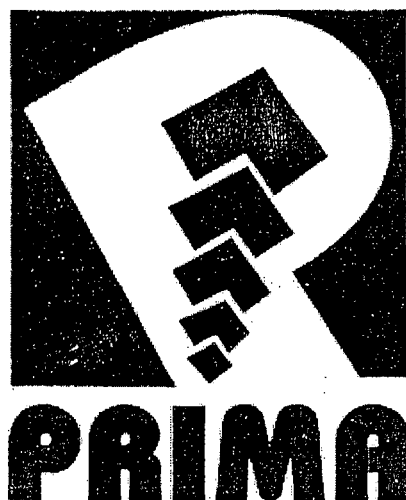


# **PRIMA AGRO LIMITED**



**22<sup>nd</sup> ANNUAL REPORT 2008 -2009**

#### **BOARD OF DIRECTORS**

Shri Sanjay Gupta	: Managing Director
Shri Rajyawardhan Agarwal	: Director
Shri Charley Rodrigues	: Director
Shri. Mahinder Singh	: Director

#### **AUDITORS**

M/s Vijayakumar & Easwaran  
Chartered Accountants  
Ernakulam

#### **BANKERS**

State Bank of India  
Bank of India

#### **REGISTERED OFFICE**

"Prima House", 31/536,  
N H 47, South Kalamassery,  
Kochi – 682033

**NOTICE**

NOTICE is hereby given that the 22nd Annual General Meeting of the Company will be held at its Registered Office at PRIMA HOUSE, 31/536, N H 47, South Kalamassery Kochi – 682 033 on Tuesday, the 29<sup>th</sup> September, 2009 at 2.30 p.m. for transacting the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Annual Accounts of the Company for the year ended 31st March, 2009 together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Rajyawardhan Agarwal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to authorize the board of directors to fix their remuneration.

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The duly filled up Proxy Form should be lodged with the Company at its Registered Office not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed Saturday 26<sup>th</sup> September, 2009 to Tuesday, 29<sup>th</sup> September, 2009. (both days inclusive).
4. Members/Proxies are requested to bring the Attendance Slip duly filled in for attending the Meeting. No duplicate will be issued at the venue of the Meeting.
5. Share Holders are requested to inform the Company any changes in their mailing address and also to quote folio number in all their correspondence with the Company.
6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.

By Order of the Board

Place: Kochi  
Date: 30.06.09

Sanjay Gupta  
Managing Director

**DIRECTORS' REPORT**

To  
The Members of  
Prima Agro Limited

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Balance Sheet and Profit and Loss Accounts for the year ended 31st March 2009.

**PERFORMANCE**

During the year, the Company achieved a Turnover of Rs. 652.11 Lakhs and made PBDT of Rs(10.70) Lakhs. The Net Loss for the year is Rs.34.93 Lakhs.

**Financial Results**

Particulars	Current Year 31/03/2009 (Rs.Lacs)	Previous Year 31/03/2008 (Rs.Lacs)
Turnover	652.11	589.03
Profit (Loss) Before depreciation	(10.70)	16.68
Depreciation	24.23	19.27
Profit (Loss) after Depreciation & Taxes	(34.93)	(2.59)

**FUTURE PROSPECTS**

There is increase in demand for the products of the Company i.e. animal feeds and wheat flour. The Company is also utilizing the spare capacities for Job works for Kerala State Civil Supplies Corporation (KSCSC) and KSE Ltd. Irinjalakkuda

**DIRECTORS**

Mr. Rajyawardhan Agarwal retires by rotation at the forthcoming Annual General Meeting of the company, who being eligible, offer himself for reappointment as also indicated their willingness to be reappointed.

**AUDITORS**

M/s. Vijayakumar and Easwaran, Chartered Accountants, Kochi, Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

**COMMENTS ON THE AUDITORS' REPORT**

The company has arrived at a One Time Settlement (OTS) with Banks for an amount of Rs. 470 Lakhs and the amount is being paid and the same will be settled as per the OTS sanction terms. Interest is provided on the OTS Amount Payable to Banks.

**PERSONNEL AND INDUSTRIAL RELATIONS**

Industrial relations of the Company continued to be cordial during the year. Your Directors take this opportunity of according appreciation of the services rendered by the employees.

**STATUTORY DISCLOSURES**

During the year, Your Company has not accepted any Fixed Deposits under the provisions of the Companies (Acceptance of Deposits) Rules 1975.

**AUDIT COMMITTEE**

Audit Committee consists of three Non-Executive Directors viz. Mr. Charley Rodrigues, Mr. Mahinder Singh, Mr. Rajyawardhan Agarwal with Mr. Charley Rodrigues as its Chairman. The constitution of Audit Committee also meets the requirements under Sec 292A of the Companies Act, 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

*As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Directors Particulars in the Report of Board of Directors) Rules 1988, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo in Form No. A & B is annexed to this report.*

**DIRECTOR'S RESPONSIBILITY STATEMENT**

The Directors confirm:

- a. that the applicable accounting standards have been followed along with proper explanation wherever required in the preparation of Annual Accounts.
- b. that the Company has adopted prudent accounting policies.
- c. that proper care has been taken for maintenance of accounting records in accordance with the provisions of the Act and
- d. that the Annual Accounts of the Company have been prepared on a going concern basis.

**CORPORATE GOVERNANCE**

Corporate governance in terms of the Listing Agreement is not yet mandatory to the Company. However your Company is taking necessary steps for implementing the same as soon as possible before it becomes mandatory.

**ACKNOWLEDGEMENT**

The Directors thank State Bank of India and Bank of India for their continued support and cooperation. Your Directors thank all the employees and share holders for their active support and co-operation.

By Order of the Board

Place: Kochi  
Date: 30.06.09

Sanjay Gupta  
Managing Director

**ANNEXURE TO THE BOARD OF DIRECTORS' REPORT****INFORMATION AS PER SECTION 217(1)(E) AND FORMING PART OF THE DIRECTORS' REPORT****I. Energy Conservation**

The Company is making all-round efforts for conservation of energy. To reduce the energy cost, energy efficient equipment were used and the effect of the same has been felt.

Total energy consumption and energy consumption per unit for production as prescribed in Form A- is not applicable, as the Company is not covered in the list of specified industries.

**Form B (See Rule 2)****1. Form of disclosure of particulars with respect to absorption of Research and Development (R&D)**

- |  |  |
|--|--|
| 1. Specified areas in which R&D carried out                | : Quality Control by the Company.                            |
| 2. Benefits derived as a result of the above R & D         | : The qualitative aspects of the products are well accepted. |
| 3. Future plan of action                                   | : To develop the R&D setup further                           |
| 4. Expenditure on R & D                                    | : Nil  |
| a. Capital   | : Nil  |
| b. Recurring   | : Nil  |
| c. Total   | : Nil  |
| d. Total R&D Expenditure as a percentage of total turnover | : Nil  |

**II. Technology Absorption, Adaptation and Innovation**

1. Efforts in brief made towards technology absorption and innovation : State of the art technology has been implemented for the manufacture of various Products.
2. Benefits recorded as a results of the above : The quality of the final products has met the stringent quality requirements of the Animal Feed Industry and more customers are switching over to "Prima Feeds".
3. Particulars of Technology imported during the last 5 years :
- a. Technology imported : Nil
- b. Year of import : N A
- c. Has technology been fully absorbed : N A
- d. If not fully absorbed areas where this has not taken place, reasons therefore and future plans of action. : N A

**III. Foreign Exchange earnings and Outgo**

- a. Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and exports plans.

Marketing efforts are being made for developing export market for the products of the company.

- b. Foreign Exchange used

Foreign Travel : Nil

Capital Goods Import : Nil

Raw Materials Import : Nil

Trading Goods : Nil

- c. Foreign Exchange earned : Nil

By Order of the Board

Place: Kochi  
Date: 30.06.09

Sanjay Gupta  
Managing Director

**CORPORATE GOVERNANCE REPORT**  
(Pursuant to Clause 49 of the Listing Agreement)

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The basic philosophy of Corporate Governance at "Prima" is to achieve business excellence and to create and enhance the value for its Stakeholders, Customers, Employees and Business Associates and thereby to make a significant contribution to the Economy. The Company endeavours to achieve the highest levels of transparency, accountability, integrity and responsibility by following the best practices in Corporate Governance.

