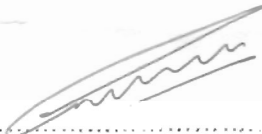

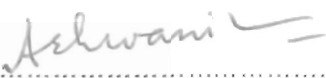


FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	PRIME INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified for Standalone Financial Statements
4.	Frequency of observation	Not Applicable
5.	To be signed by- <ul style="list-style-type: none"> • Mr. Rajindra Kumar Singhania (Managing Director) • Mr. Chanchal Singh (Auditor of the company) • Mr. Ashwani Kumar (Audit Committee Chairman) 	  

PRIME INDUSTRIES LIMITED



NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Members of the Company will be held on Saturday, the 28th day of September, 2013 at 10.00 A.M. at Registered Office of the Company at Village Gobindgarh, Malout Road, Abohar, Ferozepur, Punjab to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the period ended on that date together with the Reports of Directors and Auditors' thereon.
2. To appoint a Director in place of Sh. Harjeet Singh Arora, who retires by rotation and being eligible, offers him self for reappointment.
3. To Appoint Statutory Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Sukhminder Singh & Co., Chartered Accountants, be and are hereby re-appointed as the Statutory Auditor of the Company, to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

4. To consider, approve and ratify the re-appointment of Sh. R.K. Singhania as Managing Director of the Company and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution** :

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 317 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule XIII thereto and/or as per recommendation of the Board of Directors of the Company, consent of the company be and is hereby accorded to the re-appointment of Shri. R.K. Singhania as Managing Director of the Company for a further period of 3 (three) years with effect from 1st August, 2013, upon the terms and conditions including remuneration as set out in the Explanatory Statement annexed hereto, with the liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file the necessary returns with the Registrar of Companies and to do all such acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution without again referring the same to the General Meeting".

**By order of the Board
For Prime Industries Limited**

**Sd/-
(D.S. Minocha)
Director**

**Place: Ludhiana
Date: 14.08.2013**

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIM AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM IS ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE BANK PROXY FORM IS ENCLOSED.

PRIME INDUSTRIES LIMITED



2. The Register of Members and Share Transfer Books of the Company will remain closed from, 23rd September, 2013 to 28th September, 2013 (both days inclusive).
3. Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of the meeting
4. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days during office hours upto the date of the Annual General Meeting.
5. Members holding shares in dematerialized form are requested to notify any change in their address/bank account, to their respective Depository Participants (DPs). Members must quote their Folio Number/ De-mat Account No. (Client Id) in all correspondence with the Company and/or R&T Agent.
6. Members/ Proxies are requested to bring the enclosed attendance slip duly filled in for attending the Annual General Meeting along with Annual Report and hand it over at the gate of the meeting hall affixing their signature on it. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the AGM.
7. Nomination facility is available to the members in respect of shares held by them. Members holding Shares in physical form may obtain the nomination forms from the Company's Registrar and Share Transfer Agent. Members holding Shares in electronic form may obtain the nomination form from their respective Depository Participants.
8. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
9. In terms of Articles of Association of the Company, the Director, Mr. Harjeet Singh Arora liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. The information required to be provided to the Stock Exchange under Clause 49 of the Listing Agreement, regarding reappointment is annexed hereto and form part of the notice.
10. Since the Company's shares are in compulsory demat trading, to ensure better services and elimination of risk of holding shares in physical form, we request our shareholders holding shares in physical form to dematerialize their shares at the earliest.
11. Members holding shares in multiple folios in physical mode are requested to apply for consolidation, to the Company or its Registrar & Transfer Agent.
12. Re-appointment of Mr. Harjeet Singh Arora (Item No.2 of the Notice)

Mr. Harjeet Singh Arora is a Non-Executive Director of the Company.

Brief Resume of Director, qualification & name of other Companies in which he also holds the directorship and the membership of Committees of the Board are as follows:

Date of Birth	21.01.1953
Date of Appointment	19.10.1992
Qualification	FCA, FCS
Directorship of the other Companies	<ol style="list-style-type: none">1. Master Trust Limited2. Master Capital Services Limited3. Master Commodity Services Limited4. Master Insurance Brokers Limited5. Master Infrastructure & Real Estate Developers Ltd.6. Master Share & Stock Brokers Limited

PRIME INDUSTRIES LIMITED



	<ol style="list-style-type: none">7. Master Portfolio Services Limited8. Master Projects Private Limited9. Eminent Build well Private Limited10. H.K. Arora Real Estate Services Limited11. Arora Financial Services Limited12. Majestic Auto Limited13. M M Auto Industries Limited14. Prime Agro Farms Private Limited15. Bigbuild Real Estate Private Limited16. Gold Touch Agri Private Limited17. Mansfield Estate Developers Private Limited18. Matria Estate Developers Private Limited19. Megabuild Agri Private Limited
Chairman/ Member of other Committees	NIL

**By order of the Board
For Prime Industries Limited**

**Sd/-
(D.S. Minocha)
Director**

**Place: Ludhiana
Date: 14.08.2013**

PRIME INDUSTRIES LIMITED



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 4

The Board of Directors of the Company, subject to the approval of the Members at the forthcoming Annual General Meeting, had in its meeting held on 30.07.2013 reappointed Mr. R. K. Singhania as the Managing Director of the Company within the meaning of the Companies Act, 1956 for a further period of three years commencing from 1st August, 2013 and ending on 30th July, 2016 on such terms and conditions, as set out in the draft Agreement to be entered into between the Company & Mr. R.K. Singhania.

The draft of fresh agreement to be entered between the Company and Mr. R.K. Singhania contain the following principal terms and conditions

Mr. R.K. Singhania is to be re-appointed for a further period of 3 (three) years i.e. from August 1, 2013 to July 31, 2016 as Managing Director of the Company and he shall devote whole of his time and attention to his services as Managing Director of the Company and shall under the superintendence, control and direction of the Board, perform the duties and exercise the powers as may be entrusted to confer upon by the Board.

