

PRIMA AGRO LIMITED



26th ANNUAL REPORT 2012-2013

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. S K Gupta	:	Chairman
Shri Sanjay Gupta	:	Managing Director
Shri Rajyawardhan Agarwal	:	Director

AUDITORS

M/s Vijayakumar & Easwaran
Chartered Accountants
Ernakulam

BANKERS

ICICI Bank
Indian Overseas Bank

REGISTERED OFFICE

"Door No: V/679-C
Industrial Development Area
Muppathadam P O, Edayar
Cochin - 683 110

SHARE TRANSFER AGENTS

M/s. Venture Capital and Corporate Investment Pvt Ltd.
(Category - 1, Registrars) 12-10-167, Bharatnagar
Hyderabad - 500 018
Tel: 040-23818475
Fax: 040-2386024
E-mail: info@vccilindia.com

PLANT LOCATION

Edayar Unit
Industrial Development Area
Muppathadam P.O., Edayar
Cochin- 683110

Trivandrum Unit
Industrial Development Area
Plot No. 71, Kochuveli
Trivandrum - 695 021

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Company will be held at its Registered Office at "Door No: V/679-C, Industrial Development Area, Muppathadam P O, Edayar, Cochin – 683 110 on **Friday the 30th August, 2013 at 10.00 a.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, 2013 together with the Reports of the Directors and Auditors thereon.
2. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

"RESOLVED that the retiring Auditors, M/s Vijayakumar & Easwaran, Chartered Accountants, (Registration No.004703S) being eligible for reappointment, be and are hereby appointed as Auditors of the Company for the financial year ending 31st March, 2014, to hold office until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors."

SPECIAL BUSINESS

3. To appoint a director in place of Mr. S K Gupta who retires and being eligible for reappointment.

"RESOLVED THAT Mr S.K Gupta, who was appointed as an Additional Director with effect from 05.12.2012 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 103 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing her candidature for the office of a Director, be and is hereby appointed as Whole time Director and Chairman of the company for a further period of five years with effect from **01.04.2013** on the terms & conditions and remuneration as set out in the Explanatory Statement annexed to this Notice.

Resolved further that the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above-stated remuneration as may be agreed to between the Board of Directors and Mr. S.K.Gupta.

Resolved further that in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. S.K.Gupta. the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration."

4. To consider and if thought fit, to pass, the following resolution, with or without modification(s), as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) read with the Directors’ Relatives (Office or Place of Profit) Rules, 2003, the consent of the Company, be and is hereby accorded to the appointment of Miss Tanvi Gupta, relative of a Director, to hold an office or place of profit of the Company with effect from 1st April 2013 at a remuneration and terms & conditions as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include the ‘Remuneration Committee’ of the Board) be and are hereby authorized to sanction her merit based increment(s), promotion, bonus / performance incentives and other benefits from time to time as per the policy of the Company, subject to the provision of Section 314(1) and other provisions of the Companies Act, 1956.

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 Monday, 26th August, 2013 to Friday, 30th August, 2013 (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
Sd/-

Place: Kochi
Date: 29.06.13

Sanjay Gupta
Managing Director

Explanatory Statement under Section 173(2) of the Companies Act, 1956

ITEM NO. 3. Mr. S.K.Gupta was appointed as an Additional Director by the Board of Director w.e.f. 05.12.2012 .in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 103 of Article of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the Company proposing his candidature for appointment as Whole-time Director designated as Chairman of the Company (not liable to retire by rotation) in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the said Act, including any statutory modification and re-enactment thereof for the time being in force. The Board feels that presence of Mr S.K.Gupta on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 3 for adoption. None of the Directors, except Mr S.K.Gupta is concerned or interested in this resolution. The Board recommends resolutions under Item No. 3 to be passed as special resolution.

Terms & conditions and remuneration

(A) SALARY: ₹ 75,000/- per month

(B) PERQUISITES:

1. Medical Reimbursement for self and family as per the rules of the Company.
2. Leave Travel Assistance, as per the rules of the Company, value not exceeding two month's Salary.

(C) COMMISSION:

In addition to the above salary and perquisites, commission will also be payable up to 1% of the net profits of the Company calculated in the manner referred to in Section 198 of the Companies Act, 1956, and as may be decided by the Board of Directors of the Company.

ITEM NO. 4.

The Board of Directors at its meeting held on 12th April, 2013 had approved and ratified the appointment of Miss Tanvi Gupta ,daughter of Mr. Sanjay Gupta, the Managing Director of the Company as the Finance Consultant of the Company, with effect from 1st April,2013. The remuneration of Miss Tanvi Gupta as approved effective 1st April, 2013 is ₹ 50000/- (consolidated) per month. Further the Board also approved that like any other employee, Miss Tanvi Gupta shall also be entitled to merit-based increments, incentives, promotions, etc., as per the policy of the Company.

Miss Tanvi Gupta is a graduate of Business Administration from abroad with specialization in finance. Miss Tanvi Gupta has experience of 3 years in the media industry. She has developed the ability to innovate business processes to fit the business needs. Miss Tanvi Gupta being related to Mr. Sanjay Gupta and Mr S.K Gupta, approval of the Members is being sought by way of Special Resolution for the above appoint pursuant to the provisions of Section 314(1) of the Companies Act, 1956.

None of the Directors of the Company except Mr.Sanjay Gupta and Mr.S.K Gupta being relatives of Miss.Tanvi Gupta is concerned or interested in the passing of the said resolution.

Your Directors recommend the Special Resolution as set out in item no. 4 for the approval of the members.

FOR THE ATTENTION OF THE MEMBERS:

1. Members are requested to send intimations of any changes in their addresses, applications for demat of shares, applications for transfer of shares and any related correspondence to the Company's share transfer agents M/s. Venture Capital And Corporate Investments Pvt. Limited, (Category-I Registrars) 12-10-167, Bharatnagar, Hyderabad-500018, (Tel)040-23818475, (Fax)040-23868024, Email: info@vccilindia.com.

2. Sending notices and documents to shareholders through email:

As a part of "Green Initiative" in Corporate Governance, the Ministry of Corporate Affairs has allowed sending communication to the shareholders through electronic mode. Accordingly, we propose to send documents like notices convening general meetings, Annual Reports, etc to the email addresses of the shareholders.

For this purpose, shareholders holding shares in physical form are requested to register their email addresses and any changes therein from time to time with the Share Transfer Agents of the Company M/s. Venture Capital And Corporate Investments Pvt. Limited at their postal / email address given above. Please give the details in the attached format for registering your email ID. Those holding shares in demat form are requested to register their email IDs with their Depository Participants.

DIRECTORS' REPORT

To,
The Members of
Prima Agro Limited

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Balance Sheet and Profit and Loss Accounts for the year ended 31st March 2013.

PERFORMANCE

During the year, the Company achieved a Turnover of ₹ 662.05 Lakhs and incurred a loss of ₹ 29.25 Lakhs. This was because the operations of the Thiruvananthapuram Plant were interrupted due to the conversion of Flour Mill in to Animal Feed Plant. The new Animal feed Plant started its operation only during March 2013.

Financial Results

Particulars	Current Year	Previous Year
	31/03/2013	31/03/2012
	(₹ Lacs)	(₹ Lacs)
Turnover	662.05	691.10
Profit (Loss) Before depreciation	44.21	(113.56)
Depreciation	21.70	19.01
Profit (Loss) after Depreciation & Taxes	(29.25)	238.11

FUTURE PROSPECTS

With immense pleasure we may report that with the enduring and dedicated effort of Directors your Company had come out of its financial difficulty it had faced for the last 10 years. The Promoters had arranged funds to settle the over dues of financial institutions under One Time Settlement Schemes approved by them. We are hopeful that the net worth of your Company will become positive in the next financial year.