## 2. BOARD OF DIRECTORS

The Board of Directors comprises 1 Executive and 3 Non-executive Independent Directors. Except for the Managing Director, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

During the year ended 31<sup>st</sup> March 2009, 6 Board Meetings were held on 06.06.08, 30.06.08, 31.07.08, 30.10.08, 29.01.09, and 02.03.09

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also the number of other directorships and memberships of committees are given below:

Name of Director	Category	Number of shares held in the Company as on 31.03.2009	Attendance at		Directorships and Chairmanship / Membership of Board Committees in Other Companies as on 31.03.2008		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
1. Shri. Sanjay Gupta	P, MD	391600	6	Yes	3	None	None
2. Shri. Rajyawardhan Agarwal	NED & I	....	6	No	2	1	None
3. Shri. Charley Rodrigues	NED & I	....	6	Yes	1	1	1
4. Shri. Mahinder Singh	NED & I	.....	6	Yes	1	1	None

NED: Non-Executive Director; I: Independent Director; MD: Managing Director; ND: Nominee Director; P: Promoter

Other Directorships do not include Alternate Directorships, Directorships of Private Limited Companies which are neither a subsidiary nor a holding company of a Public Company, Companies under Section 25 of the Companies Act, 1956 and of companies incorporated outside India.

Chairmanship / Membership of Board Committees include Chairmanship/Membership of Audit Committee and Shareholders' / Investors' Grievance Committee only as clarified by SEBI. The Membership / Chairmanship of Board Committees of Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded for the purpose.

### Reappointment of Directors

The Director, Mr. Rajyawardhan Agarwal retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment. The brief resumes and information relating to the director as required under clause 49 of listing agreement with the Stock Exchange is furnished below:



**Brief Note on Directors Seeking Appointment/ Reappointment during the year.**

Name of Director	Mr. Rajtyawardhan Agarwal
Date of Birth	25.10.65
Date of Appointment	31.10.2001
Qualification	Graduate
Expertise in specific	More than 15 years experience
Functional area	in manufacturing Industry

Details of other Directorships:

Name of the Company	Position held	Committee type	Membership status
NIL			

**3. AUDIT COMMITTEE**

The Company's Audit Committee consists of three Non-Executive and Independent Directors. The qualification of the members of the Committee, its composition and terms of reference are as per the requirements of Clause 49 of the Listing Agreement. The Chairman of the Audit Committee Shri Charley Rodrigues has expert knowledge of finance and accounting.

During the year ended 31<sup>st</sup> March 2009, the Committee met 4 times on 26.06.08, 27.09.08, 27.12.08 and 28.03.09.

The Audit Committee Meetings are attended by invitation by the Managing Director, Finance Manager and Representative of the Statutory Auditors.

Name of Members of Audit Committee	Designation	No. of meeting attended
Shri Charley Rodrigues	Chairman, Non – Executive & Independent Director	4
Shri.Rajyawardhan Agarwal	Member & Non – Executive Director	4
Shri.Mahinder Singh	Member, Non – Executive & Independent Director	4

**4. REMUNERATION COMMITTEE****a. Composition, name of Members, Chairperson and attendance**

Name of the member	Category
1. Shri Charley Rodrigues	Chairman & Independent Director
2. Shri Rajyawardhan Agarwal	Independent Director
3. Shri. Mahinder Singh	Independent Director

**b. Brief description of terms of reference**

To determine and recommend to the Board the remuneration including commission, perquisites and allowance payable to the whole time directors based on overall performance and financial results of the Company during the relevant financial year and in consonance with the existing industrial practice.

**c. Remuneration to Directors**

The Company pays remuneration to Managing Director by way of salary and perquisites (fixed components)

**d. Details of remuneration paid to Managing director for the year**

The aggregate of salary, perquisites and commission paid/payable for the year ended 31<sup>st</sup> March, 2009 to Managing Director, is as follows:

Shri Sanjay Gupta, Managing Director: Rs.3,00,000/-

Besides this, Managing Director is also entitled to Company's contribution to Provident Fund, Superannuation or Annuity Fund and Gratuity and encashment of leave at the end of tenure, as per the Rules of the Company.

**e. Remuneration paid to Non-Executive Directors:**

No Remunerations is paid to Non-Executive Directors except sitting fees as under.

The details of sitting fees paid during the period are as follows:

Name of Director	Details of Sitting Fee paid			
	For Board Meeting	For Audit Committee Meeting	For Shareholders and Investors Grievance Committee Meeting	
			NA	
<b>Total</b>				

**5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

The Investors Grievance Committee reviews and redresses shareholder grievances / complaints. The Committee oversees the performance of the Registrars and Share Transfer Agents and recommends measures for overall improvement of the quality of investor services. The members of the Committee are as under:

Name of the member	Category
1. Shri Charley Rodrigues	Chairman & Independent Director
2. Shri Rajyawardhan Agarwal	Independent Director
3. Shri. Mahinder Singh	Independent Director

Given below is the position of investor queries / complaints and other correspondences received and attended to during 2008-09 :

Nature of complaint / queries	No. of complaints
For non-receipt of dividend, shares lodged for transfer, issue of duplicate share certificates.	1
Queries / Complaints redressed	1
Pending queries / complaints as on 31.03.2009	Nil
Other letters received from shareholders and replied	2

Every letter received from the investors is replied generally within two weeks of receipt unless the issues involved require investigation or looking into very old records to be retrieved from godowns or information is to be obtained from banks or others.

The shares of the Company are traded in physical form. A table showing the requests received for dematerialisation / transfer during 2008-09 is given below –

	Transfers	
	No. of requests	No. of shares
Lodged	6	184300
Processed	6	184300
Objections	Nil	NIL
Pending as on 31.03.2009	Nil	NIL

## 6. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2005-06	SAMSAR Conference Hall, Bharat Hotel, Cochin	30.09.2006	2-30 p.m.	None
2006-07	Prima House, 31/536, South Kalamassery	28.09.2007	2-30 p.m.	None
2007-08	Prima House, 31/536, South Kalamassery	27.09.2008	2-30 p.m.	None

No Extra- Ordinary General Meeting was held during the year 2008-09.

At the forthcoming Annual General Meeting there is no item on the agenda that needs approval by Postal Ballot, as required under the provisions of Section 192 A of the Companies Act, 1956.

## 7. DISCLOSURES

During the year there were no transactions of material nature with the Directors or the Managing Directors, relatives that had potential conflict with the interest of the Company.

No penalties or strictures were imposed by Stock Exchanges or SEBI or any other statutory authority on the company in any matter related to capital markets during the last three years.

Non-mandatory disclosures are not being complied with for the time being.

### Code of Conduct:

The Company has complied with the Code of Conduct for Directors and Senior Management approved by the Board.

### CEO / CFO Certification :

Mr. Sanjay Gupta, Managing Director and Ms. Anitha S Narayanan, Finance Manager have given CEO/CFO Certificate to the Board. The Board noted the said CEO/CFO certificate, as per the format given under clause 49(v), at its meeting held on 30<sup>th</sup> June, 2009.

**8. MEANS OF COMMUNICATION**

The quarterly, half-yearly and annual results are published in 'two news papers. Management Discussion and Analysis forms part of the Annual Report.

**9. GENERAL SHAREHOLDERS' INFORMATION****Annual General Meeting**

Date and time : 29<sup>th</sup> September, 2009 at 2.30 p.m.  
 Venue : 31/536,Prima House,  
 South Kalamaserry, Cochin 682033.

**Financial Calendar 2008-09**

The company follows April – March as the Financial Year. The results of every quarter are declared in the month following the quarter.

**Code of Insider Trading**

The Company has adopted and implemented a Code of Conduct pursuant to SEBI (Prohibition of Insider Trading Regulations,1992). The Code lays down the guidelines, which include procedures to be followed and disclosures to be made by the Insiders (Directors, Officers and Designated Employees) while dealing in shares of the Company.

Dates of book closure : 26<sup>th</sup> September 2009 to 29<sup>th</sup> September 2009  
 (Both days inclusive)  
 Dividend payment date : N.A.  
 Listing on Stock Exchange : Mumbai, Kochi, Ahmedabad, Delhi and Hyderabad. Listing fees paid only to Bombay Stock Exchange  
 Stock Code : 519262  
 Demat ISIN Number : N.A.

**Market Price data**

Companies shares are not traded during the period April, 2008 to March, 2009.

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
1.	Not quoted		Not quoted	

Registrar and transfer Agents:  
 (Share Transfer and  
 Communication regarding  
 Share Certificates, Dividends  
 And change of address)

Done in-house  
 Secretarial Department  
 Prima Agro Limited  
 Prima House, 31/536, N H 47,  
 South Kalamaserry, Cochin -682033  
 Tel: 2551533/34.  
 Fax: 2556060  
 E-mail: prima@vsnl.in

**Share Transfer System:**

Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 30 days from the date of receipt, subject to the document being valid and complete in all respect.