Brief Resume of Mr. R.K. Singhania

Date of Birth	15.07.1954
Date of Appointment	01.08.1998
Expertise in specific functional area	More than two decades in Capital Market
Qualification	FCA
Directorship of other Companies	<ol style="list-style-type: none">1. Master Trust Limited.2. Master Capital Services Ltd.3. Master Infrastructure & Real Estate Developers Ltd.4. Master Commodity Services Ltd.5. Master Insurance Brokers Ltd.6. Master Projects (P) Ltd.7. Master Portfolio Services Ltd.8. Prime Agro Farms Private Limited9. Bigbuild Real Estate Private Limited10. Gold Touch Agri Private Limited11. Mansfield Estate Developers Private Limited12. Matria Estate Developers Private Limited13. Megabuild Agri Private Limited
Chairman / Member of other Committees	Chairman of Shareholders'/ Investors' Grievance committee of Master Trust Limited

In consideration of his services as Managing Director, Mr. R. K. Singhania shall receive the remuneration in the following way:

- (i) Salary : At the rate of Rs. 20,000/- (Rupees Twenty Thousand) per month or such higher sum as may from time to time be determined by the Board.
- (ii) Perquisites : Such perquisites and allowances as or may from time to time be allowed to Senior Executives of the Company or as may from time to time be determined by the Board.

Provided that if in any financial year during his term of appointment hereunder, the Company has no profit or its profits are inadequate, he shall for that year be entitled to the above remuneration or such lower remuneration as may from time to time be determined and decided by Board depending upon the effective capital of the Company for the

PRIME INDUSTRIES LIMITED



time being, as per Explanation I to Part II of Schedule XIII of the Act or any statutory modification or amendments thereof.

Provided further that the following perquisites shall not be included in the computation of the ceiling on remuneration in any financial year if the Company has no profit or its profits are inadequate in that financial year –

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax act, 1961,
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- c. Encashment of leave at the end of the tenure.

(iii) In addition to the above, he shall not be entitled to any sitting fees for any Board/Committee meeting.

Notwithstanding anything herein contained, either party shall be entitled to determine his appointment by giving three months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, his appointment shall stand terminated. The Company shall also be entitled to terminate his appointment on giving him three month's salary as specified above.

The re-appointment and remuneration of Mr. R.K. Singhania, Managing Director of the Company requires the approval of the Members of the Company in general meeting in terms of paragraph (1) of the Part II of Schedule XIII to the Act.

This may also be treated as an abstract of the agreement to be entered into between Mr. R.K. Singhania and the Company pursuant to Section 302 of the Companies Act, 1956.

Mr. R.K. Singhania, being the appointee is concerned or interested in this resolution. No other Director is concerned / interested.

**By order of the Board
For Prime Industries Limited**

**Sd/-
(D.S. Minocha)
Director**

**Place: Ludhiana
Date: 14.08.2013**

PRIME INDUSTRIES LIMITED

Regd. Office: Village Gobindgarh, Malout Road, Abohar (PB)
Corporate Office: Master Chamber, SCO-19, Feroze Gandhi Market, Ludhiana

PROXY FORM

Folio No. _____

Client ID/DP ID _____

Name of Shareholder/Joint Shareholder _____

Address _____

I/We being member(s) of the Company, hereby appoint _____ resident of _____ or failing him/her, _____ resident of _____ as my/our Proxy to attend and vote for me/us, and on my/our behalf at the 21st

Annual General Meeting of the Company to be held on Saturday, the 28th September, 2013 at 10.00 A.M. at Registered Office of the Company and at any adjournment thereof.

Signed on this _____ day of _____ 2013

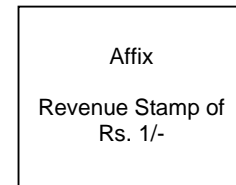
FOR OFFICE USE ONLY

Proxy No. _____

Folio No. _____

Client ID/DP ID _____

No. of Shares _____ Signature _____



Notes:

- a) The Proxy must be deposited at the Registered Office of the Company at least 48 hours before the time of holding the meeting.
- b) A Proxy need not be a member of the Company.

✂-----

PRIME INDUSTRIES LIMITED

Regd. Office: Village Gobindgarh, Malout Road, Abohar (PB)
Corporate Office: Master Chamber, SCO-19, Feroze Gandhi Market, Ludhiana
(ATTENDANCE SLIP to be filled in and handed over at the entrance of the meeting hall)

Folio No. _____

Client ID/DP ID _____

Name of Shareholder/Joint Shareholder/Proxy _____

Address _____

No. of Shares _____

I/We hereby record my/our presence at the 21st Annual General Meeting held on Saturday, the 28th September, 2013 at 10.00 A.M. at the Registered Office of the Company.

SIGNATURE OF THE MEMBER(S)/PROXY(S) PRESENT _____



21st Annual Report

2012-2013



Prime Industries Limited

PRIME INDUSTRIES LIMITED



BOARD OF DIRECTORS

MANAGING DIRECTOR

Mr. R.K. Singhania

DIRECTORS

Mr. Harjeet Singh Arora
Mr. Ashwani Kumar
Mr. Darshanjit Singh Minocha

BANKERS

Oriental Bank of Commerce, Feroze
Gandhi Market, Ludhiana

HDFC, Feroze Gandhi Market, Ludhiana

AUDITORS

Sukhminder Singh & Co.
Chartered Accountants,
170-Model House
Ludhiana-141002

REGISTERED OFFICE

Village Gobindgarh, Malout Road
Abohar (Punjab)

HEAD OFFICE

Master Chambers, 19, Feroze Gandhi
Market, Ludhiana

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PRIME INDUSTRIES LIMITED



DIRECTORS' REPORT

To

The Members

Your Directors are pleased to present the 21st Annual Report and the Audited Accounts of the Company for the year ended 31st March 2013.