Trading in shares of your Company had already restarted in Bombay Stock Exchange and shareholders can take use of this facility by demating your holdings. Share holders may please take note that de-mat facility for the shares of the company is now available through NSDL and CDSL. All share holders are requested to de-mat the shares held by them.

Your Company proposes to issue Redeemable preference shares on private placement basis to persons from whom Company borrowed fund for paying off the dues to the financial institutions.

Your Company has converted the old Flour Mill at Trivandrum in to a Cattle Feed manufacturing unit. Directors have finalized a contract for manufacture of Animal Feeds for KSE Ltd at Trivandrum Unit for 5 years. The new plant had commenced Production of Animal feed during Feb, 2013 with an installed capacity of 60000 Mt per annum.

Your Cattle Feed Plant at Edayar , Kochi, is doing well , with the modernized Boiler and other loading and unloading facility and the production capacity increased from 200 MT per day to 250 MT per day. This plant is now functioning at 95% of the installed capacity. The increase in level of operations had resulted in economies of scale and improved the revenue of the Company substantially.

Your company had already started initiative to acquire ISO-9000 certification and is expected to get the same in the next year.

Your Company management is fully confident of achieving the maximum utilization of both the plants for job works.

DIRECTORS

During the reporting Year Mr. Charley Rodrigues, director of the Company had resigned from the post and in his place; your Company had inducted Mr. S K Gupta as additional director to the Board and elected him as the Chairman of the Board. His term office is ending at the forthcoming Annual General Meeting of the company, who being eligible, offered himself for re-appointment and the same is being proposed in the forthcoming Annual General Meeting of the Company.

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

1. Non – current Investments as per Note 10 consist of investment in shares of Prima Industries Ltd valued at cost amounting to ₹ 1,01,95,280/-, as on 31st March, 2013, it has been identified that there is a decline in the value of investment which is not temporary in nature. The standards laid down by AS-13 on 'Accounting for Investments' provides that where the decline in the value of investment is not temporary in nature, then the carrying amount of investments should be reduced by the amount of such decline and the resultant reduction should be charged to the Profit & Loss A/c. the company has not charged such decline to the Profit and Loss A/c.

Director's replay to above.

M/s Prima Industries Ltd is an associate Company of the same group. The operation results of the Company is improving and the decline in the value of investment which is only temporary in nature and in the coming years the share price will become positive and therefore revaluation of investment is not taken in to account for the reporting year.

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 two Non-Executive Directors viz. Mr. S.K. Gupta, Mr. Rajyawardhan Agarwal with Mr. S K Gupta 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

A Report on Corporate Governance and Management Discussion and Analysis as required under Clause 49 of the Listing Agreement is attached.

ACKNOWLEDGEMENT

The Directors thank to the bankers of the company for their continued support and cooperation. Your Directors thank all the employees and share holders for their active support and co-operation.

Place: Kochi
Date: 29.06.13

By Order of the Board
Sd/-
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 Animal Feed in pellet Form. |

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 : N A
not taken place, reasons therefore and
future plans of action.

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
Sd/-
Sanjay Gupta
Managing Director

Place: Kochi

Date: 29.06.2013

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 Executive, Non-executive, and 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 31st March 2013, 9 Board Meetings were held on 02.04.2012,15.05.12,16,07.12, 31.07.12, 23.08.12, 30.10.12, 07.11.2012, 05.12.12 and 24.01.13.

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 31.03.2013	Attendance at		Directorships and Chairmanship / Membership of Board Committees in Other Companies as on 31.03.2013		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
1.Shri.Sanjay Gupta	P,MD	391600	9	Yes	3	None	None
2.Shri.S.K. Gupta	P,C	-	2	No	1	1	1
3.Shri.Rajyawardhan Agarwal	NED & i	-	9	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.

Resignation of Director

Mr. Charle Rodrigues, director had resigned from the Board during the year.

Reappointment of Directors

The Director, Mr.S.K. Gupta, who was appointed as additional director in the place of Mr. Charle Rodrigues, is to retire 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. S .K. Gupta
 Date of Birth : 01.03.1940
 Date of Appointment : 05.12.12
 Qualification : Graduate
 Expertise in specific Functional area :

He hailed from Rajasthan almost 50 years back and established the Prima Group in Kerala. He has vast experience in the field of agro based industries, especially in flour milling. He is having wide business contacts. He is now the Chairman of the company. Under his leadership the company is leading towards success.

Details of other Directorships:

Name of the Company	Position held	Committee type	Membership status
1.Prima Industries Limited	Chairman	Audit	NIL
2.Ayyappa Roller Flour mills Ltd	Chairman	NIL	NIL
3.Prima Credits Ltd	Director	NIL	NIL
4.PAPL Exim India Ltd	Director	NIL	NIL
5.Prima Beverage (P) Ltd	MD	NIL	NIL
6.Prima Alloys (P) Ltd	Director	NIL	NIL
7.Ayyappa Real Estates (P) Ltd	Director	NIL	NIL

3. AUDIT COMMITTEE

The Company's Audit Committee consists of two 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 .S K Gupta has expert knowledge of finance and accounting.

During the year ended 31st March 2013, the Committee met 5 times on 11.05.12, 14.07.12, 28.07.12, 27.10.12 and 22.01.2013.

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. S.K. Gupta	Chairman, Non – Executive & Independent Director	1
Shri. Rajawardhan Agarwal	Member & Non – Executive Director	4

4. REMUNERATION COMMITTEE

a. Composition, Name of Members, Chairperson and attendance

Name of the member of Audit Committee	Category
1. Shri. S.K. Gupta	Chairman, Non – Executive & Independent Director
2. Shri. Rajawardhan Agarwal	Member & Non – Executive 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 31st March, 2013 to Managing Director, is as follows: Shri. Sanjay Gupta, Managing Director: ₹ 4,80,000/-

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, leave travel allowance, 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		NIL	NIL		NIL

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. S.K. Gupta	Chairman & Independent Director
2. Shri Rajyawardhan Agarwal	Independent Director

Given below is the position of investor queries / complaints and other correspondences received and attended to during 2012-13:

Nature of complaint / queries	No. of complaints
For non-receipt of dividend, shares lodged for transfer, issue of duplicate share certificates.	Nil
Queries / Complaints redressed	0
Pending queries / complaints as on 31.03.2013	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/computer or information is to be obtained from banks or others.

The shares of the Company are traded in physical form as well as in Electronic mode. A table showing the requests received for dematerialization / transfer during 2012-13 is given below

	Transfers	
	No. of requests	No. of shares
Lodged	562	256000
Processed	562	256000
Objections		
Pending as on 31.03.2013	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
2009-10	Prima House, 31/536, South Kalamassery	29.09.2010	2.30 p.m.	None
2010-11	Door No.: V/679-C, IDA, Edayar, Cochin	28.09.2011	2.30 p.m.	None
2011-12	Door No.: V/679-C, IDA, Edayar, Cochin	27.09.2012	11.00 a.m.	None
2011-12 EGM	Door No.: V/679-C, IDA, Edayar, Cochin	30.11.2012	3.00 p.m.	3

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 Mr. V R Sadasivan Pillai, General Manager (Finance) & Company Secretary 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 29.06.2013.