Distribution of the shareholding on the basis of categories of shareholders as on 31.03.2009 is as under:

Category Code	Category of shareholder	No. of shareholders	Total no. of shares	Percentage to total shares
(A)	<b>Shareholding of Promoter and Promoter Group</b>			
(1)	<b>Indian</b>	7	855300	16.46
(a)	Individuals			
(b)	Bodies Corporate	6	845700	16.28
	<b>Sub-Total (A)(1)</b>			
(2)	<b>Foreign</b>			
(a)	Bodies Corporate			
	<b>Sub-Total (A)(2)</b>	13	1701000	32.74
	<b>Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>			
(B)	<b>Public Shareholding</b>			
(1)	<b>Institutions</b>			
(a)	Mutual Funds			
(b)	Foreign Institutional Investors			
	<b>Sub-Total (B)(1)</b>			
(2)	<b>Non-Institutions</b>			
(a)	Bodies Corporate	18	89900	1.73
(b)	Individuals			
	i. Individual shareholders holding nominal share capital upto Rs.1 Lakh.	13628	3055800	58.82
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh.	7	348200	6.70
(c)	Trust			
(d)	Directors & their relatives			
(e)	Non resident Indians			
(f)	Overseas Corporate Bodies			
(g)	Clearing members			
(h)	Hindu undivided families			
	<b>Sub-Total (B)(2)</b>	13653	3493900	67.26
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	13653	3493900	67.26
	<b>TOTAL (A) + (B)</b>	13666	5194900	100

Distribution of shareholding as on 31.03.2009, pursuant to clause 35 of the Listing Agreement is as under :

Shareholding of nominal value of Rs.	No. of Shareholders	% of Shareholders	Amount of Share Capital in Rs.	% of Shareholding
Upto 5,000	12752	93.298	19601000	37.731
5,001 – 10,000	569	4.164	4649000	8.949
10,001 – 20,000	207	1.514	2932000	5.644
20,001 – 30,000	72	0.526	1573000	3.028
30,001 – 40,000	15	0.109	536000	1.032
40,001 – 50,000	17	0.124	789000	1.519
50,001 – 1,00,000	14	0.102	993000	1.911
1,00,001 and above	20	0.146	20876000	40.186
<b>Total</b>	<b>13666</b>	<b>100.00</b>	<b>51949000</b>	<b>100.00</b>

## Dematerialisation of shares and Liquidity:

The company has not yet offered the facility of trading in Demat Form.

## Liquidity of shares:

During the last year, trading did not take place in the company shares.

Plant Location	:	Prima Agro Limited Industrial Development Area, Muppathadam Edayar – 683 102
		Prima Agro Limited Industrial Development Area, Plot No.71, Kochuveli Trivandrum – 695 021
Investor correspondence For transfer	:	Secretarial Dept. Prima House, 31/536, South Kalamassery, Cochin – 682 033
Any query on Annual Report	:	Secretarial Dept. Prima House, 31/536, South Kalamassery, Cochin – 682 033

## DECLARATION ON CODE OF CONDUCT

As required by Clause 49 (ID) of the Listing Agreement, it is hereby affirmed that all the Board members and Senior Management personnel have complied with the Code of Conduct of the Company.

Place: Kochi  
Date: 30.06.09

Sanjay Gupta  
Managing Director

**CEO/CFO Certificate under Clause 49 of the Listing Agreement**

We, Sanjay Gupta, Managing Director and Ms. Anitha S. Narayanan, Finance Manager of Prima Agro Limited (the Company) hereby certify to Board that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2009 and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee that:
  - (1) there are no significant changes in internal control over financial reporting during the year;
  - (2) there have been no significant changes in accounting policies during the year which are required to be disclosed in the notes to the financial statements; and
  - (3) there have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kochi  
Date: 30.06.09

Sanjay Gupta  
Managing Director

Anitha S Naraayanan  
Finance Manager

**AUDITORS' CERTIFICATE**

TO THE MEMBERS OF  
PRIMA AGRO LIMITED

We have examined the compliance of conditions of corporate governance by **Prima Agro Limited** for the year ended on 31<sup>st</sup> March, 2009, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us and the representations made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Vijayakumar & Easwaran**  
Chartered Accountant

Place: Kochi  
Date: 30.06.09

**K.Easwaran Pillai**  
Partner  
Membership No.22062



## MANAGEMENT DISCUSSION AND ANALYSIS

### A) INDUSTRY STRUCTURE AND DEVELOPMENTS

#### **Animal Feed**

The animal feed industry in India is closely linked to primary agricultural production and its composition is determined by different criteria like price of the available raw materials, the nutritional value and specific requirement of the live stock in question and Government/State rules and regulations. There is a discernible change in the market situation where customers are moving fast from the low quality feed to good quality feed.

#### **Flour Milling**

Imported wheat is creeping fast into the Indian wheat market & global market. Buyers in Indonesia is considering the replacement by Chinese wheat, which is offered cheaper, than the Indian Wheat. Under the present scenario if properly priced, Indian wheat products may find an easy market in Bangladesh, Egypt, East Africa and South East Asian markets subject to sustained supplies of wheat stocks at the internationally competitive price to the millers.

### B) OPPORTUNITIES, THREATS, RISKS AND CONCERNS

#### **Animal Feed**

There are two major factors, which determine demand for Animal Feed Industry in India. Firstly size of livestock population and secondly feed consumption per animal. The animal feed consumption depend upon human population, economic growth, urbanization, consumer preferences, political regulations, Import and Export of live stock products, fertile land availability for agriculture, on farm mixing, feed conversion and climate.

#### **Flour Milling**

There is a good prospect for export of wheat products, which can be further, brightened with the reformation in the export policy. Export policy of the Government should aim at facilitating better realization of revenue and economically viable operations for domestic milling industry. Potential of wheat production has not been properly explored. There is lack of promotion for export of wheat products.

### C) OUTLOOK

#### **Animal Feed.**

India stands first with regard to the bovine population and stands first in the milk production in the world. It has been seen through nutritional studies that the milk production and meat production can be increased by 20% to 30% by improved feeding of the animals. Hence outlook of this industry is good.

#### **Flour Milling**

Well directed policies by government with a long-term perspective will steer the industry.

D) INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Senior Management reviews periodically various issues that directly influence the business and take decisions to ensure that the Company's interest and that of the stake holders are protected. The Company's systems and internal controls monitors the following:

- i) Protection and conservation of resources of the Company.
- ii) Statutory Compliance
- iii) Optimum utilisation of finances.
- iv) The management structure is defined with adequate responsibility and authority given to take decisions and implement the same.

The Audit Committee of Board of Directors takes the responsibility for review of the Internal Controls and the matters connected therewith.

E) FINANCIAL AND OPERATIONAL PERFORMANCE**PERFORMANCE**

During the year, the Company had a Turnover of Rs. 652.11 Lakhs and made PBDT of Rs.(10.70) Lakhs. The Net Loss for the year is Rs.34.93 Lakhs.

**Financial Results**

Particulars	Current Year 31/03/2009 (Rs.Lacs)	Previous Year 31/03/2008 (Rs.Lacs)
Turnover	652.11	589.03
Profit (Loss) Before depreciation	(10.70)	16.68
Depreciation	24.23	19.27
Profit (Loss) after Depreciation & Taxes	(34.93)	(2.59)

F) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company gives utmost importance to the Human Resource Development and high priority is given to keep the individual relations healthy. The Industrial relations are cordial and satisfactory.

**CAUTIONARY STATEMENT**

Company's projections and estimates will vary from actual results, which depend on variety of factors like quality of raw material, price, and changes in Government policies, economic conditions over which the company does not have control.

For and on behalf of the Board

Place: Kochi  
Date: 30.06.09

Sanjay Gupta  
Managing Director

**VIJAYAKUMAR & EASWARAN**

CHARTERED ACCOUNTANTS

AMRITA TRADE TOWERS, 6<sup>TH</sup> FLOOR

S.A. ROAD, PALLIMUKKU, KOCHI -682 016

Phone No: 0484-2354694. Fax: 237610

E mail: [keswaran@gmail.com](mailto:keswaran@gmail.com), [easwarank@ymail.com](mailto:easwarank@ymail.com), [vkande@gmail.com](mailto:vkande@gmail.com).**AUDITOR'S REPORT**

To

The Members

PRIMA AGRO LIMITED

PRIMA HOUSE, 31/536,

SOUTH KALAMASSERY

KOCHI – 682 033

We have audited the attached Balance Sheet of M/s. PRIMA AGRO LIMITED, Cochin-33, as at 31st March, 2009 the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

*The Company incurred a loss of Rs.34,92,749.28/- after providing financial charges on account of SBI cash credit and BOI cash credit for the extended period of One time Settlement from 30/09/2008 to 31/03/2009 and is subject to financial charges on account of KFC term loan. The one time settlement proposal sanctioned by SBI and BOI is not settled as at the end of the year. The same has been classified as NPA by concerned banks/ financial institutions.*

*Secured loans shown in Schedule - C of the Balance sheet includes Rs. 17,30,09,559/- as cash credit availed from SBI and BOI. It is also disclosed that this cash credit is secured by first charge on the fixed assets of AFD & by hypothecation of inventories and book debts and a second charge on the fixed assets of FMD. The value of stock as certified by the management is Rs. 10,27,527.70/- and the value of Sundry Debtors given in Schedule- H which is considered good is nil. The secured value of current assets on which the loan is shown as secured comes to only Rs.10,27,527.70/-, which does not cover the loan outstanding. The realizable value of security under which this loan has been disclosed is subject to the point discussed above.*

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and

(b) in the case of the Profit and Loss Account, of the profit for the year ended that date.