1. FINANCIAL RESULTS:

The Financial Results for the period 1st April, 2012 to 31st March, 2013 are as under.

Particulars	(Rs. in lacs)	
	2012-13	2011-12
Operating & Other Income	48.00	174.33
Profit (Loss) before tax	(2.50)	(5.77)
Provision for Tax		
- Current	--	--
- Deferred Tax	(1.1)	(0.65)
Profit (Loss) after Tax (PAT)	(1.40)	(5.12)

2. MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, your Company has registered gross operating & other income Rs. 48.00 lacs as compared to Rs. 174.33 lacs in previous year.

3. PROFITABILITY

The Company has incurred a loss of Rs. 1.40 lacs during the year as compared to loss of Rs. 5.12 lacs of the previous year.

4. DIVIDEND

Keeping in view the results of operations, your Directors are unable to recommend dividend for the year under review.

5. DIRECTOR(S)

In accordance with the provisions of the Articles of Association of the Company and of the Companies Act, 1956, Mr. Harjeet Singh Arora, Director of the Company is retiring by rotation at the forthcoming Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

The tenure of Mr. R.K. Singhania as Managing Director expire on 31st July, 2013. Your Directors in their meeting held on 30.07.2013 have reappointed him as Managing Director for a further period of 3 years, subject to approval of Shareholders in the ensuing Annual General Meeting. The Principal terms and conditions of reappointment are furnished in the explanatory Statement annexed to the notice of the ensuing Annual General Meeting.

6. ADEQUACY OF INTERNAL CONTROL

The Company has a proper and adequate system of internal control, to ensure that all assets are safeguarded, properly utilized and protected against loss from unauthorized use or disposition and those transactions are authorized & recorded by the concerned departments properly and reported to the Audit Committee/Board.

7. PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder and as such, no amount on account of principal or interest on Public Deposits was outstanding on the date of the Balance Sheet.

8. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance to the provisions of Section 217(2AA) of the Companies Act, 1956, we, the Directors confirm that:

- i) In the preparation of the accounts, the applicable accounting standards have been followed along with proper explanations and there are no material departures from the same.
- ii) Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of your Company for that period.



- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis except in respect of manufacturing activities which have been discontinued.

9. AUDITORS

The retiring Auditors, namely, M/s Sukhminder Singh & Co., Chartered Accountants, Ludhiana, hold office until the conclusion of forthcoming Annual General Meeting (AGM) and being eligible, seek their re-appointment. The Statutory Auditors have furnished a certificate to the effect that their re-appointment, if made, at the ensuing AGM, will be within the limits prescribed under sub-section (1B) of Section 224 of the Companies Act, 1956 and that they are not beneficially holding any security or interest in the Company as defined under Section 226(3) of the said Act. Members are requested to consider their re-appointment and authorize the Board of Directors to fix their remuneration for the year 2013-14. Your Directors' recommend their re-appointment.

10. AUDITORS' REPORT

The Auditors' Report on the Accounts of the Company for the period under review is self – explanatory and requires no comments.

11. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled "Report on Corporate Governance" has been included in this Annual Report. Your Director are pleased to report that your company fully adheres to the standards set out by the Securities & Exchange Board of India's Corporate Governance Practices and has implemented all of its stipulations. A certificate from the Company's Statutory Auditors in terms of Clause 49 of the Listing Agreement is annexed to and forms part of the Directors' Report. The CEO certificate duly signed forming part of the Corporate Governance Report, has been submitted to the Board. All Board Members have also affirmed compliance to the Code of Conduct.

12. HUMAN RESOURCE DEVELOPMENT

The Company always follows the policy of creating a healthy environment and work culture resulting into harmonious inter-personnel relations. The relations at all levels of the Company have remained very cordial throughout the year.

13. PARTICULARS OF EMPLOYEES

During the period under review, no employee received salary in excess of the limits as prescribed under the Act. Accordingly, no particulars of employees are being given pursuant to Section 217(2A) of the Companies Act, 1956.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information with respect to conservation of energy, absorption, foreign exchange earnings and outgo pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable at present because there were no manufacturing activities in the Company during the year under review.

15. ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the support and cooperation of all Company's stakeholders and Associates for their continued and valuable co-operation and support to the Company from time to time.

FOR AND ON BEHALF OF
FOR PRIME INDUSTRIES LIMITED

Date : 30.05.2013
Place : Ludhiana

Sd/-
(R.K.Singhania)
Managing Director

Sd/-
(Harjeet Singh Arora)
Director

PRIME INDUSTRIES LIMITED



CORPORATE GOVERNANCE REPORT

In compliance of the Listing Agreement the Board of Directors furnishes its report on Corporate Governance as under:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to ensure fairness to the stakeholders, collective decision making and making full disclosures and observing business ethics in discharge of its corporate responsibilities.

2. BOARD OF DIRECTORS

The composition, attendance and other memberships of Committees of the Board of Directors of the Company is given below:

Name of the Director	Category	Attendance at the last AGM	No. of Board meetings attended	No. of Directorships and Committee Membership / Chairmanship in other Companies		
				Directorship	Committee Chairmanship*	Committee membership*
Mr. R. K. Singhania	Managing Director	Present	4	13	1	-
Mr. Harjeet Singh Arora	Non-Executive	Present	4	19 [#]	-	-
Mr. Ashwani Kumar	Independent Non Executive Director	No	2	7	5	4
Mr. Darshanjit Singh Minocha	Independent Non Executive Director	Present	4	-	-	-

* For the purpose of Clause 49, the Committees considered are Audit Committee and Shareholders/ Investors Grievance Committee of Public Limited Companies.

It includes 7 Private Limited Companies.

The Board Meeting(s) were held on 15.05.2012, 14.08.2012, 25.08.2012, 09.11.2012 & 14.02.2013.