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 : 30th August, 2013 at 10.00 a.m.
 Venue : "Door No: V/679-C, Industrial Development Area
 Muppathadam P.O, Edayar, Cochin – 683 110

Financial Calendar 2012-13

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 : Monday, 26th August, 2013 to Friday, 30th August, 2013
 (both days inclusive).
 Dividend payment date : N.A.
 Listing on Stock Exchange : Bombay Stock Exchange Ltd
 Stock Code : 519262
 Demat ISIN Number : ISIN-INE297D01018

Market Price data

Month	Bombay Stock Exchange (BSE)	
	High Price	Low Price
September, 2012	2.84	2.71
October, 2012	5.71	2.80
November, 2012	9.12	5.99
December, 2012	13.17	9.3
January, 2013	15.69	13.12
February, 2013	12.86	9.95
March, 2013	9.76	4.34

Registrar and transfer Agents:

(Share Transfer and
 Communication regarding
 Share Certificates, Dividends
 And change of address)

Venture Capital And Corporate
 Investments Pvt. Limited,
 (Category-I Registrars)
 12-10-167, Bharatnagar,
 Hyderabad -500018,
 040 23818475 (Tel), 040 23868024 (Fax),
 Email: info@vccilindia.com

Share Transfer System:

All the share transfer request (both physical and electronic mode) are being handled by the Registrar and Transfer Agent of the Company.

Distribution of the shareholding on the basis of categories of shareholders as on 31.03.2013 is as under:

Category Code	Category of shareholder	No. of share holders	Total no. of shares	Number shares held dematerialized form	Percentage to total shares
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian	7	855300	629800	16.46
(a)	Individuals				
(b)	Bodies Corporate	5	886600	95500	17.07
	Sub-Total (A)(1)				
(2)	Foreign				
(a)	Bodies Corporate				
	Sub-Total (A)(2)	12	1741900	725300	33.53
	Total shareholding of Promoter and Promoter Group				
	(A) = (A)(1) + (A)(2)				
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Funds				
(b)	Foreign Institutional Investors				
	Sub-Total (B)(1)				
(2)	Non-Institutions				
(a)	Bodies Corporate	38	83291	38291	1.60
(b)	Individuals				
	i. Individual shareholders holding nominal share capital upto Rs.1 Lakh.	13358	3074232	148932	59.18
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh.	8	293652	37852	5.65
(c)	Trust				
(d)	Directors & their relatives				
(e)	Non resident Indians				
(f)	Overseas Corporate Bodies				
(g)	Clearing members	4	1825	1825	0.04
(h)	Hindu undivided families				
	Sub-Total (B)(2)	13408	3453000	226900	66.47
	Total Public Shareholding (B) = (B)(1) + (B)(2)	13408	3453000	226900	66.47
	TOTAL (A) + (B)	13420	5194900	952200	100

Distribution of shareholding as on 31.03.2013, pursuant to clause 35 of the Listing Agreement is as under:

Shareholding of nominal value of ₹	No. of Shareholders	% of Shareholders	Amount of Share Capital in ₹	% of Shareholding
Upto - 500	12515	93.26	1936865	37.28
501 - 1000	570	4.25	471381	9.07
1000 - 2000	202	1.51	300890	5.79
2001 - 3000	62	0.46	157350	3.03
3001 - 4000	16	0.12	56976	1.10
4001 - 5000	18	0.13	84216	1.62
5001 - 10000	16	0.12	114570	2.21
10001 and above	21	0.16	2072652	39.90
Total	13420	100	5194900	100

Dematerialisation of shares and liquidity:

The Company's shares are available for dematerialization on both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company's shares are regularly traded in the Bombay Stock Exchange Limited,

- Plant Location :
1. Prima Agro Limited
Industrial Development Area,
Muppathadam P.O., Edayar – 683 110
 2. Prima Agro Limited
Industrial Development Area,
Plot No.71, Kochuveli Trivandrum – 695 021

Investor correspondence For transfer : Venture Capital And Corporate Investments Pvt. Limited, (Category-I Registrars) 12-10-167, Bharatnagar, Hyderabad -500018, 040 23818475 (Tel), 040 23868024 (Fax), Email: info@vccilindia.com

Any query on Annual Report : Secretarial Dept. "Door No: V/679-C
Industrial Development Area
Muppathadam P O, Edayar
Cochin – 683 110

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: 29.06.13

Sd/-
Sanjay Gupta
Managing Director

CEO/CFO Certificate under Clause 49 of the Listing Agreement

We, Sanjay Gupta, Managing Director and Mr. V.R.Sadasivan Pillai, General Manager (Finance) & Company Secretary 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 31st March, 2013 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
 3. which are required to be disclosed in the notes to the financial statements; and
 4. 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.

sd/-

Sanjay Gupta
Managing Director

sd/-

Mr. V R Sadasivan Pillai,
General Manager (Finance)
Company Secretary

Place: Cochin
Date : 29.06.13

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 31st March, 2013, 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

Sd/-
K.Easwaran Pillai
Partner
Membership No.22062

Place: Kochi
Date : 29.06.13

MANAGEMENT DISCUSSION AND ANALYSIS

A) INDUSTRY STRUCTURE AND DEVELOPMENTS

Animal Feed

The Indian feed industry is about 35 years old. It is mainly restricted to dairy and poultry feed manufacturing. The quality standards of Indian feeds are high and up to international levels. Raw materials for feed are adequately available in India. The industry's production is about 3.0 million tonnes, which represents only 5 percent of the total potential, and feed exports are not very high. The feed industry has modern computerized plants and the latest equipment for analytical procedures and least-cost ration formulation, and it employs the latest manufacturing technology. In India, most research work on animal feeds is practical and focuses on the use of by-products, the upgrading of ingredients and the enhancing of productivity.

The country has entered into a period of liberalization and this is bound to influence the livestock industry. The per capita consumption of milk, eggs and broiler meat will grow. The Indian feed industry is undergoing a very exciting phase of growth for the next decade.

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.

B) ISSUES IN THE ANIMAL FEED INDUSTRY

i) Standardization and regulation of animal feed manufacturers

As already mentioned, BIS has produced guideline feed standards and the industry also has its own guidelines. Currently there is no compulsion to use BIS standards, but the central government has been advising states to introduce their own regulatory standards. The industry, however, is resisting this move. One of the major reasons for opposition is that the government wants to legislate regulation under the Essential Commodities Act 1955 which is considered draconian and totally inappropriate in this context.

There is no shortage of compound animal feeds anywhere in the country. In fact, the organized sector of the compound feed industry is facing serious problems resulting from a huge idle capacity, to the extent of 50 percent or more. New capacities are being added by global players in the feed business and by national as well as multinational integrators. The nature of animal feeds and the animal feed industry has completely changed.

Increasingly, products, including new products, are being excluded from the purview of the Essential Commodities Act 1955. Major raw materials for compound animal feeds, such as groundnut, soybean, rapeseed and sunflower meals and cottonseed and rice bran extract, which are exported, are not covered by the Act. There is therefore no reason for it to cover the animal feed manufactured with these raw materials.

Furthermore, the industry has several reservations about implementing BIS standards. There is a lack of flexibility in these standards and they are lagging far behind the industry's products. For cattle, they have not been revised for 30 years, while the BIS standards for poultry are obsolete.