(c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For VIJAYAKUMAR & EASWARAN,  
CHARTERED ACCOUNTANTS,

CA K. EASWARAN PILLAI, F.C.A.  
PARTNER  
Membership No: 22062

Place : COCHIN  
Date : 30/06/2009

**VIJAYAKUMAR & EASWARAN**

CHARTERED ACCOUNTANTS

AMRITA TRADE TOWERS, 6<sup>TH</sup> FLOOR

S.A. ROAD, PALLIMUKKU, KOCHI -682 016

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### **ANNEXURE TO AUDITOR'S REPORT**

(Referred to in paragraph 3 of our report of even date)

i.

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) During the year, the company has not disposed off a major part of the plant and machinery. Accordingly the provisions of clause 4(i)(c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

ii.

- a) Physical verification of Inventory has been conducted at reasonable intervals by the management.
- b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory and the stock as disclosed in the financial statements are valued and certified by the management.

iii.

- a) The Company has granted following loans to companies, firms and other parties covered in the register maintained u/s.301 under the Companies Act, 1956.

Sl. No	Name of the Company/Firm or Other Parties	Loan given During the Year	Relationship with the Company	Year end balance
1	Ayyappa Roller Flour Mills	35,94,041.00	Associate	33,77,088.51
2.	Prima Industries Limited	9,62,33,306.00	"	1,51,73,664.90
3.	Prima Beverages (P) Ltd.	1,08,41,838.00	"	24,99,255.00

- b) The following are the particulars of loans taken by the company from companies, and other parties covered in the register maintained u/s.301 under the Companies Act, 1956

Sl. No	Name of the Party	Loan taken During the Year	Relationship with the Company	Yearend balance
1.	Charley Rodrigues	Nil	Director	2,00,000.00
2.	Sanjay Gupta	50,94,750.00	Managing Director	87,65,208.97

- c) In our opinion, the rate of interest and the terms and conditions on which loans have been taken from/ granted to companies, other parties listed in register maintained u/s. 301 of the Companies Act, 1956 are not able to report, prima facie, prejudicial to the interest of the Company, since the terms are not defined.
- d) The Company is not receiving/paying any interest on such loans and there is no stipulation as to repayment of principal in respect of loans granted to/taken from parties listed in the register maintained under Section 301 of the Companies Act, 1956, hence we are unable to comment on the regularity of repayment of principal in respect of the said loans.
- iv. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- v. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal controls.
- vi. The company does not have adequate internal audit system commensurate with the size and nature of its business.
- vii. The company has not accepted any deposit from the public hence the directions issued by the Reserve Bank of India and provisions of Sec 58A of the Companies Act, 1956 and the Rules formed there under are not applicable to this company.
- viii. The Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the products of the Company.
- ix.
  - a) According to the information and explanations furnished to us, during the year, undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues applicable to it have been deposited with appropriate authorities and there have been serious delays. Following are the details of undisputed statutory dues payable by the company which are outstanding for more than 6 months as at the year end from the date they became payable.

Sl No	Nature of dues	Amount	Period to which Amount relates	Date of Payment
1	CST	82,913.20	2003-04	-----
2	CST	1,13,852.00	1994-95	-----
3	Professional Tax	892.00	2003-04	-----
4	Sales Tax	55,073.00	2001-02	-----
5	Fringe Benefit Tax	55,344.00	2005-06	-----
6	Fringe Benefit Tax	2,38,786.00	2006-07	-----
7	Fringe Benefit Tax	1,53,689.00	2007-08	-----
8	Fringe Benefit Tax	1,32,693.00	2008-09	-----



- b) According to the information and explanation given to us, dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute are as follows:

Sl No	Nature of dues	Amount	Period to which Amount relates
1	Sales Tax	4,74,22,157/-	89-90 to 99-00

- x. In our opinion, the company has accumulated losses to the extent of Rs.19,51,70,171.25/-. The accumulated losses of the company are more than fifty per cent of its paid up capital and free reserves.
- xi. In our opinion and according to the information and explanations given to us, the company during the year has defaulted in repayment of dues to a financial institution, bank or debenture holders, wherever applicable.
- xii. In our opinion, the term loans have been applied for the purpose for which they were raised.
- xiii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that during the year no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.
- xiv. In our opinion, the company is not a chit fund or a Nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv. According to the information and explanations furnished to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- xvi. In our opinion the company is not dealing in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xvii. In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.
- xviii. The company has not made any preferential allotment of shares to parties & companies covered in the Register maintained u/s. 301 of the Act. Accordingly the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xix. The company has not issued any debentures and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xx. The company has not raised any money from public issues during the year. Accordingly the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For VIJAYAKUMAR & EASWARAN  
CHARTERED ACCOUNTANTS

Place : COCHIN  
Date : 30/06/2009

CA K. EASWARAN PILLAI, F.C.A  
(PARTNER)  
Membership No: 22062

**PRIMA AGRO LIMITED**  
**Prima House , South Kalamasery, Cochin - 682033**  
**BALANCE SHEET AS AT 31st MARCH 2009**

	SCH.	AS AT 3/31/2009	AS AT 3/31/2008
<b><u>SOURCES OF FUNDS</u></b>			
<b>1. Shareholders funds</b>			
a. Share Capital	A	51,949,000.00	51,949,000.00
b. Reserves & Surplus	B	5,255,850.00	5,255,850.00
<b>2. Loan funds</b>			
a. Secured loans	C	182,258,823.00	182,492,664.00
b. Unsecured loans	D	13,739,255.97	11,316,043.97
<b>TOTAL</b>		<b>253,202,928.97</b>	<b>251,013,557.97</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>1. Fixed Assets</b>			
a. Gross Block	E	122,293,959.61	121,103,522.61
Less : Depreciation		96,376,454.56	93,953,261.56
Net Block		25,917,505.05	27,150,261.05
<b>2. Investments</b>	F	10,221,230.00	10,221,230.00
<b>3. Current Assets, Loans and Advances</b>			
a. Cash & bank balances	G	2,552,436.91	2,505,082.38
b. Sundry debtors	H	3,958,635.72	5,954,850.70
c. Inventories	I	1,027,527.70	948,419.52
d. Loans and advances	J	41,883,987.54	35,904,648.33
		49,422,587.87	45,313,000.93
<b>4. Current liabilities &amp; Provisions</b>			
a. Current liabilities	K	28,752,601.20	24,473,287.98
b. Provisions	L	2,195,308.00	2,294,412.00
		30,947,909.20	26,767,699.98
<b>NET CURRENT ASSETS</b>		<b>18,474,678.67</b>	<b>18,545,300.95</b>
<b>5. Miscellaneous expenditure</b> (to the extent not adjusted/written off)	M	3,419,344.00	3,419,344.00
<b>6. Profit &amp; Loss Account</b>	N	195,170,171.25	191,677,421.97
<b>TOTAL</b>		<b>253,202,928.97</b>	<b>251,013,557.97</b>
<b>Significant Accounting Policies &amp; Notes Forming part of Accounts</b>	O	-	-

For PRIMA AGRO LIMITED

As per our report of even date attached  
For VIJAYAKUMAR & EASWARAN  
**CHARTERED ACCOUNTANTS**