3. AUDIT COMMITTEE

To ensure the independence of the Committee, the Audit Committee is comprised of Non- Executive Director's viz. Mr. Harjeet Singh Arora, Mr. Darshanjit Singh Minocha and Mr. Ashwani Kumar. All the Members of Audit Committee are qualified and having insight to interpret and understand financial statements.

Mr. Ashwani Kumar is presently the Chairman of Audit Committee. The Statutory Auditors, Head of Accounts Department are permanent invitees to the Committee meetings. The terms of reference of the Audit Committee are specified on the pattern as contained in Section 292A of the Companies Act, 1956 and also clause 49 of the Listing Agreement.

The Audit Committee met five times during the year on 15.05.2012, 14.08.2012, 24.08.2012, 09.11.2012 & 14.02.2013

4. DIRECTOR'S REMUNERATION

a) Managing Director/Executive Director

The Company has not constituted the Remuneration Committee. The Company paid the remuneration to the Managing Director as approved by the members of the Company in the General Meeting held in F.Y 2008. Detail of remuneration paid to the Managing Director during the Financial Year 2012-13 is given below:

Name	Designation	Remuneration paid during the year.
Mr. R.K. Singhania	Managing Director	Rs. 2,40,000/-

b) Non-Executive Directors

Non Executive Directors have not been paid any remuneration during the financial year.

PRIME INDUSTRIES LIMITED



c) Shares held by the Non- Executive Directors

Details of Equity Shares of the Company held by the Non-Executive Directors as on 31st March 2013.

Name of the Director	Category	No. of Equity Shares
Mr. Harjeet Singh Arora	Non Executive Director	66951
Mr. Ashwani Kumar	Independent Non Executive Director	Nil
Mr. Darshanjit Singh Minocha	Independent Non Executive Director	Nil

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders'/ Investors' Grievance committee was constituted to look into the redressal of investors' complaints on various issues. Mr. Harjeet Singh Arora and Mr. D.S Minocha, Director(s) of the Company are Members of the Committee duly constituted by the Board and Mr. Harjeet Singh Arora is the Chairman of the Committee.

The Committee meets as and when required, to deal with the investor related matters etc.

The terms of reference of the Investors' Grievance Committee are in accordance with the Listing Agreement of Stock Exchange as amended from time to time.

There were no outstanding investor complaints as on 31st March 2013.

6. CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct. The Declaration signed by the Managing Director of the Company to this effect is enclosed and form part of this report. The Code has been posted on the Company's website www.primeindustriesltd.com.

7. GENERAL BODY MEETINGS

The detail of last three Annual General Meetings / EOGM is given below:

Year	General Meeting	Location	Date	Time
2012	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	29.09.2012	10.30 A.M
2011	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	29.09.2011	10.30 A.M
2010	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	29.09.2010	10.30 A.M

No special resolutions is passed at AGM/EOGM for last three years.

No resolution was passed through postal ballot during the financial year 2012-13.

The Company has not proposed any special resolution to be conducted through postal ballot.

8. DISCLOSURES

During the year, there was no significant transaction with the Directors, management, their relatives etc. that have any potential conflict with the interest of the Company at large.

- There has been no instance of the non-compliance by the Company on any matter related to capital market during the last three years.
- Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Note No. 16.6 of the Notes to the Accounts attached with the Financial Statements for the year ended March 31, 2013. The details of the Related Party transactions are placed periodically before and reviewed by the Company's Audit Committee.
- No treatment different from accounting standards prescribed by the Institute of Chartered Accountants of India, has been followed while preparing the financial statements. The Guidelines on Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the company.
- The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and has not followed the non mandatory requirements.

PRIME INDUSTRIES LIMITED



9. MEANS OF COMMUNICATION

The Company communicates with the shareholders at large through its Annual Report, publication of financial results and by filing of various reports and returns with the statutory bodies like Stock Exchanges and Registrar of Companies. The quarterly results are published in newspapers and are displayed on the website of the Company www.primeindustriesltd.com.

10. AUDIT QUALIFICATIONS

There is no Audit qualifications pertaining to the financial results and require no comments.

11. GENERAL INFORMATION FOR SHAREHOLDERS.

1. 21st Annual General Meeting :

Date : 28.09.2013 (Saturday)
 Time : 10.00 A.M.
 Venue : Regd. Office: Village Gobindgarh, Malout Road, Abohar.

2. Financial Year (Tentative) : 1st April, 2013 to March 31, 2014

Tentative calendar of events for the Financial Year 2013-14 is

First Quarterly Results : on or before 14th August, 2013
 Second Quarterly Results : on or before 14th November, 2013
 Third Quarterly Results : on or before 14th February, 2014
 Fourth Quarterly Results : on or before 30th May, 2014

3. Date of Book Closure : 23.09.2013 to 28.09.2013 (both days inclusive)

4. Listing :

The securities of the Company are presently listed on the following Stock Exchanges:

1. The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai.
2. The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Calcutta.

The Company had applied for delisting in Calcutta Stock Exchange Association Ltd since 2006 and the matter is pending on their side.

5. Stock Code/ ISIN No.

1. The Calcutta Stock Exchange Association Ltd. : 26155
2. The Bombay Stock Exchange Ltd. : 519299

Demat International Security Identification Number (ISIN) in NSDL and CDSL for equity shares: INE543F01010.