Another feed standards issue that worries both the government and industry is that any changes to existing standards will be slow and difficult to arrive at because of participative conflicts and various lobbying groups. However, the industry's principal concern about compulsory standards is that they will disturb efforts to innovate and upgrade feed production in order to improve the productivity of the animals. This is because all innovations would have to be passed by BIS, and such a process is likely to take several years to complete.

ii) Classifications of animal feed supplements/additives for import

The classification of feed additives is a major hindrance to the Indian feed industry. Worldwide, animal feed supplements and additives are covered under chapter 23.09 of the Harmonized System of Nomenclature (HSN), to which India is a signatory. In the HSN, all feed ingredients are listed under the "free" category for import, but the Indian Government put them into the "restricted" category in October 1995. Since then, there have been continuous discussions among the drug control authorities, the Director-General of Foreign Trade and the Central Excise Department, all of which want to bring feed additives under their administration so as to increase their own revenues. The industry, represented by CLFMA, has made several representations to the government, but these have been round various government departments, appellate tribunals, the High Court and the Supreme Court without providing any useful results for the industry.

iii) Countervailing duty on amino acids

The essential amino acids, such as DL-methionine, L-lysine and L-threonine, are not manufactured in India. These products are vital ingredients of compound animal feed for improving the quality of the final feed and making it conversion-efficient. With a view to bringing about the rapid development of animal husbandry in India, the government reduced the import duty on essential amino acids so that the feed price to livestock farmers would be economic. However, with the imposition of countervailing duty (CVD) and other duties, the objective of helping to promote animal husbandry has been defeated.

iv) Import and export

Indian feed was exported to the Near East during the 1980s, but the export demand was reduced when feed mills were set up in the Near East. At present, India exports about 25 000 tonnes of feed to the Near East as general animal feed.

There is no import of animal feed as such into India. However, the country does import certain chemicals, feed additives, amino acids and essentials for aquaculture feed.

C) THE FUTURE OF THE INDIAN FEED INDUSTRY - WINDS OF CHANGE

The livestock industry in India is the second largest contributor to gross domestic product (GDP), after agriculture, and accounts for 9 percent of the total. Consumption is likely to increase as follows:

Per capita milk from 240 to 450 g per year;

Per capita eggs from 40 to 100 per year; and

Per capita broiler meat from 1 000 to 2 000 g per year.

In view of the expected rise in per capita consumption of chicken meat, eggs and milk, livestock production and productivity will grow. The dairy industry, which is cooperative-based, is growing with the increased capacities of milk processing units. The population of cross-bred cattle and buffaloes is also growing. Milk is very popular in India. The poultry industry is developing towards vertical integration and a few multinational companies have already entered the Indian poultry business. Although the live bird market currently accounts for about 90 percent of the total market, it is expected that the consumption of dressed chicken will grow in the next five years, from the existing 10 percent to 25 percent or more. This would mean establishing very hygienic and scientific processing units. Cold chains, branded chicken, chicken cuts, etc. will be introduced and, depending on the success and consistent quality, consumer preference for dressed meat will grow.

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 monitor 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 achieved a Turnover of ₹ 662.05 Lakhs and incurred a loss of ₹ 29.25 Lakhs. This was because the operations of the Thiruvananthapuram Plant were interrupted due to the conversion of Flour Mill in to Animal Feed Plant. The new Animal feed Plant started its operation only during March 2013.

Financial Results

Particulars	Current Year	Previous Year
	31/03/2013	31/03/2012
	(₹ Lacs)	(₹ Lacs)
Turnover	662.05	691.10
Profit (Loss) Before depreciation	44.21	(113.56)
Depreciation	21.70	19.01
Profit (Loss) after Depreciation & Taxes	(29.25)	238.11

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.

Place: Kochi
Date: 29.06.13

For and on behalf of the Board
Sd/-
Sanjay Gupta
Managing Director

VIJAYAKUMAR & EASWARAN

CHARTERED ACCOUNTANTS

AMRITA TRADE TOWERS, 6TH FLOOR

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

Phone No: 0484 – 2354694. Fax: 2373610

E mail: keaswaran@gmail.com, vkande@gmail.com**INDEPENDENT AUDITOR'S REPORT**

The Members

PRIMA AGRO LIMITED.**Report on the Financial Statements**

We have audited the attached Balance Sheet of M/s. **PRIMA AGRO LIMITED**, as at 31st March, 2013 the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view. 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 ("the act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statement. The procedure selected depends on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Non – current Investments as per Note 10 consist of investment in shares of Prima Industries Ltd valued at cost amounting to ₹ 1,01,95,280/-, as on 31st March, 2013, it has been identified that there is a decline in the value of investment which is not temporary in nature. The standards laid down by AS-13 on 'Accounting for Investments' provides that where the decline in the value of

investment is not temporary in nature, then the carrying amount of investments should be reduced by the amount of such decline and the resultant reduction should be charged to the Profit & Loss A/c. the company has not charged such decline to the Profit and Loss A/c.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act 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 March 31, 2013;
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) 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
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;*
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For VIJAYAKUMAR & EASWARAN,
CHARTERED ACCOUNTANTS,
FRN 004703S

CA K. EASWARAN PILLAI, F.C.A.
SENIOR PARTNER
Membership No: 022062

Place : COCHIN
Date : 25/05/2013

VIJAYAKUMAR & EASWARAN**CHARTERED ACCOUNTANTS**AMRITA TRADE TOWERS, 6TH FLOOR

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

Phone No: 0484 – 2354694. Fax: 2373610

E mail: keaswaran@gmail.com, vkande@gmail.com**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) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - 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. The discrepancies noticed on verification between the physical stocks and book records were not material.
- iii.
- a) The Company has granted the 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 orOther Parties	Relationship	Year end Balance
1.	Prima Industries Ltd	Associate	7,79,086
2.	Prima Beverage (P) Ltd.	Associate	7,02,603
3.	Sahuwala wax & Chemicals	Associate	99,468
4.	Oil/Filling Division	Associate	2,78,554

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	Relationship with the Company	Yearend Balance
1.	Sanjay Gupta	Managing Director	NIL
2.	Swati Gupta	Relative of Managing Director	67,000.00

- c) We are unable to comment on the rate of interest and other terms and conditions on which loans have been taken from/granted to companies, firm or other parties listed in the register maintained u/s 301 of the Companies Act, 1956 which are 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, 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, we have not observed any continuing failure to correct major weaknesses in the internal control system of the company.
- v. a) In our opinion and according to the information and explanations given to us, the particulars of all contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 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.
- vi. The company has not accepted any deposit from the public hence the directions issued by the Reserve Bank of India and provisions of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Rules formed thereunder are not applicable to this company.
- vii. The company does not have adequate internal audit system commensurate with the size and nature of its business.
- 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 has been no serious delays.
- Further, since the Central Government has till date not prescribed the amount of cess payable u/s 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- b) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- x. In our opinion, the company has accumulated losses to the extent of ₹ 20,05,20,908.07/- and ₹19,75,95,483 in previous year. The accumulated losses of the company are more than fifty per cent of its paid up capital and free reserves. However the company has not reported cash loss during the current year and in previous year.
- xi. In our opinion and according to the information and explanation given to us, the company during the year has not defaulted in repayment of dues to the ICICI indica car loan A/c.
- xii. 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.
- xiii. 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.
- xiv. 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.
- xv. In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi. In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- 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,
FRN 004703S