**SANJAY GUPTA**  
**MANAGING DIRECTOR**

**CHARLEY RODRIGUES**  
**DIRECTOR**

**CA K.EASWARAN PILLAI, F.C.A**  
**PARTNER**  
**Membership No : 22062**

Place: COCHIN  
Date : 30/06/2009

**PRIMA AGRO LIMITED**

Prima House , South Kalamasery, Cochin - 682033

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009**

	SCH	FOR THE YEAR ENDED	
		31/03/2009	3/31/3008
<b>INCOME</b>			
Gross Sales & Other Income	1	65,210,694.53	58,902,923.24
Increase/(Decrease ) in stock	5	-	-
		<b>65,210,694.53</b>	<b>58,902,923.24</b>
<b>EXPENDITURE</b>			
Raw Material Consumed	2	-	-
Manufacturing Expenses	3	41,407,009.12	35,270,976.84
Finished goods purchase	4	-	437,308.20
Operating expenses	6	18,674,310.24	15,222,576.07
Financial expenses	7	6,198,931.45	6,372,603.54
Depreciation		2,423,193.00	1,927,148.56
		<b>68,703,443.81</b>	<b>59,230,613.21</b>
Profit /(Loss ) for the year		<b>(3,492,749.28)</b>	<b>(327,689.97)</b>
Add : Prior Period Item		-	68,565.00
Profit /(Loss ) before tax		<b>(3,492,749.28)</b>	<b>(259,124.97)</b>
Less: Provision for taxation		-	-
Net profit/(Loss ) after tax		<b>(3,492,749.28)</b>	<b>(259,124.97)</b>
Add: Balance Brought forward		<b>(191,677,421.97)</b>	<b>(191,418,297.00)</b>
<b>Balance carried to Balance Sheet</b>		<b>(195,170,171.25)</b>	<b>(191,677,421.97)</b>
<b>Significant Accounting Policies &amp; Notes Forming part of Accounts</b>	<b>O</b>		

For PRIMA AGRO LIMITED

As per our report of even date attached  
For VIJAYAKUMAR & EASWARAN  
CHARTERED ACCOUNTANTS

SANJAY GUPTA  
MANAGING DIRECTOR

CHARLEY RODRIGUES  
DIRECTOR

CA K.EASWARAN PILLAI, F.C.A  
PARTNER  
Membership No : 22062

Place: COCHIN  
Date : 30/06/2009

**PRIMA AGRO LIMITED**  
**Prima House , South Kalamasery, Cochin - 682033**  
**SCHEDULES TO THE BALANCE SHEET AS AT 31/03/2009**

		AS AT 31/03/2009	AS AT 31/03/2008
<b><u>CAPITAL</u></b>	<b>A</b>		
		<b>70,000,000.00</b>	<b>70,000,000.00</b>
Authorised: 70,00,000 Equity shares of Rs. 10/- each			
Issued,Subscribed & Paid up 51,94,900 Equity shares of Rs.10/- each		<b>51,949,000.00</b>	<b>51,949,000.00</b>
<b><u>RESERVES &amp; SURPLUS</u></b>	<b>B</b>		
		<b>5,255,850.00</b>	<b>5,255,850.00</b>
Capital Subsidy		3,268,350.00	3,268,350.00
Capital Reserve		137,500.00	137,500.00
Investment Allowance reserve		1,850,000.00	1,850,000.00
		<b>5,255,850.00</b>	<b>5,255,850.00</b>
<b><u>SECURED LOAN</u></b>	<b>C</b>		
		<b>118,893,444.00</b>	<b>118,893,444.00</b>
<b>Cash Credit - State Bank of India</b> Secured by first charge on the fixed assets of AFD & by hyp. of Inventories and book debts and a second charge on the fixed assets of FMD.		118,893,444.00	118,893,444.00
<b>Cash Credit - Bank of India</b> Secured by first charge on the fixed assets of AFD & by hyp.of Inventories and book debts and a second charge on the fixed assets of FMD.		54,116,115.00	54,116,115.00
<b>D.I.C Margin Money</b>		100,000.00	100,000.00
<b>Term loan from Kerala Financial Corporation</b> secured by a first charge on the fixed assets of FMD and hyp.of specific machinery.		9,107,472.00	9,107,472.00
<b>Hire Purchase loans</b> Secured by hyp.of vehicles			
Vehicle Loan - Citi Bank		16,011.00	35,580.00
Vehicle Loan-Ashok Leyland Finance		3,233.00	3,233.00
Vehicle loan - ICICI Bank		22,548.00	236,820.00
		<b>182,258,823.00</b>	<b>182,492,664.00</b>
<b><u>UNSECURED LOAN</u></b>	<b>D</b>		
		<b>13,739,255.97</b>	<b>11,316,043.97</b>
Loan from shareholders		1,425,283.00	1,425,283.00
Security Deposit		596,615.00	596,615.00
Fixed Deposit		35,000.00	35,000.00
Loan from Charly		200,000.00	200,000.00
Sanjay Gupta		8,765,208.97	6,276,820.97
Swathi Gupta - Loan		2,717,149.00	2,782,325.00
		<b>13,739,255.97</b>	<b>11,316,043.97</b>

**PRIMA AGRO LIMITED**  
**Prima House , South Kalamasery, Cochin - 682033**  
**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2009**

	SCH	AS AT 31/03/2009	AS AT 31/03/2008
<b><u>INVESTMENTS</u></b>	<b>F</b>		
Investments in PIL		10,195,280.00	10,195,280.00
Indira Vikas Patra		750.00	750.00
National Savings Certificate		15,100.00	15,100.00
Investment in ARFM		10,100.00	10,100.00
		<b>10,221,230.00</b>	<b>10,221,230.00</b>
<b><u>CASH AND BANK BALANCES</u></b>	<b>G</b>		
Cash in hand		12,606.96	9,565.13
Balance with Banks			
in current accounts -		54,125.95	9,813.25
in fixed deposit accounts -		2,485,704.00	2,485,704.00
		<b>2,552,436.91</b>	<b>2,505,082.38</b>
<b><u>SUNDRY DEBTORS</u></b>	<b>H</b>		
Exceeding six months		3,958,635.72	5,954,850.70
Other debts (less than 6 months)		-	-
		<b>3,958,635.72</b>	<b>5,954,850.70</b>
<b><u>INVENTORIES</u></b>	<b>I</b>		
(as valued and certified by the Managing Director)			
Raw Materials		66,135.00	66,135.00
Finished goods		-	-
Packing Materials		961,392.70	882,284.52
		<b>1,027,527.70</b>	<b>948,419.52</b>
<b><u>LOANS &amp; ADVANCES</u></b>	<b>J</b>		
Advance to Suppliers		1,585,800.65	1,250,280.44
Other current assets (InterUnit)		31,171,911.31	25,966,241.31
Loans and advances & Deposits		9,126,275.58	8,688,126.58
		<b>41,883,987.54</b>	<b>35,904,648.33</b>
<b><u>CURRENT LIABILITIES</u></b>	<b>K</b>		
Sundry Creditors -			
for raw materials		11,558,421.00	12,054,582.56
for expenses		13,489,062.00	8,081,658.22
for capital goods		8,230.00	10,200.00
for Finished Goods		452,308.20	452,308.20
Other Liabilities		2,027,584.00	1,756,477.00
Advance from customers		1,216,996.00	2,118,061.00
		<b>28,752,601.20</b>	<b>24,473,286.98</b>

**PRIMA AGRO LIMITED**  
**Prima House , South Kalamasery, Cochin - 682033**  
**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2009**

		AS AT 31/03/2009	AS AT 31/03/2008
<b><u>PROVISIONS</u></b>	<b>L</b>		
Provision for Duties & Taxes		-	10,106.00
Provision for Freight		10,740.00	10,740.00
Provisions		149,075.00	149,075.00
Provision for taxation		1,010,434.00	1,010,434.00
Provision for Fringe Benefit Tax		580,512.00	522,059.00
Provision for Exgratia		6,458.00	153,909.00
Provision for Gratuity		438,089.00	438,089.00
		<b>2,195,308.00</b>	<b>2,294,412.00</b>
<b><u>MISCELLANEOUS EXPENSES TO THE EXTENT NOT WRITTEN OFF</u></b>	<b>M</b>		
Public issue expenses		458,068.00	458,068.00
Sales Promotion expenses		2,193,675.00	2,193,675.00
Business promotion expenses		767,601.00	767,601.00
		<b>3,419,344.00</b>	<b>3,419,344.00</b>
<b><u>PROFIT &amp; LOSS ACCOUNT</u></b>	<b>N</b>		
Opening Balance ( Cr)		(191,677,421.97)	(191,418,297.00)
Profit/(Loss) carried forward from P & L a/c		(3,492,749.28)	(259,124.97)
		<b>(195,170,171.25)</b>	<b>(191,677,421.97)</b>