6. Stock Market Data

The monthly high, low and closing price of Equity Shares etc. of Prime Industries Limited at The Bombay Stock Exchange Limited and BSE Sensex is given below:

Month	Company			BSE Sensex		
	High Price	Low Price	Close Price	High Price	Low Price	Close Price
Apr-2012	10.50	10.50	10.50	17664.10	17010.16	17318.81
May-2012	11.10	10.80	11.00	17432.33	15809.71	16218.53
Jun-2012	11.10	10.90	11.00	17448.48	15748.98	17429.98
Jul-2012	11.00	8.85	8.85	17631.19	16598.48	17236.18
Aug-2012	9.60	9.20	9.60	17972.54	17026.97	17429.56
Sep-2012	9.45	8.54	8.54	18869.94	17250.80	18762.74
Oct-2012	8.80	8.80	8.80	19137.29	18393.42	18505.38
Nov-2012	--	--	--	19372.70	18255.69	19339.90

PRIME INDUSTRIES LIMITED



Dec-2012	--	--	--	19612.18	19149.03	19426.71
Jan- 2013	9.00	9.00	9.00	20203.66	19508.93	19894.98
Feb-2013	--	--	--	19966.69	18793.97	18861.54
Mar-2013	8.56	7.36	7.36	19754.66	18568.43	18835.77

7. Registrar and Share Transfer Agent:

Pursuant to the circular issued by the Securities & Exchange Board of India, the Company has assigned the physical share transfer work to M/s Skyline Financial Services Ltd. Now the work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt at single point with:

Skyline Financial Services (P) Ltd.

D-153/A, First Floor,
Okhla Industrial Area,
Phase-I, New Delhi
Ph: 011-26812682/83/84, Fax: 011-26812681
Email: admin@skylinerta.com

8. Share Transfer System

The Shares of the Company are traded in the compulsory demat mode for all investors. Shares sent for transfer in physical form are registered within a fortnight (If in order and complete in all respect) and then returned the same to the respective shareholders duly transferred in their names.

Your Company has appointed a SEBI registered Registrar & Transfer Agent viz Skyline Financial Services (P) Ltd. for looking after both physical and electronic share transfer work of the company.

The shareholders are requested to send all shares in physical form for transfer as well demat/remat requests to the Registered Office of the Company and/or to the Registrar & Share Transfer Agent of the Company i.e Skyline Financial Services (P) Ltd.

The Company has constituted a Share Transfer Committee of its Directors. The Share Transfer Committee meets as and when required to consider transfer/ transmission /demat/ remat cases and other allied matters.

9. Distribution of Shareholding Pattern of the Company as on 31.03.2013

Sr. No.	Category	No. of Shares	% of shares
1	Promoters	3201203	40.52
2	Bodies Corporate	2334245	29.55
3	Other Individual public	1214152	15.36
4	NRI	263500	3.34
5	Bank/ FIIS	886900	11.23
Total		7900000	100.00

10. Break-up of Equity /Dematerialization of Shares

Category	No. of Shares					
	Physical	%	Demat	%	Total	%
Promoters	2653403	33.59	547800	6.93	3201203	40.52
Non-Promoters	3471297	43.94	1227500	15.54	4698797	59.48
TOTAL	6124700	77.53	1775300	22.47	7900000	100.00

11. During the financial year ended on 31st March, 2013, the Company has not issued any GDRs / ADRs/ Shares/ Warrants.

PRIME INDUSTRIES LIMITED



12. Address for Correspondence

Head Office : Master Chambers
SCO 19, Feroze Gandhi Market,
Ludhiana – 141 001 (Pb).
Tele. No. : 0161-2410557-58, 3911525
Fax No. : 0161-2402963
Designated E-mail : prime_indust@yahoo.com

13. Compliance Officer:

Presently, Sh. R.K. Singhania, Managing Director of the Company is Compliance Officer of the Company.

PRIME INDUSTRIES LIMITED



CEO CERTIFICATE

Pursuant to Clause 49 (V) of the Listing Agreement of the Stock Exchanges, we hereby certify that:

- a. We have reviewed the financial statements and the Cash Flow Statement for the year ended on 31.03.2013 and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. 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 we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee:
 - I. significant changes, if any, in internal control over financial reporting during the year;
 - II. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - III. that no instances of significant fraud have come to our notice.

FOR PRIME INDUSTRIES LIMITED

Place: Ludhiana
Date: 30.05.2013

**Sd/-
(R.K.Singhania)
Managing Director**

CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

This is to state that the Company had duly adopted a Code of Conduct. After adoption of the Code of Conduct, the same was circulated to all the Board Members and Senior Management Personnel for compliance. It is affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct and have a confirmation in this regard.

FOR PRIME INDUSTRIES LIMITED

Place: Ludhiana
Date: 30.05.2013

**Sd/-
(R.K.Singhania)
Managing Director**

PRIME INDUSTRIES LIMITED



AUDITORS' CERTIFICATE

Auditor's Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To

The Members,

Prime Industries Limited

We have examined the compliance of conditions of Corporate Governance by Prime Industries Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

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 the Management, We certify that the Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 in above mentioned Listing Agreement.

We 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.

Place: Ludhiana

Date: 30.05.2013

For Sukhminder Singh & CO.

Chartered Accountants

Firm Registration Number 016737N

Sd/-

(Chanchal Singh)

Partner

Membership No. 90835



AUDITOR'S REPORT

To

**The Members
Prime Industries Limited.
Abohar.**

We have audited the attached Balance Sheet of Prime Industries Limited, Malout Road, Abohar as at 31.03.2013 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- 1) As required by the Companies (Auditor's Reports) Order 2003 issued by the Central Government of India in terms of sub-section, (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
- 2) Further to our comments in the annexure referred in paragraph (1) above we state that:-
 - i) 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.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of such books.
 - iii) The Balance Sheet and Statement of Profit and Loss and Cash Flow Statement, dealt with by this report are in agreement with the books of accounts.
 - iv) In our opinion the Balance Sheet and Statement of Profit And Loss and Cash Flow Statement comply materially with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, in so far as they apply to company.
 - v) Based on representation made by the directors and taken on record by the Board, we report that none of the directors is disqualified as on 31.3.2013 from being appointed as a director in terms of clause (g)

of subsection (i) of section 274 of the Companies Act, 1956.