CA K. EASWARAN PILLAI, F.C.A.
SENIOR PARTNER
Membership No: 022062

Place : COCHIN
Date : 25/05/2013

Prima Agro Limited
Balance Sheet as at 3^{1st} March 2013

Particulars	Note No.	3 ^{1st} March 2013	3 ^{1st} March 2012
I. EQUITY & LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	51,949,000.00	51,949,000.00
(b) Reserves & surplus	2	(72,903,040.71)	(192,339,633.31)
(2) Non-current liabilities			
(a) Long-term borrowings	3	64,283,993.12	175,233,199.09
(b) Deffered Tax Liabilities		4,457,931.00	(756,402.00)
(c) Other long term liabilities	4	-	-
(d) Long-term provisions	5	1,252,949.00	1,614,390.00
(3) Current liabilities			
(a) Short-term borrowings	6	26,807.64	359,907.03
(b) Trade payables		13,785,782.05	68,349,099.61
(c) Other current liabilities	7	7,835,634.44	593,908.00
(d) Short-term provisions	8	1,265,000.00	835,000.00
TOTAL		71,954,056.54	105,838,468.42
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets	9		
(i) Tangible Assets		43,110,679.08	26,612,273.96
(ii) Capital work-in-progress		-	-
(b) Non-current investments	10	10,224,480.00	10,224,480.00
(c) Deferred tax assets (Net)		-	-
(d) Long-term loans & advances	11	12,041,988.08	60,992,922.54
(e) Other non-current assets	12	-	-
(2) Current assets			
(a) Current investments			
(b) Inventories	13	198,326.23	525,276.84
(c) Trade Receivables	14	2,416,145.49	3,307,779.79
(d) Cash & bank balances	15	1,803,555.36	1,978,844.49
(e) Short-term loans & advances	16	1,837,652.80	2,196,890.80
(f) Other current assets		321,229.50	-
TOTAL		71,954,056.54	105,838,468.42

For PRIMA AGRO LTD

For VIJAYAKUMAR & EASWARAN
CHARTERED ACCOUNTANTS
FRN: 004703S

SANJAY GUPTA
MANAGING DIRECTOR

S.K. GUPTA
DIRECTOR

K. EASWARAN PILLAI, F.C.A
SENIOR PARTNER
Membership No: 022062

Place : Cochin
Date : 25/05/2013

Prima Agro Limited
Profit and loss statement for the year ended 31st March 2013

Particulars	Note No.	3 ^{1st} March 2013	3 ^{1st} March 2012
I. Revenue from operations	17	63,137,860.65	68,388,527.95
II. Other income	18	3,067,467.86	721,664.46
III. Total Revenue (I + II)		66,205,328.51	69,110,192.41
IV. Expenses:			
Cost of materials consumed	19	10,205,541.13	8,544,456.00
Purchases of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	326,945.61	(114,099.50)
Employee benefits expense	21	8,046,571.69	9,081,057.25
Finance costs	22	302,969.79	14,009,812.18
Depreciation and amortization expense		2,169,813.31	1,900,838.51
Other expenses	23	42,902,210.74	48,944,681.94
Total expenses		63,954,052.27	82,366,746.38
V. Profit before exceptional items and tax (III-IV)		2,251,276.24	(13,256,553.97)
VI. Add: Exceptional items		-	39,696,704.00
VII. Profit before tax (V - VI)		2,251,276.24	26,440,150.03
X Tax expense:			
(1) Current tax		430,000.00	150,000.00
Add/(Less): Short/(Excess) provision of tax		467,632.00	-
		(37,632.00)	150,000.00
(2) Deferred tax		5,214,333.00	2,479,478.00
XI Profit (Loss) for the period (VII-VIII)		(2,925,424.76)	23,810,672.03
XII Earnings per equity share:			
(1) Basic		(0.56)	4.58
(2) Diluted		(0.56)	4.58

For PRIMA AGRO LTD

For VIJAYAKUMAR & EASWARAN
CHARTERED ACCOUNTANTS
FRN: 004703S

SANJAY GUPTA
MANAGING DIRECTOR

S.K. GUPTA
DIRECTOR

K. EASWARAN PILLAI, F.C.A
SENIOR PARTNER
Membership No: 022062

Place : Cochin
Date : 25/05/2013

Note 1

Disclosure pursuant to note no. 6(A) (a, b & c) of Part I of Schedule VI

Share Capital	As at 3 ^{1st} March 2013		As at 3 ^{1st} March 2012	
	No.	(₹)	No.	(₹)
Authorised				
70,00,000 Equity Shares of ₹ 10 each	7,000,000	70,000,000	7,000,000	70,000,000
1,00,00,000 Cumulative Redeemable Preference Shares of ₹ 10 each	10,000,000	100,000,000	-	-
	<u>17,000,000</u>	<u>170,000,000</u>	<u>-</u>	<u>-</u>
Issued				
51,94,900 Equity Shares of ₹ 10 each	5,194,900	51,949,000	5,194,900	51,949,000
Subscribed & Paid up				
51,94,900 Equity Shares of ₹ 10 each	5,194,900	51,949,000	5,194,900	51,949,000
Subscribed but not fully Paid up	-	-	-	-

Disclosure pursuant to note no. 6(A) (d) of Part I of Schedule VI

Particulars	No.	Amount (₹)
Shares outstanding at the beginning of the year	5,194,900	51,949,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	5,194,900	51,949,000

Disclosure pursuant to note no. 6(A) (f) of Part I of Schedule VI

Not Applicable

Disclosure pursuant to note no. 6(A) (g) of Part I of Schedule VI

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sanjay Gupta	391,600	7.50	391,600	7.50
Ayyappa Real Estate (P) Ltd	274,300	5.28	274,300	5.28

Disclosure pursuant to note no. 6(A) (h) of Part I of Schedule VI

Details of shares reserved for issue under options & contracts for sale of shares/disinvestment	
*Terms of the contract	Nil
*Amount of Shares	

Note 2

Disclosure pursuant to note no. 6(B) of Part I of Schedule VI

Reserves & Surplus	As at 3 ^{1st} March 2013 (₹)	As at 3 ^{1st} March 2012 (₹)
a. Capital Reserves		
Opening Balance	137,500.00	137,500.00
(+) Current Year Transfer	122,362,017.36	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>122,499,517.36</u>	<u>137,500.00</u>
b. Other Reserves - Capital Subsidy		
Opening Balance	3,268,350.00	3,268,350.00
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>3,268,350.00</u>	<u>3,268,350.00</u>
c. Other Reserves - Investment Allowance Reserve		
Opening Balance	1,850,000.00	1,850,000.00
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>1,850,000.00</u>	<u>1,850,000.00</u>
d. Surplus		
Opening balance	(197,595,483.31)	(221,406,155.34)
(+) Net Profit/(Net Loss) For the current year	<u>(2,925,424.76)</u>	<u>23,810,672.03</u>
Closing Balance	<u>(200,520,908.07)</u>	<u>(197,595,483.31)</u>
Total	<u><u>(72,903,040.71)</u></u>	<u><u>(192,339,633.31)</u></u>

Note 3

Disclosure pursuant to note no. 6(C) of Part I of Schedule VI

Long-Term Borrowings	As at 3 ^{1st} March 2013 (₹)	As at 3 ^{1st} March 2012 (₹)
A. SECURED		
a. Term Loans		
from banks	-	114,393,444.00
1. State Bank of India (Secured by first charge on the Land (4.93 Acres), Building, Plant and Machinery of Animal Feed Unit, second charge on Land (1 Acre), Building, Plant & Machinery of Flour Unit Mill and Charge by SBI on Flat in Chennai, Mylapore)		
2. ICICI Indica Car Loan (EMI A/c)	1,480,035.00	-
Other loans & advances		
LIC Keyman Loan	111,815.00	177,621.00
Total	<u><u>1,591,850.00</u></u>	<u><u>114,571,065.00</u></u>
B. UNSECURED		
a. Deposits	631,015	631,015
b. Loans and advances from related parties	62,061,128.12	60,031,119.09
Total	<u><u>62,692,143.12</u></u>	<u><u>60,662,134.09</u></u>
	<u><u>64,283,993.12</u></u>	<u><u>175,233,199.09</u></u>