## PRIMA AGRO LIMITED

Prima House , South Kalamasery, Cochin - 682033

## SCHEDULES TO THE PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	FOR THE YEAR ENDED	
	31/03/2009	31/03/2008
<b><u>SCHEDULE - 1</u></b>		
<b>GROSS SALES &amp; OTHER INCOME</b>		
Conversion charges received	62,518,619.19	54,013,681.00
Wheat & wheat products (Byproducts sale)	-	2,217,623.25
Animal feed	-	450,350.00
	<b>62,518,619.19</b>	<b>56,681,654.25</b>
<b>OTHER INCOME</b>		
Miscellaneous income	2,349,135.34	1,752,550.50
Insurance claim & Interest Recd	23,400.00	125,655.39
Weigh bridge receipts	319,540.00	332,095.00
Interest on deposits-margin money	-	5,000.00
Interest received on NSC	-	1,368.00
Sales Tax Refund	-	4,600.00
	<b>2,692,075.34</b>	<b>2,221,268.89</b>
<b>GRAND TOTAL</b>	<b>65,210,694.53</b>	<b>58,902,923.14</b>
<b><u>SCHEDULE - 2</u></b>		
<b>RAW MATERIAL CONSUMED</b>		
Raw material consumed		
Opening stock	66,135.00	66,135.00
Purchases	-	-
LESS: Closing stock	66,135.00	66,135.00
<b>Raw Material Consumed</b>	<b>-</b>	<b>-</b>
<b><u>SCHEDULE - 3</u></b>		
<b>MANUFACTURING EXPENSES</b>		
Packing Materials		
Opening stock	882,284.52	-
Purchases	16,064,744.80	12,678,833.00
Closing stock	961,392.70	882,284.52
	<b>15,985,636.62</b>	<b>11,796,548.48</b>
General Office Expense - Factory	-	829,077.00
Freight inward	1,339,065.00	2,683,015.00
Electricity and Fuel charges	13,551,534.14	11,993,402.98
R & M(Plant & machinery)	2,408,168.50	2,038,729.21
R & M(Generator)	-	1,558.00
Marking & stitching of gunny	647,386.00	690,721.00
Mill consumable expenses	-	173,979.47
Production Expenses	6,638,952.78	4,716,630.00
Canteen Expenses	836,266.08	347,315.70
	<b>41,407,009.12</b>	<b>35,270,976.84</b>
<b><u>SCHEDULE - 4</u></b>		
Finished goods purchase	-	437,308.20
Less Purchase Return	-	-
	<b>-</b>	<b>437,308.20</b>



<b><u>SCHEDULE - 5</u></b>		
<b>INCREASE/(DECREASE ) IN STOCK</b>		
Opening Stock of Finished Goods	-	-
Closing Stock of Finished Goods	-	-
<b><u>SCHEDULE - 6</u></b>		
<b>OPERATING EXPENSES</b>		
Advertisement charges	54,992.00	69,443.00
AMC Charges	-	18,247.00
Audit fee	68,938.00	70,225.00
Rebate & Discounts	-	273.50
Directors travelling expenses	233,470.00	116,085.93
Donation	119,614.00	25,820.00
Exgratia to Employees	-	284,108.00
Festival Expenses	74,925.00	4,950.00
Fees & Taxes	218,676.00	209,602.00
Freight outwards	4,115,515.00	3,027,761.00
Fringe Benefit Tax	132,693.00	153,689.00
General office expenses -	5,746,122.15	1,655,609.20
Insurance charges	-	573.00
Laboratory expenses	-	35,199.00
Legal & Professional fee	170,150.00	375,740.00
Miscellaneous expenses -	42,527.00	255.72
Electricity Expenses - Office	173,069.00	166,823.00
Postage & Telegram	123,330.00	33,048.70
Printing & Stationery	246,640.00	131,005.00
Profession Tax	5,000.00	-
Gratuity	-	223,878.00
Repairs & Maintenance	1,065,156.03	2,525,978.60
Research & development	32,533.00	93,016.00
Marine Transist Policy	-	28,734.00
Salaries and related costs	3,142,879.00	2,982,950.00
Business/Sales promotion expenses	-	381,560.00
VAT Penalty	-	11,100.00
Security charges	391,284.00	372,891.00
Subscription & periodicals	12,613.00	16,863.00
Telephone charges	372,676.75	409,145.08
Temple expenses	18,777.00	55,427.50
Vehicle running expenses	760,862.26	926,649.66
Water Charges	15,090.00	96,093.00
Travelling & conveyance	1,336,778.05	669,345.63
Staff Welfare	-	50,486.55
	<b>18,674,310.24</b>	<b>15,222,576.07</b>
<b><u>SCHEDULE - 7</u></b>		
<b>FINANCIAL CHARGES</b>		
Interest on Loans	5,616,000.00	5,616,000.00
Financial charges	259,750.93	242,867.49
Interest Others	323,180.52	513,736.05
	<b>6,198,931.45</b>	<b>6,372,603.54</b>

**PRIMA AGRO LTD**

Prima House , South Kalamasery, Cochin - 682033

**SCHEDULE - E****FIXED ASSETS & DEPRECIATION FOR THE YEAR ENDED 31/03/2009**

ITEMS	G R O S S B L O C K			D E P R E C I A T I O N					N E T B L O C K	
	AS AT 01.04.2008	ADDITIONS	DELETIONS	AS AT 31.03.2009	UPTO 01.04.2008	For the year Ended 31.3.2009	ON DELETION	UP TO 31.03.2009	AS ON 31.03.2009	AS ON 31.03.2008
LAND	4,151,541.00	-	-	4,151,541	-	-	-	-	4,151,541.00	4,151,541.00
LAND DEVELOPMENT	38,847.00	-	-	38,847	-	-	-	-	38,847.00	38,847.00
FACTORY BUILDING	30,198,419.50	-	-	30,198,420	12,880,617.69	1,008,627.00	-	13,889,244.69	16,309,174.81	17,317,801.81
PLANT AND MACHINERY	69,730,690.35	348,663	-	70,079,353	69,029,246.03	44,435.00	-	69,073,681.03	1,005,672.32	701,444.32
TOOLS	171,938.00	-	-	171,938	112,224.06	8,167.00	-	120,391.06	51,546.94	59,713.94
COMPUTERS	2,760,554.00	576,289	-	3,336,843	2,724,677.76	609,495.00	-	3,334,172.76	2,670.24	35,876.24
FURNITURE	904,260.00	8,760	-	913,020	785,017.00	57,649.00	-	842,666.00	70,354.00	119,243.00
MOTOR VEHICLE	2,801,652.00	-	-	2,801,652	1,591,657.04	266,157.00	-	1,857,814.04	943,837.96	1,209,994.96
TEMPLE	11,807.00	-	-	11,807	-	-	-	-	11,807.00	11,807.00
WEIGH BRIDGE	885,830.00	-	-	885,830	579,635.00	42,077.00	-	621,712.00	264,118.00	306,195.00
ELECTRICAL EQUIPMENTS	5,156,743.00	-	-	5,156,743	2,994,605.00	244,945.00	-	3,239,550.00	1,917,193.00	2,162,138.00
TELEPHONE CALL MONITOR	22,000.00	-	-	22,000	15,197.00	1,045.00	-	16,242.00	5,758.00	6,803.00
CYCLE	2,130.00	-	-	2,130	701.00	202.00	-	903.00	1,227.00	1,429.00
AIRCONDITIONERS	828,523.00	115,500	-	944,023	765,047.98	47,471.00	-	812,518.98	131,504.02	63,475.02
GENERATORS	1,611,000.00	-	-	1,611,000	1,611,000.00	-	-	1,611,000.00	-	-
OFFICE EQUIPMENTS	917,743.00	97,951	-	1,015,694	411,003.00	48,801.00	-	459,804.00	555,890.00	506,740.00
LABORATORY EQUIPMENTS	147,829.76	-	-	147,830	91,401.00	7,022.00	-	98,423.00	49,406.76	56,428.76
LIVE STOCK	42,780.00	-	-	42,780	-	-	-	-	42,780.00	42,780.00
PHOTOSTAT MACHINE	137,517.00	-	-	137,517	101,170.00	6,532.00	-	107,702.00	29,815.00	36,347.00
TRANSFORMERS	282,975.00	-	-	282,975	182,007.00	13,441.00	-	195,448.00	87,527.00	100,968.00
WEIGHING MACHINE	298,743.00	43,274	-	342,017	78,055.00	17,127.00	-	95,182.00	246,835.00	220,688.00
T O T A L	121,103,522.61	1,190,437	-	122,293,960	93,953,261.56	2,423,193.00	-	96,376,454.56	25,917,505.05	27,150,261.05

**PRIMA AGRO LIMITED**  
**Prima House, South Kalamassery,**  
**Cochin – 682 033**

**SCHEDULE –O****Significant accounting policies & Notes forming Part of Accounts****SIGNIFICANT ACCOUNTING POLICIES****A. Basis for preparation of Financial statements**

The Financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, in accordance with the Accounting Principles generally accepted in India and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable and the relevant provisions of the Companies Act, 1956. Except where otherwise stated, the accounting principles have been consistently applied.

