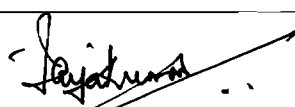
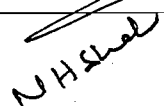
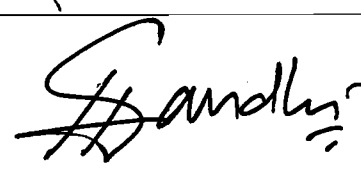


Form B
(Pursuant to Clause 31(a) of the Listing Agreement)
Format of covering letter of the annual report to be filed with the stock exchanges

1.	Name of the Company	Prime Securities Limited	
2.	Annual financial statement for the year ended	September 30, 2013	
3.	Type of Audit observation	Qualified Opinion	
4.	Frequency of qualification	Point No. 1 - Appearing for the first time Point No. 2 - Appearing for the first time Point No. 3 - Appearing for the first time	
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	Basis for Qualified Opinion in the Consolidated Statutory Auditor's Report	Management Response
		1. Reference is invited to Note 28 according to which inter- corporate deposits of Rs. 2,075.00 Lacs is outstanding which are categorized under Short-term Borrowings, as represented by the management. We have not been able to validate this assertion in absence of confirmation of balances, terms of repayments and charge of interest. Accordingly, we are unable to ascertain the impact on the financial statements of the categorization of the deposits and non-provision of interest thereon.	The facts have been elaborated in detail in the Annual Report under Note 28 on page 44. The management is in the process of renegotiating terms of these unsecured advances and the same is not expected to have any material impact on the financial statements.
		2. As referred in Note 29 the Group has not provided for interest of Rs. 643.36 Lacs on certain secured loans as in opinion of the management	The facts have been elaborated in detail in the Annual Report under Note 29 on page 44. The management is in the process

		<p>the same is under renegotiations with the lenders. Had the Group made such provision the loss for the period and the amount of secured loans would have been higher by that amount.</p>	<p>of renegotiating terms with the lender and the management is of the opinion that the same may not be payable pursuant to a proposed restructuring / settlement of the loan and accordingly, the same is not expected to have any material impact on the financial statements.</p>
		<p>3. Reference is invited to Note 30 according to which the management is hopeful of recovery of a capital advance of Rs. 327.50 Lacs in respect of which we are unable to ascertain the impact, if any, that may arise in case if the same, or part thereof, is subsequently determined to be doubtful of recovery.</p>	<p>The facts have been elaborated in detail in the Annual Report under Note 23 on page 44.</p> <p>The management is of the opinion that no provision for doubtful recovery is required as it is in discussion with the concerned party for refund of the said advance in the normal course of the business and accordingly, the same is not expected to have any material impact on the financial statements.</p>
6.	Additional comments from the board / audit committee chair	Nil	
7.	To be signed by	Mr. N. Jayakumar (Managing Director)	
		Mr. Nikhil Shah (Chief Financial Officer)	
		Mr. Milind Gandhi M/s. Gandhi & Associates Chartered Accountants (Auditor of the Company)	
		Mr. Pradip Dubhashi (Audit Committee Chairman)	