- vi) In our opinion and to the best of our information and according to the explanation given to us, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement read with the other notes, thereon and attached there to give in the prescribed manner, the information required by the Act, and give respectively a true and fair view in conformity with the accounting principal generally accepted in India :-
 - a. In the case of the Balance Sheet, of the State of Affairs of the Company as at 31.03.2013
 - b. In the case of Statement of Profit and Loss, of the Loss for the year ended on that date.
 - c. In the case of the Cash flow Statement, of the cash flows for the year ended on that date.

**For Sukhminder Singh & Co.
Chartered Accountants
Firm Registration Number 016737N**

Place: Ludhiana
Date: 30.05.2013

**Sd/-
(Chanchal Singh)
Partner
Membership No. 90835**

ANNEXURE TO THE AUDITORS REPORT (Referred to in paragraph (1) of our report of even date)

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the management has physically verified certain fixed assets during the year and no serious discrepancies have been noticed. In our opinion, the frequency of verification of fixed assets is reasonable. To the best of our knowledge, no material discrepancies have been noticed on verification.
- c) The Company had discontinued the manufacturing operations in previous years and a substantial part of the Machinery/Building held for disposal has already been sold in the previous years. The Company is not a going concern with respect to manufacturing activities, however the company is going concern with respect to Securities/Real Estate business wherein it is presently involved.

PRIME INDUSTRIES LIMITED



2. a) The inventory has been physically verified during the year by the management and in our opinion the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the Company is reasonable and commensurate with the size of company and the nature of its business.
- c) The Company is maintaining proper record of inventory. The discrepancies noticed on verification between the physical inventory and book records were not material and the same have been properly dealt with in the books of accounts.
3. In respect of loans, secured or unsecured, granted or taken by the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - a) During the year, the Company has taken loan from one party, The outstanding balance at the end of the year was Rs. 1.34 Lacs Cr. (Previous year Rs.956.78 Lacs Cr.). The maximum amount involved during the year for Loan taken is Rs. 956.78 Lacs.
 - b) In our opinion and according to the information and explanation given to us, the rate of interest wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - c) In respects of loan granted to the Company these are repayable on demand and therefore the question of overdue amounts does not arise.
4. In our opinion, and according to the information and explanation given to us during the course of audit, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
5. a) Based upon the audit procedures applied by us and according to the information and explanation given to us, we are of the opinion that the transactions required to be entered into the register maintained under section 301 of the Act, 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 or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rupees five lacs or more in respect of each party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
6. The Company has not accepted any deposits from public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
7. In our opinion, the Company has an adequate system of internal audit which is Commensurate with the size and nature of its business.
8. As the Company has discontinued the manufacturing operation, maintenance of cost records prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 are not applicable.
9. The Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, income Tax, Sales Tax, Wealth Tax, Custom' Duty, Cess and other statutory dues with the appropriate authorities wherever applicable. No amount was outstanding for more than six months as on the date of Balance Sheet from the date they become payable. Disputed liability for Sale tax Assessment for 2002-03 of Rs 90.02 Lacs has already been settled in favour of company vide order dated 13 October 2010 of VAT Tribunal Punjab. As informed to us by management, the status of appeal by the department to higher authorities is not clear as no official notice has been received.
10. The accumulated losses of the Company at the end of the financial year exceed more than 50% of the Net Worth as on 31/03/2013. There are no cash losses during the current year.
11. According to the information and explanations given to us and as per books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares debentures and other securities.

PRIME INDUSTRIES LIMITED



13. The Company does not fall within the category of Chit fund/ Nidhi/ Mutual Benefit fund/Society and hence the related reporting requirements are not applicable.
14. The Company is dealing or trading in shares, securities debentures and other investments and maintaining proper records of transactions and contracts and also timely entries have been made therein. Shares, securities debentures and other securities have been held by the Company in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.
15. The Company has not given any guarantee for loan taken by others from banks or financial institutions.
16. In our opinion, and according to the information and explanations given to us, there is no term loan raised during the year by the Company where end use has been stipulated by the lender.
17. According to the information and explanation given to us, and as per the books and records examined by us, as on the date of balance sheet, the fund raised by the Company on short term basis have not been applied for long term investments.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issues during the year.
21. During the course of our examination of books and records of the Company carried out in accordance with the generally accepted auditing practices in India we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the management.

Place: Ludhiana
Date: 30.05.2013

For Sukhminder Singh & Co.
Chartered Accountants
Firm Registration Number 016737N

Sd/-
(Chanchal Singh)
Partner
Membership No. 90835

PRIME INDUSTRIES LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note	As at 31st March, 2013	As at 31st March, 2012
		Rs. In Lacs	Rs. In Lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	786.34	786.34
Reserves and surplus	2	(678.84)	(7.49)
		107.49	778.85
Deferred tax Liability (net)	21	1.35	2.49
Current liabilities			
Trade payables & Other Liabilities	3	1,923.34	2,335.05
TOTAL LIABILITIES		2,032.18	3,116.38
ASSETS			
Non-current assets			
Fixed assets			
(i) Tangible Assets	4	102.54	105.90
(ii) Fixed Assets Held for Sale	15	17.36	18.31
		119.90	124.22
Non-current investments	5	1,044.48	1,302.03
Long-term loans and advances	6	34.38	17.00
TOTAL NON-CURRENT ASSETS		1,198.76	1,319.02
Current assets			
Inventories	7	67.78	214.92
Trade receivables	8	6.43	0.95
Cash and cash equivalents	9	4.79	53.78
Short-term loans and advances	10	754.42	1,403.50
TOTAL CURRENT ASSETS		833.42	1,673.15
TOTAL ASSETS		2,032.18	3,116.38
Significant Accounting Policies	1 to 22		
Notes on Financial Statements			

As per our Report of even date

For Sukhminder Singh & Co.