**B. Use of Estimates.**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities of the financial statements and the reported amounts of the revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialised

**C. Fixed Assets:**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost of fixed assets includes freight and other incidental expenditure related to the acquisition and installation of the respective assets. Borrowing cost directly attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of the assets upto the date the asset is ready for the intended use or sale.

**D. Depreciation**

Depreciation on Fixed Assets is provided on a straight line basis at the rates specified in Schedule XIV of the Companies Act, 1956.

**E. Impairment of Assets:**

The carrying amount of Fixed Assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where the carrying values exceeds the estimated recoverable amounts, and assets are written down to their recoverable amount.

**F. Investments**

Investments (Non-trade) are considered as long term and are stated at cost.

**G. Inventories:**

Inventories are valued at cost or net realizable value, whichever is lower.

**H. Revenue Recognition**

Revenue from sale of goods is recognized at the point of despatch to the customers net of sales returns. Income from processing is recognized on accrual basis. Insurance claim is recognized on realization basis.

**I. Employees Retirement and other Benefits**

- i. Provident fund/Pension fund – Contributions to Provident/Pension fund are accounted on Actual basis.
- ii. The scheme of Gratuity covers gratuity liability of the employees including past services. The annual premium has been charged to Profit and Loss Account on accrual basis as per Company's own computation.

**J. Accounting for Taxes on Income**

- i. Provision for current tax has not been made due to unabsorbed depreciation and carry forward business loss. Provision for Fringe Benefit Tax is made on the liability computed in accordance with the relevant tax rates and tax laws.
- ii. There was no material deferred tax liability at the beginning of the year as the timing differences, if any, were absorbed earlier to that date. Same is the case for the current year. Deferred tax asset is not created as a measure of prudence.

**K. Earnings per Share**

In accordance with Accounting Standard ( AS-20), 'Earnings per share' issued by the Institute of Chartered Accountants of India, basic and diluted earnings per share is computed using the weighted average number of equity shares outstanding during the period.

**L. Accounting for Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes forming parts of accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

**NOTES FORMING PART OF THE ACCOUNTS**

1. The amount of borrowing costs capitalized during the year is Nil
2. Claims against the company not acknowledged as debt – Nil

	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
3. <b><u>Managerial Remuneration</u></b> <b>Mr. Sanjay Gupta, Managing Director</b>	4,80,000	3,00,000
4. <b><u>Remuneration to Auditors(excluding service tax)</u></b> <b>Statutory Audit</b>	62,500	62,500
5. <b>Estimated amount of contracts remaining to be executed on capital account and not provided for</b>	Nil	Nil
6. <b><u>Capacity Utilization</u></b>		
a. <b><u>Wheat products viz. Atta, Maida, Sooji etc</u></b>		
<b>Licensed Capacity TPA</b>	60,000	60,000
<b>Installed Capacity TPA</b>	22,500	22,500
<b>Actual production in MTs (Jobwork)</b>	12,017	9,788
b. <b><u>Animal Feed</u></b>		
<b>Licensed Capacity TPA</b>	60,000	60,000
<b>Installed Capacity TPA</b>	60,000	60,000
<b>Actual production in MTs. (Sales &amp; Job work )</b>	54,359	54,686

## 7. Consumption of raw materials

	Year ended 31.03.2009		Year ended 31.03.2008	
	Qty MT	Value Rs.	Qty MT	Value Rs.
Indigenous	Nil	Nil	Nil	Nil

8. Closing stock of raw materials is as valued and certified by the Managing Director.

9. Packing materials consumption is net of recovery.

## 10. Details of Sales

	Year ended 31.03.2009		Year ended 31.03.2008	
	Qty MT	Value Rs.	Qty MT	Value Rs.
Wheat & wheat products	Nil	Nil	366.73	22,17,623
Animal Feed	Nil	Nil	57.96	4,50,350

11. Value of imports calculated on C.I.F. basis during the year  
Raw Materials Rs. Nil (Previous Year – Nil)

There were no earnings in foreign currency during the year/previous year.

## 12. Details of Opening &amp; Closing Stock of Goods Produced:

	Opening stock Qty in MT	Closing stock Qty in MT
Wheat Products	Nil	Nil
Animal Feed	Nil	Nil

## 13. Details of principal items purchased

	Year ended 31.03.2009		Year ended 31.03.2008	
	Qty MT	Value Rs.	Qty MT	Value Rs.
Wheat & wheat products (Indigenous)	Nil	Nil	Nil	Nil
Animal Feed	Nil	Nil	57.96	437308.00
	Nil	Nil	57.96	437308.00

14. Previous year figures have been regrouped or recasted wherever necessary to suit current year's layout.
15. Balances in the accounts of debtors, creditors and financial institutions are subject to confirmation.
16. During the period deferred revenue expenditure has not been written off.
17. Investment includes investments in equity share of M/s. Prima Industries Limited amounting Rs 1,01,95,280/-(previous year Rs. 1,01,95,280/-)
18. ESI and EPF dues to be remitted as at 31-03-2009 are Rs 7,225.00 and Rs. 27,798.00 respectively.
19. Fringe Benefit Tax to be remitted as on 31-03-2009 is Rs. 5,80,512/-
21. Unsecured loans include security deposit from dealers.
22. Information on dues to Small Scale Industrial Units.
- a. No case of suppliers, who are covered under the "interest on delayed payments to Small Scale and Ancillary Industrial Undertaking Act, 1933" has come to the notice of the Company
  - b. Amount outstanding for payments to SSI 's Rs 3,46,961.51.
  - c. Name of the SSI units to whom the Company owes any sum which is outstanding for more than 1 year:

(1) MBR Agro Ind.	1,81,108.80
(2) MAK Solvent	1,65,852.71
  - d. The above information has been compiled to the extent to which the parties could be identified as Small Scale and ancillary undertakings on the basis of the information available to the Company.
23. The One Time Settlement dues of the company agreed to be settled on 30/09/2008 was not settled as on that date. A new proposal to extend the date of settlement to 31/03/2009 was accepted by the bankers. The dues stand outstanding as on the balance sheet date.

24. Contingent liabilities on account of Sales Tax appeals filed by the Company relating to the previous years 1989-90 to 1999-00 ( both CST and KGST ) amounting to Rs 4,74,22,157/-(Previous year Rs 4,74,22,157/-) are not provided for in the accounts
25. Contingent liabilities on account of a lease agreement with Kerala Financial Corporation towards the balance amount payable by the Company amounting to Rs. 42,51,226/- (previous year Rs.42,51,226/-) has not been provided for in the accounts. Kerala Financial Corporation holds a first charge on the fixed assets of Flour Mill Division of the company.
26. **Earnings per share**

	For the year ended 31-03-2009 Rs.	For the year ended 31-03-2008 Rs.
Profit/(Loss) after Tax	(34,92,749.28)	(2,59,124.97)
Number of Shares Outstanding	5,194,900.00	5,194,900.00
Earnings per Share		
-Basic	(0.67)	(0.05)
-Diluted	(0.67)	(0.05)

## 27 Segment Reporting

The entire operations of the company constitute only one segment, viz manufacturing, processing and trading of Agro based products and hence AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India has not been made applicable.

## 28. Taxation:

No Provisions has been made for current taxes as per the provisions of Minimum Alternate Tax (MAT) under the Income Tax Act, 1961 due to unabsorbed depreciation and carry forward business losses.

There was no material deferred tax liability at the beginning of the year as the timing differences, if any, were absorbed earlier to that date. Same is the case for the current year. Deferred tax asset is not created as a measure of prudence.

29. The Company has started job work for KSCSC from January 2002 onwards and for KSE Limited from June 2003 onwards.



**30. Related Party Transactions**

- a. List of Related parties with whom transactions have taken place and relationships

Name of Related Party	Relationship
Mr. Sanjay Gupta	Key Managerial Personnel
Ayyappa Roller Flour Mills Ltd. Prima Beverages (P) Ltd. Prima Industries Ltd.	Associates
Mrs. Swati Gupta	Relative of Key Managerial Personnel

- b. Transaction during the year with related parties:

Nature of Transaction	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel
Purchase of Goods	Nil	Nil	Nil
Managerial Remuneration	Nil	4,80,000.00	Nil

- c. Outstanding Balance as on 31<sup>st</sup> March 2009

Nature of Transaction	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel
Amount Receivable	2,10,50,008.41	Nil	Nil
Amount Payable	Nil	87,65,208.97	27,17,149.00

**31. Additional particulars with regard to Sundry Debtors:**

- a) Debts considered good and in respect of which company is fully secured Rs. Nil (Previous year - Nil )
- b) Debts for which company holds no security other than debtors personal security Rs.39,58,636/- (Previous year Rs. 59,54,851/-) of which debts considered good and outstanding for less than six months Rs. Nil (Previous year - Nil)

- c) Debts considered doubtful or bad, exceeding six months Rs.39,58,636/-  
(Previous year Rs. 59,54,851/-)
- d) Debts due by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or companies in respect of which any director is a partner or a director or member Rs 2,10,50,008.41.
- e) The maximum amount due by directors or other officers of the company at any time during the year Rs. Nil (Previous year Nil)

As per our report of even date attached

For PRIMA AGRO LTD.