Note 4

Disclosure pursuant to note no. 6(D) of Part I of Schedule VI

Other long-term liabilities

a. Trade payables

b. Others

TotalAs at 3^{1st} March 2013

(₹)

-

-

-

As at 3^{1st} March 2012

(₹)

-

-

-

Note 5

Disclosure pursuant to note no. 6(E) of Part I of Schedule VI

Long-term provisions**a. Provision for employee benefits**

Gratuity

Ex gratia

539,460.00

564,414.00

574,169.00

423,514.00

b. Others

Provision for Fringe Benefit Tax

Other Provisions

Total

-

149,075.00

1,252,949.00

467,632.00

149,075.00

1,614,390.00**Note 6**

Disclosure pursuant to note no. 6(F) of Part I of Schedule VI

Short-term borrowings**UNSECURED****a. Loans repayable on demand**

from banks

26,807.64

359,907.03

Total**26,807.64****359,907.03**

Incase of continuing default as on balance sheet

date in repayment of loans & interest w.r.t (a)

Period of default

Amount

-

-

-

-

Note 7

Disclosure pursuant to note no. 6(G) of Part I of Schedule VI

Other current liabilities

a. Other payables (Advance from customers)

b. Other payables

7,695,184.44

140,450.00

593,908.00

-

Total**7,835,634.44****593,908.00****Note 8**

Disclosure pursuant to note no. 6(H) of Part I of Schedule VI

Short-term provisions**Others**

Provision for taxes

Provision for taxes 2011-12

Provision for taxes 2012-13

685,000.00

150,000.00

430,000.00

685,000.00

150,000.00

-

Total**1,265,000.00****835,000.00**

Note:9 Fixed Assets
Disclosure pursuant to note no. 6(i) & 6(j) of Part I of Schedule VI

Particulars	Gross Block				Accumulated Depreciation				Net Block			
	Balance as at 01/04/2012	Additions (Disposals) combinations	Acquired through business	Revaluation/ (Impairments)	Balance as at 31/03/2013	Balance as at 01/04/2012	Depr. charges for the year	Adjust due to revaluation	On disposals	Balance as at 31/03/2013	Balance as at 01/04/2012	Balance as at 31/03/2013
A. Tangible Assets												
Land	4,202,195.00	-	-	-	4,202,195.00	-	-	-	-	-	4,202,195.00	4,202,195.00
Buildings	31,620,961.86	12,314,262.00	-	-	43,935,223.86	16,951,051.33	1,188,982.31	-	18,140,033.64	18,140,033.64	14,669,910.53	25,795,190.22
Plant and Equipment	83,565,324.11	1,091,889.40	-	-	84,677,213.51	77,271,641.89	549,396.57	3,608,843.16	74,212,195.30	74,212,195.30	6,313,682.18	10,465,018.21
Furniture and Fixtures	913,020.00	-	-	-	913,020.00	900,460.17	-	-	900,460.17	900,460.17	12,559.83	12,559.83
Vehicles	3,205,307.00	867,913.00	-	-	4,073,220.00	2,536,088.24	367,596.54	594,270.10	2,309,414.68	2,309,414.68	669,218.76	1,763,805.32
Office equipment	1,174,920.00	183,961.00	-	-	1,358,881.00	616,714.23	59,254.14	-	675,968.37	675,968.37	558,205.17	682,912.63
Others i) Livestock	42,780.00	(42,780.00)	-	-	-	-	-	-	-	-	42,780.00	-
ii) Cycle	2,130.00	(775.23)	-	-	1,354.77	1,354.77	150.59	-	1,505.36	1,505.36	775.23	(150.59)
iii) Computer	3,490,793.00	50,635.00	-	-	3,541,428.00	3,347,846.38	4,433.16	-	3,352,279.54	3,352,279.54	142,946.66	189,148.46
Total	128,237,430.97	14,465,105.17	-	-	142,702,536.14	101,625,157.01	2,169,813.31	4,203,113.26	99,591,857.06	99,591,857.06	26,612,273.36	43,110,679.08
B. Capital Work in Progress												
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	128,237,430.97	14,465,105.17	-	-	142,702,536.14	101,625,157.01	2,169,813.31	4,203,113.26	99,591,857.06	99,591,857.06	26,612,273.36	43,110,679.08

Note 10

Disclosure pursuant to Note no. K of Part I of Schedule VI

Particulars	As at 31st March 2013 (₹)	As at 31st March 2012 (₹)
Other Investments		
(d) Investments in Government or Trust securities	19,100.00	19,100.00
(h) Other non-current investments	<u>10,205,380.00</u>	<u>10,205,380.00</u>
Total (B)	<u>10,224,480.00</u>	<u>10,224,480.00</u>
 Grand Total (A + B)	 10,224,480.00	 10,224,480.00
Less : Provision for diminution in the value of Investments	<u> </u>	<u> </u>
Total	<u><u>10,224,480.00</u></u>	<u><u>10,224,480.00</u></u>

Particulars	2013 (₹)	2012 (₹)
Aggregate amount of quoted investments and Market value	<u> </u>	<u> </u>
Aggregate amount of unquoted investments	<u>10,224,480.00</u>	<u>10,220,480.00</u>

Note 11

Disclosure pursuant to Note no. L (i),(ii) and (iii) of Part I of Schedule VI

Long Term Loans and Advances	As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
a. Security Deposits		
Unsecured, considered good	3,477,044.60	2,941,941.00
	<u>3,477,044.60</u>	<u>2,941,941.00</u>
b. Loans and advances to related parties		
Unsecured, considered good	1,859,711.02	52,141,703.38
	<u>1,859,711.02</u>	<u>52,141,703.38</u>
c. Other loans and advances (Advances to suppliers)		
Unsecured, considered good	6,705,232.46	5,909,278.16
	<u>6,705,232.46</u>	<u>5,909,278.16</u>
	<u> </u>	<u> </u>
Grand Total	<u><u>12,041,988.08</u></u>	<u><u>60,992,922.54</u></u>

Note 13

Disclosure pursuant to Note no.O (i), (ii) and (ii) of Part I of Schedule VI

Inventories	As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
g. Others (Packing Materials)	198,326.23	525,276.84
	<u> </u>	<u> </u>
Total	<u><u>198,326.23</u></u>	<u><u>525,276.84</u></u>

Note 14

Disclosure pursuant to Note no.P (i), (ii), (iii) and (iv) of Part I of Schedule VI

Trade Receivables	As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
Unsecured, considered doubtful	### 2,416,145.49	3,307,779.79
Less: Provision for doubtful debts		
Total	<u><u>2,416,145.49</u></u>	<u><u>3,307,779.79</u></u>

Note 15

Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI

Cash and bank balances	As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
I. Cash & cash equivalents		
a. Balances with banks*	286,284.36	447,421.09
b. Bank deposits with more than 12 months maturity)	485,704.00	485,704.00
c. Cheques, drafts on hand	-	-
d. Cash on hand	31,567.00	45,725.00
e. Others	-	-
	803,555.36	978,850.09
II. Other bank balances		
a. Earmarked Balances (eg/- unpaid dividend accounts)	-	-
b. Margin money	1,000,000.00	1,000,000.00
c. Other Commitments	1,000,000.00	1,000,000.00
	<u><u>1,803,555.36</u></u>	<u><u>1,978,850.09</u></u>