Chartered Accountants
Firm Registration Number 016737N

Sd/-
(Chanchal Singh)
Partner
Membership Number 90835
Ludhiana
Date: 30.05.2013

For and on behalf of the Board

Sd/-
R. K. Singhania
Managing Director

Sd/-
Harjeet Singh Arora
Director

PRIME INDUSTRIES LIMITED



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		Rs. In Lacs	Rs. In Lacs
INCOME			
Revenue from operations (gross)	11	48.0	174.3
Total Revenue		48.0	174.3
Expenses			
Employee benefits expense	12	3.9	5.6
Finance costs	13	17.0	1.0
Depreciation and Impairment Loss	4	5.4	5.2
Other expenses	14	24.2	168.4
Total Expenses		50.5	180.1
Profit before tax		(2.5)	(5.8)
Tax expense:			
Deferred tax		(1.1)	(0.6)
Current tax expense relating to prior years		0.0	(0.0)
Profit for the year		(1.4)	(5.1)
Provision for Diminution in Value of Investments		(670.0)	0.0
Profit for the year after Provisions		(671.4)	(5.1)
Earnings per equity share of face value Rs. 10 each			
Basic and Diluted (in Rs.)		(8.49)	(0.1)
Weighted average number of shares outstanding		7900000.0	7900000.0
Significant Accounting Policies			
Notes on Financial Statements	1 to 22		

As per our Report of even date

For Sukhminder Singh & Co.
Chartered Accountants
Firm Registration Number 016737N

For and on behalf of the Board

Sd/-
(Chanchal Singh)
Partner
Membership Number 90835
Ludhiana
Date: 30.05.2013

Sd/-
R. K. Singhania
Managing Director

Sd/-
Harjeet Singh Arora
Director

PRIME INDUSTRIES LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Rs. in Lacs		Rs. in Lacs	
A. Cash flow from operating activities				
Net Profit/Loss() before tax and extraordinary items		(2.50)		(5.77)
<i>Adjustments for:</i>				
Depreciation and amortisation	5.41		5.18	
Provision for Diminution in Value of Investment	(670.00)		6.42	
Interest Paid	16.97	(647.63)	0.85	12.45
Operating profit before working capital changes		(650.13)		6.68
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	147.14		(102.25)	
Trade receivables	(5.47)		135.77	
Short-term loans and advances	649.08		326.99	
Long-term loans and advances	(17.39)		(7.06)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(411.70)		(274.40)	
		361.65		79.05
		(288.48)		85.73
Cash flow from extraordinary items				
Cash generated from operations		(288.48)		85.73
Net income tax (paid) / refunds				0.00
Net cash flow (used in) from operating activities (A)		(288.48)		85.73
B. Cash flow from investing activities				
Purchase of fixed assets		(1.09)		(0.11)
Sale of fixed assets				5.00
Purchase of Investment		257.54		(40.94)
Net cash flow (used in) investing activities (B)		256.45		(36.05)
C. Cash flow from Financing activities				
Interest Paid		(16.97)		(0.85)
Net Increase/(decrease) in Cash and cash equivalents (A+B+C)		(48.99)		48.83
Cash and cash equivalents at the beginning of the year		53.78		4.95
Cash and cash equivalents at the end of the year		4.79		53.78

As per our Report of even date

For Sukhminder Singh & Co.
Chartered Accountants
Firm Registration Number 016737N

Sd/-
(Chanchal Singh)
Partner
Membership Number 90835
Ludhiana
Date: 30.05.2013

For and on behalf of the Board

Sd/-
R. K. Singhania
Managing Director

Sd/-
Harjeet Singh Arora
Director



SIGNIFICANT ACCOUNTING POLICIES

A	<p>Basis of Preparation of Financial Statements The financial statements are prepared on historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) and applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of Companies Act, 1956 and on the basis of going concern .</p>
B	<p>Fixed Assets I) Fixed assets other than plant and machinery and building(which are held for disposal) are stated at cost of acquisition including taxes, duties and other direct and indirect expenses incidental to acquisition and installation / construction. The plant and machinery and building are held for disposable and are stated at realizable value. II) The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indications of impairment thereof, based on external /internal factors. Impairment loss has been recognized and charged to Statement of profit & loss . III) Depreciation on fixed assets other than Plant & Machinery and Building held for disposal is provided on straight line method in the manner and at the rates specified in schedule XIV/No.GSR/756(E) Dated 16 Dec.1992. In respect of plant and machinery & building held for disposal no depreciation is provided and only the impairment loss is provided.</p>
C	<p>Depreciation and Amortisation Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.</p>
D	<p>Impairment of Assets The company is making an assessment whether any indication exists that an asset has been impaired at the end of the year. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of accounts.</p>
E	<p>Investments Long term investments are valued at cost unless there is a decline in value other than temporary. Current investments are stated at lower of Cost or Fair Value.</p>
F	<p>Inventories Inventories are valued at the lower of cost and the net realisable value.</p>
G	<p>Revenue Recognition The company follows the mercantile system of accounting and recognizes profit or loss on that basis.</p>
H	<p>Employee Benefits The Company has provided the provision for the gratuity and charges to revenue. Provident /Pension Fund are not applicable.</p>
I	<p>Borrowing Costs Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.</p>
J	<p>Taxes on income Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p>
K	<p>Provisions and contingencies Contingent liabilities, if material, are disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements, A provision is recognized when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation.</p>

PRIME INDUSTRIES LIMITED



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 Share capital

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Amount (Rs. In Lacs)	Number of shares	Amount (Rs. In Lacs)
Authorised				
Equity shares of Rs.10 each	8,000,000	800.00	8,000,000	800
Issued				
Equity shares of Rs.10 each	7,900,000	790.00	7,900,000	790.00
Subscribed and fully paid up				
Equity shares of Rs.10 each	7,826,700	782.67	7,826,700	782.67
Subscribed but not fully paid up				
Equity shares of Rs.10 each	73,300	3.67	73,300	3.67
Total	7,900,000	786.34	7,900,000.00	786.34