For VIJAYAKUMAR & EASWARAN  
CHARTERED ACCOUNTANTS

SANJAY GUPTA  
MANAGING DIRECTOR

CHARLEY RODRIGUES  
DIRECTOR

K.EASWARAN PILLAI, F.C.A  
PARTNER  
Membership No: 22062

Place : COCHIN

Date : 30/06/2009

**PRIMA AGRO LIMITED**  
**Prima House , South Kalamasery, Cochin - 682033**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2009**

	FOR THE YEAR ENDED			
	31/03/2009		31/03/2008	
<b>A Cash Flow from Operating Activities</b>				
Operating Profit/(Loss) before Tax		(3,492,749.28)		(259,124.97)
Adjustments for :				
Depreciation	2,423,193.00		1,927,148.56	
Provisions	(99,104.00)		507,647.00	
Interest Paid	5,939,180.52		6,129,736.05	
Interest received on deposit - Margin Money	-		(5,000.00)	
Interest received on NSC	-		(1,368.00)	
Miscellaneous Expenditure	-	8,263,269.52	-	8,558,163.61
Operating Profit/(Loss) before working capital Adjustments		4,770,520.24		8,299,038.64
Adjustments for :				
Debtors	1,996,214.98		(1,330,523.70)	
Inventory	(79,108.18)		(882,284.52)	
Loans and Advances	(5,979,339.21)		(2,119,869.94)	
Current Liability	4,279,313.22	217,080.81	2,842,824.98	(1,489,853.18)
<b>Net Cash from Operating Activity</b>		<b>4,987,601.05</b>		<b>6,809,185.46</b>
<b>B Cash Flow from Investment Activity</b>				
Sale of Investments		-		1,000.00
Sale/(Purchase) of fixed Assets		(1,190,437.00)		(1,573,160.00)
Interest Received on Deposit - Margin Money		-		5,000.00
Interest received on NSC		-		1,368.00
<b>Net Cash from Investment Activity</b>		<b>(1,190,437.00)</b>		<b>(1,565,792.00)</b>
<b>C Cash Flow from Financing Activity</b>				
Repayment of Secured Loans		(233,841.00)		(180,224.00)
Unsecured Loan taken during the year		2,423,212.00		1,050,199.97
Interest paid		(5,939,180.52)		(6,129,736.05)
<b>Net Cash from Financing Activity</b>		<b>(3,749,809.52)</b>		<b>(5,259,760.08)</b>
<b>D Net Increase/(Decrease) in cash &amp; Cash Equivalents</b>		<b>47,354.53</b>		<b>(16,366.62)</b>
<b>E Opening Balance of Cash &amp; Cash Equivalents</b>		<b>2,505,082.38</b>		<b>2,521,449.00</b>
<b>F Closing Balance of Cash &amp; Cash Equivalents</b>		<b>2,552,436.91</b>		<b>2,505,082.38</b>

**Notes**

- 1 Cash and Cash Equivalents include Cash in Hand, Balance with Banks on Current Accounts and Deposit Accounts
- 2 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard on Cash Flow Statement (AS-3) issued by the Institute of chartered Accountants of India.
- 3 Previous year figures have been rearranged/regrouped wherever necessary
- 4 This is the Cashflow Statement referred to in our report of even date.

**For PRIMA AGRO LIMITED**

As per our report of even date attached  
**For VIJAYAKUMAR & EASWARAN**  
**CHARTERED ACCOUNTANTS**

**SANJAY GUPTA**  
**MANAGING DIRECTOR**

**CHARLEY RODRIGUES**  
**DIRECTOR**

**CA K.EASWARAN PILLAI, F.C.A**  
**PARTNER**

**Membership No: 22062**

Place : COCHIN  
Date : 30/06/2009

## PRIMA AGRO LIMITED

Prima House, South Kalamassery, Cochin - 682 033

PART IV OF SCHEDULE VI TO COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
IN TERMS OF GOVERNMENT OF INDIA NOTIFICATION DATED, 15.05.1995.

<b>I Registration Details</b>	
Registration No.	4,833
State Code	9
Balance Sheet Date	3/31/2009
<b>II Capital raised during the year (Amount in Rs. Thousands)</b>	
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Issue	Nil
Private Placement	Nil
<b>III Position of Mobilisation and Deployment of Funds</b> (amount in Rs. Thousands)	
Total Liabilities	253,203
Total Assets	253,203
<b><u>SOURCES OF FUNDS</u></b>	
Paid up Capital	51,949
Reserves & Surplus	5,256
Secured Loans	182,259
Unsecured Loans	13,739
<b><u>APPLICATION OF FUNDS</u></b>	
Net Fixed Assets	25,918
Investments	10,221
Net Current Assets	18,475
Miscellaneous Expenditure	3,419
Accumulated Losses	195,170
<b>IV Performance of the Company (Amount in Rs. Thousands)</b>	
Turnover	65,211
Total Expenditure	68,703
Profit before Tax	(3,493)
Profit after Tax	(3,493)
Earnings per Share (In Rs.)	(0.67)
Dividend Rate (%)	Nil
<b>V Generic Names of Three Principal products/Services of the Company</b> (as per monetary terms)	
Items Code No. (ITC Code)	Product Description
110100 00	WHEAT FLOUR
230990 01	ANIMAL FEED

As per our report of even date attached  
for Vijayakumar & Easwaran  
Chartered AccountantsSanjay Gupta  
Managing DirectorCharley Rodrigues  
DirectorK. Easwaran Pillai  
Partner  
Membership No. 022062Place : COCHIN  
Date : 30/06/2009

**PRIMA AGRO LIMITED**

Regd. Office: 31/536, Prima House, South Kalamassery, Cochin – 682 033

**PROXY FORM**

I/We

.....of  
.....in the district of..... being a  
Member(s) of above named Company, hereby appoint Shri.....  
of.....in the ..... district  
of.....  
.....or failing him Shri.....of  
.....of.....in the district of  
.....as my/our proxy to vote for me/us, on my/our behalf at the 22nd Annual General  
Meeting of the members of the Company to be held Tuesday, the 29<sup>th</sup> September, 2009 at 2.30 p.m. at its  
Regd. Office: 31/536, Prima House, South Kalamassery, Cochin – 682 033, Kerala, India and at any  
adjournment thereof.

Signed at .....this.....day of.....2009

Affix  
Re. 1/-  
Revenue  
Stamp

Signature of the Member

Regd. Folio No:  
No of shares held:

The Companies Act, 1956 lays down that an Instrument appointing a proxy shall be deposited at the  
Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

-----Cut here-----

**PRIMA AGRO LIMITED**

Regd. Office: 31/536, Prima House, South Kalamassery, Cochin – 682 033

**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting Hall)

Full name of the Member attending (IN BLOCK LETTERS).....

Full Name of the First Holder.....  
(To be filled in if First Holder does not attend Meeting)

Name of the Proxy .....  
(To be filled in if the Proxy Form has been duly deposited with the Company)

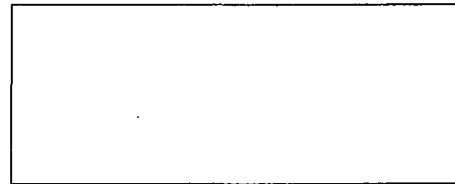
I hereby record my presence at the 22nd Annual General Meeting of the Members of the Company being held  
on Tuesday, the 29<sup>th</sup> September, 2009 at 2.30 p.m. at its Regd. Office: 31/536, Prima House, South Kalamassery,  
Cochin – 682 033 on Saturday, Kerala, India

Regd. Folio No:  
No of shares held:

Member's/Proxy's Signature  
(to be signed at the time of handing over this slip)

**PRINTED BOOK**

TO



If undelivered, please return to:

PRIMA AGRO LIMITED  
Corporate & Regd. Office  
31/536, Prima House,  
South Kalamassery,  
Kochi – 682 033