Balance with Banks	31st March 2013 (₹)	31st March 2012 (₹)
State Bank of India - EKM	68,566.70	409,676.70
State Bank of India - CA - Thumba	1,393.00	1,393.00
Federal Bank Ltd.	6,963.00	6,421.00
ICICI - Kalamassery	161,814.70	20,030.76
IOB - TVM	2,047.00	2,047.00
State Bank of Travancore - TVM	120.00	5,634.00
Bank of India	778.58	778.58
ICICI Bank 6348	6,218.40	-
IOB - CA 353	36,942.93	-
HDFC	1,440.05	1,440.05
Total	<u><u>286,284.36</u></u>	<u><u>447,421.09</u></u>

Note 16

Disclosure pursuant to Note no.R (i), (ii) and (iii) of Part I of Schedule VI

Short-term loans and advances	As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
a. Others (Advance to suppliers)		
Secured, considered good	-	-
Unsecured, considered good	1,837,652.80	2,196,890.80
Doubtful		
Total	1,837,652.80	2,196,890.80

Note 17

Disclosure pursuant to Note no. 2 of Part II of Schedule VI

Particulars	For the year ended 31 March 2013 (₹)	For the year ended 31 March 2012 (₹)
a. Sale of products	232,461.00	5,870,814.60
b. Income from cattle feed manufacturing	62,435,642.65	62,199,024.35
c. Other operating revenues	469,757.00	318,689.00
Total	63,137,860.65	68,388,527.95

Note 18

Disclosure pursuant to Note no. 4 of Part II of Schedule VI

Particulars	For the year ended 31 March 2013 (₹)	For the year ended 31 March 2012 (₹)
Other non-operating income (net of expenses directly attributable to such income)	3,067,467.86	721,664.46
Total	3,067,467.86	721,664.46

Note 19

Disclosure pursuant to note 5 (ii) (a) to general instructions for preparation of statement of profit & loss

Cost of materials consumed	For the year ended 31 March 2013 (₹)	For the year ended 31 March 2012 (₹)
a) Packing materials	293,652.00	5,846,319.00
b) Wheat	-	2,676,559.00
c) Minerals & vitamins	-	21,578.00
d) Store Materials	266,194.00	-
e) Store Consumables	6,120,511.00	-
f) Plywood and wood wastes	2,062,594.13	-
g) Interstate	1,419,538.00	-
h) HDPE Bags	43,052.00	-
Total	10,205,541.13	8,544,456.00

Note 20**Changes in inventories of finished goods,
work-in-progress and Stock-in-Trade**

Particulars	For the year ended 31	For the year ended 31
	March 2013	March 2012
	(₹)	(₹)
Packing Materials:		
Opening stock	525,271.84	411,172.34
Closing stock	198,326.23	525,271.84
Change	<u>326,945.61</u>	<u>(114,099.50)</u>

Note 21**Disclosure pursuant to Note 5 (i) (a) to General
Instructions to preparation of Statement of profit and loss**

Particulars	For the year ended 31	For the year ended 31
	March 2013	March 2012
	(₹)	(₹)
Salaries & wages	6,562,209.69	8,008,922.00
Contribution to Provident fund and other funds	642,046.00	450,376.00
Staff welfare expenses	842,316.00	621,759.25
Total	<u>8,046,571.69</u>	<u>9,081,057.25</u>

Note 22**Disclosure pursuant to Note no. 3 of Part II of Schedule VI**

Particulars	For the year ended 31	For the year ended 31
	March 2013	March 2012
	(₹)	(₹)
Interest expense	227,826.50	13,840,015.28
Other borrowing costs	75,143.29	169,796.90
Net gain/loss on foreign currency transactions and translations	-	-
Total	<u>302,969.79</u>	<u>14,009,812.18</u>

Note 23 A

Disclosure pursuant to Note no. 5 (i) (c) to (l) of Part II of Schedule VI 5(i)(c) Items of income & expenditure exceeding 1% of turnover of Rs.1,00,000/- whichever is higher

Particulars	For the year ended 31	For the year ended 31
	March 2013	March 2012
	(₹)	(₹)
a) Expenses on Cattle feed	7,827,427.00	24,344,932.80
b) Freight charges - outwards	104,513.00	873,415.00
c) Electricity and Fuel Charges	16,763,550.00	13,670,056.80
d) General expenses	4,767,630.94	2,855,910.00
e) Vehicle running expenses	1,153,596.00	840,237.40
f) Traveling & conveyance	872,702.00	1,015,591.00
Total	31,489,418.94	43,600,143.00

Note 23 B

5(i)(j) Payments to auditors

Particulars	For the year ended 31	For the year ended 31
	March 2013	March 2012
	(₹)	(₹)
As Auditors	140,510.00	112,300.00
Taxation matters		
	140,510.00	112,300.00

Note 23 C

5 (vi) Other expenses

Particulars	For the year ended 31	For the year ended 31
	March 2013	March 2012
	(₹)	(₹)
a) Rent	161,750.00	101,133.00
b) Repairs to buildings	2,032,026.00	1,308,757.05
c) Repairs to plant & machinery	949,246.30	3,699,849.00
d) Insurance	190,616.00	69,692.00
e) Rates & taxes (excluding taxes on income)	351,426.00	9,545,758.78
f) Miscellaneous expenses	7,587,217.50	4,177,105.91
Total	11,272,281.80	18,902,295.74
Total	42,902,210.74	48,944,681.94

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/ materialized.

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 job work and processing charges is recognized on accrual 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 is made based on the liability computed in accordance with the relevant tax rates and tax laws.
- ii. Deferred tax is recognized on all timing differences between accounting income and taxable income for the year, and quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date.
- iii. The deferred tax assets are recognized and carried forward to the extent that there is a reasonable / virtual certainty as the case may be that sufficient taxable income will be available against which such deferred tax assets can be realized.

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.

ADDITIONAL NOTES FORMING PART OF THE ACCOUNTS**1. 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 1,81,108.80.

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

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 made available by the Company.

2. Claims against the company not acknowledged as debt – Nil

	For the year ended 31 March 2013 (₹)	For the year ended 31 March 2012 (₹)
<u>3. Managerial Remuneration</u>		
Mr. Sanjay Gupta, Managing Director	4,80,000.00	4,80,000.00
<u>4. Remuneration to Auditors(excluding service tax)</u>		
Statutory Audit	1,25,000.00	62,500.00
5. Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
<u>6. Capacity Utilization</u>		
<u>a. Wheat products viz. Atta, Maida, Sooji etc</u>		
Licensed Capacity TPA	60,000.00	60,000.00
Installed Capacity TPA	22,500.00	22,500.00

Actual production in MTs (Sales & Job work)	492.80.00	4413.75
b. Animal Feed		
Licensed Capacity TPA	120,000.00	60,000.00
Installed Capacity TPA	120,000.00	60,000.00
Actual production in MTs.(Job work)	78955.39	73871.33

7. Closing stock of packing materials is as valued and certified by the Managing Director.

8. Packing materials consumption is net of recovery.

9. 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.

10. Balances in the accounts of debtors, creditors and financial institutions are subject to confirmation.

11. Earnings per share

	31st March 2013	31st March 2012
	(₹)	(₹)
Profit/(Loss) after Tax	(29,25,424.76)	2,38,54,000.00
Number of Shares Outstanding	51,94,900.00	51,94,900.00
Earnings per Share		
-Basic	(0.56)	4.59
-Diluted	(0.56)	4.59

12. Related Party Transactions

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

Name of Related Party	Relationship
Sanjay Gupta	Key Managerial Personnel
Ayyappa Roller Flour Mills Ltd. Prima Beverage (P) Ltd. Prima Industries Ltd. Universal Trading Company Oil/Filling Division Sahuwala wax & Chemicals	Associates
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	Nil
Loans/loans advanced	4,38,05,114	31,57,255	2,13,113

c. Outstanding Balance as on 31st March 2013

Nature of Transaction	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel
Amount Receivable	32,80,211	NIL	67,000
Amount Payable	6,12,89,345	NIL	NIL

13. As per the Compromise Petition No. 2154/12 dated 24/08/2012 jointly submitted by the company and State Bank of India before the Honourable Debt Recovery Tribunal, Ernakulam, the company has paid the balance sum of Rs 4,65,00,000/- during the year out of total agreed settlement of Rs 5,10,00,000/-. The Honourable Tribunal vide its Order dated 27/08/2012 dismissed the Original Appeal No. 289 of 2005 as settled out of Tribunal. Accordingly the company has transferred an amount of Rs 12, 23, 62,017/- to Capital Reserve A/c being the balance outstanding in Loan a/c Rs 6, 78, 93,444/- and Interest on CC a/c 5, 44, 68,573/-, since the loan is acknowledged as a liability on Capital A/c and Interest on such loan subjected to disallowance for the purpose of Income Tax computation in earlier years.

14. Previous year figures have been regrouped or recast wherever necessary to suit current year's layout.

As per our report of even date attached

For PRIMA AGRO LTD

SANJAY GUPTA
MANAGING DIRECTOR

S.K. GUPTA
DIRECTOR

For VIJAYAKUMAR & EASWARAN
CHARTERED ACCOUNTANTS
FRN: 004703S

K. EASWARAN PILLAI, F.C.A
SENIOR PARTNER
Membership No: 022062

Place : Cochin
Date : 25/05/2013

PRIMA AGRO LIMITED
CASH FLOW STATEMENT

	For the Year ended 31/03/2013		For the Year ended 31/03/2012	
A. Cash Flow from Operating Activities				
Operating Profit/(Loss) before Tax		2,251,276.24		(13,256,553.97)
Adjustments for:				
Depreciation	2,169,813.31		1,900,838.51	
Interest Paid	302,969.79		282,598.90	
(Profit) / Loss on sale of Motor Vehicle	(105,595.10)			
(Profit) / Loss on sale of Plant & Machinery	777,870.84			
Provisions (long term & short term)	106,191.00		197,310.00	
Transfer to Reserve (exceptional item)	122,362,017.36	125,613,267.20	39,696,704.00	42,077,451.41
Operating Profit/(Loss) before working capital adjustment				
Adjustments for:		127,864,543.44		28,820,897.44
Debtors/Trade receivables	891,634.30		724,438.67	
Inventory	326,950.61		(114,104.50)	
Other current assets	(321,229.50)			
Loans and Advances (Short term)	359,238.00		(607,994.80)	
Current Liability	(47,654,690.51)	(46,398,097.10)	2,807,997.06	2,810,336.43
Net Cash Flows from Operating Activity		81,466,446.34		31,631,233.87
B. Cash Flow from Investment Activity				
Capital Work-in-Progress				-
Sale/(Purchase) of fixed Assets		(19,340,494.17)		(1,689,895.36)
Sale of Investments		-		(4,000.00)
Loans and Advances (Long term)		48,950,934.46		154,370.02
Other loans and advances (Long term)		-		(13,482,518.58)
Net Cash Flows from Investment Activity		29,610,440.29		(15,022,043.92)
C. Cash Flow from Financing Activity				
Addition/(Repayment) of Secured Loans		(112,979,215.00)		(58,716,115.00)
Addition/(Repayment) of Unsecured Loans		2,030,009.03		42,935,884.71
Other long term liability		-		(95,979.50)
Interest paid		(302,969.79)		(282,598.90)
Net Cash Flows from Financing Activity		(111,252,175.76)		(16,158,808.69)
D. Net Increase/(Decrease) in cash & Cash Equivalents		(175,289.13)		450,381.26
E. Opening Balance of Cash & Cash Equivalents		1,978,844.49		1,528,463.23
F. Closing Balance of Cash & Cash Equivalents		1,803,555.36		1,978,844.49

Notes

- Cash and Cash Equivalents include Cash in Hand, Balance with Banks on Current Accounts and Deposit Accounts
- 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.
- Previous year figures have been rearranged/regrouped wherever necessary
- This is the Cashflow Statement referred to in our report of even date.

As per our report of even date attached

For PRIMA AGRO LTD

For VIJAYAKUMAR & EASWARAN
CHARTERED ACCOUNTANTS
FRN: 0047035

SANJAY GUPTA
MANAGING DIRECTOR

S.K. GUPTA
DIRECTOR

K. EASWARAN PILLAI, F.C.A
SENIOR PARTNER
Membership No: 022062

Place : Cochin

Date : 25/05/2013

PRIMA AGRO LIMITED

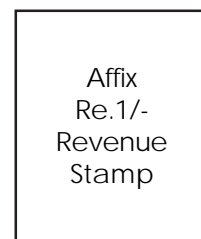
Regd.Office: " Door No: V/679-C , Industrial Development Area , Muppathadam P O ,
Edayar, Cochin – 683 110, Kerala

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 ofas my/our
proxy to vote for me/us, on my/our behalf at the 26th Annual General Meeting of the members of the
Company to be held on Friday the 30th August, 2013 at 10.00. a.m. at its Regd.Office: " Door No: V/
679-C , Industrial Development Area , Muppathadam P O , Edayar, Cochin – 683 110 on Kerala, India
and at any adjournment thereof.

Signed atthis.....day of.....2013

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: " Door No: V/679-C , Industrial Development Area , Muppathadam P O ,
Edayar, Cochin – 683 110, Kerala

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 26th Annual General Meeting of the Members of the Company being
held on Friday the 30th August, 2013 at 10.00. a.m. at Regd.Office: " Door No: V/679-C, Industrial
Development Area, Muppathadam P O, Edayar, Cochin – 683 110, 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

"Door No: V/679-C, Industrial Development Area,
Muppathadam P O, Edayar, Cochin – 683 110,

FORMAT FOR REGISTERING EMAIL ID

DP/Client ID / Folio No	:
Name of the sole / first holder	:
Postal Address	:
Email Address	:
Signature	:



**ANNEXURE
FORM A**

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	
2.	Annual financial statements for the year ended	
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time / repetitive / since how long period
5.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	

FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	PRIMA AGRO LTD
2.	Annual financial statements for the year ended	31st March, 2013.
3.	Type of Audit observation	Qualified Opinion
4.	Frequency of observation	Appeared for first time.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p><i>Non - current Investments as per Note 10 consist of investment in shares of Prima Industries Ltd valued at cost amounting to Rs 1,01,95,280/-, as on 31st March, 2013, it has been identified that there is a decline in the value of investment which is not temporary in nature. The standards laid down by AS-13 on 'Accounting for Investments' provides that where the decline in the value of investment is not temporary in nature, then the carrying amount of investments should be reduced by the amount of such decline and the resultant reduction should be charged to the Profit & Loss A/c. the company has not charged such decline to the Profit and Loss A/c.</i></p> <p>Management Response: M/s Prima Industries Ltd is an associate Company of the same group. The operation results of the Company is improving and the decline in the value of investment which is only temporary in nature and in the coming years the share price will become positive and therefore revaluation of investment is not taken in to account for the reporting year.</p>
6.	Additional comments from the board/audit committee chair:	NIL
7.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	<p>For PRIMA AGRO LIMITED</p> <p><i>[Signature]</i> Managing Director</p> <p><i>[Signature]</i></p> <p><i>[Signature]</i></p> <p align="center"> </p>