1.1 The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share.

1.2 Calls unpaid by others Rs. 3,66,500/- (As at 31 March, 2012 Rs. 3,66,500/-)

1.3 The details of shareholders holding more than 5% shares:

Name of the shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% of holding	Number of shares held	% of holding
Master Trust Ltd	1,569,800	19.87	1,569,800	19.87
Saintco India (P) Ltd	500,000	6.33	500,000	6.33
Master Infrastructure & Real Estate Developers Ltd	428,000	5.42	428,000	5.42
G.S. Auto Leasing Ltd	635,400	8.04	-	-
Shambuka Agro Pvt Ltd	414,000	5.24	414,000	5.24
Shivalik Securities Ltd	431,493	5.46	431,100	5.46
Punjab State Industrial Development Corporation Ltd	885,000	11.20	885,000	11.20

1.4 The reconciliation of the number of shares and amount outstanding is set out below :

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Amount (Rs. in Lacs)	Number of shares	Amount (Rs. in Lacs)
Equity Shares at the beginning of the year	7,900,000	786.34	7,900,000	786.34
Equity Shares at the end of the year	7,900,000	786.34	7,900,000	786.34

PRIME INDUSTRIES LIMITED



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2 Reserves and surplus

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs. In Lacs	Rs. In Lacs
a) Capital Reserve		
As per last Balance Sheet	92.50	92.5
b) Revaluation Reserve		
As per last Balance Sheet	69.8	69.8
	162.3	162.3
c) Profit and Loss Account		
Surplus/(Deficit) in Statement of Profit & Loss:		
As per last Balance Sheet	(169.75)	(163.6)
Add: Profit/(Loss) for the year	(1.4)	(5.1)
Provision for Gratuity related to previous years	-	(1.0)
Provision for Diminution In Investments	(670.0)	
Closing balance	(841.1)	(169.7)
Total	(678.8)	(7.5)

Note 3 Trade Payable & Other Liabilities

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs. In Lacs	Rs. In Lacs
Trade payables & Other Liabilities	1,923.34	2335.0
Total	1,923.34	2335.0

PRIME INDUSTRIES LIMITED



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 4 Fixed Assets

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1st April, 2012	Additions	Disposals/Adjustment	Balance as at 31st March, 2013	Balance as at 1st April, 2012	Depreciation expense for the year	Impairment Loss	Balance as at 31st March, 2013	Balance as at 31st March, 2013	Balance as at 31st March, 2012
Land	96.76	-	-	96.76	-	-	-	-	96.76	96.76
Furniture & Fitting	6.80	0.42	-	7.22	5.67	0.44	-	6.10	1.12	1.13
Vehicles	41.51	-	-	41.51	34.80	3.94	-	38.75	2.77	6.71
Office Equipments	16.58	-	-	16.58	15.28	0.06	-	15.34	1.24	1.30
Computer	-	0.67	-	0.67	-	0.01	-	0.01	0.65	1.30
Total	161.65	1.09	-	162.74	55.75	4.46	-	60.19	102.54	105.90
Previous year	161.54	0.11	-	161.65	50.57	5.18	-	55.75	105.90	

Note 5 Non-current investments

Particulars	As at 31st March 2013			As at 31st March 2012		
	Quoted *	Unquoted	Total	Quoted *	Unquoted	Total
Investments (At cost):						
Investment in equity instruments						
of associates						
593598 (As at 31 March 2012: 52600) Equity shares of Rs.10 each fully paid up in Master Trust Ltd.	266.00	-	266.00	34.89	-	34.89
of other entities	-	-	-	-	-	-
1000000 (As at 31 March 2012: 1500000) Equity shares of Rs.10 each in SEL Manufacturing Ltd	700.00	-	700.00	1,050.00	-	1,050.00
920559 (As at 31 March 2012: 975503) Equity Shares of Creative Infra @ Rs.10 each	49.61	-	49.61	-	51.91	51.91
375000 (As at 31 March 2012: 0) Equity shares of Rs.10 each in Gala Finance Ltd	-	37.50	37.50	-	-	-
328813 (As at 31 March 2012: 0) Equity shares of Rs.10 each in Shivalik Securities Ltd	-	32.88	32.88	-	-	-
30887 (As at 31 March 2012: 0) Equity shares of Rs.10 each in Vardhman Holding Ltd	158.14	-	158.14	-	-	-
100 (As at 31 March 2012: 0) Equity shares of Rs.10 each in Convexity Soutions and Advisors Pvt Ltd	-	0.01	0.01	-	-	-
Investments in Land	-	470.34	470.34	-	-	165.23
Total	1173.75	540.73	1,714.48	1084.90	51.91	1302.03
Less: Provision for diminution in value of investments	670.00	-	670.00	-	-	-
Total	503.75	540.73	1,044.48	1,084.89	51.91	1,302.03

* Market Value of Quoted Shares is Rs. 429.44 Lacs (Previous Year Rs. 215.56 Lacs)

PRIME INDUSTRIES LIMITED



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 6 Long-term loans and advances

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs. In Lacs	Rs. In Lacs
Advance income tax (net of provision for tax)	33.10	15.7
Security Deposit	1.29	1.3
Total	34.38	17.0

Note 7 Inventories

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs. In Lacs	Rs. In Lacs
Stock-in-trade (acquired for trading)	67.78	214.9
Total	67.78	214.9

Note 8 Trade receivables

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs. In Lacs	Rs. In Lacs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	0.0	0.0
Trade receivables outstanding for a period less than six months from the date they were due for payment Unsecured, considered good	6.43	0.95
Total	6.43	0.95

PRIME INDUSTRIES LIMITED



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 9 Cash and cash equivalents

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs. In Lacs	Rs. In Lacs
Cash in hand	4.49	4.1
Balances with banks		
In current accounts	0.30	49.6
Total	4.79	53.8

Note 10 Short-term loans and advances

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs. In Lacs	Rs. In Lacs
Advance Recoverable in Cash or in Kind or for Value to be received		
Unsecured, considered good	754.38	1403.2
Prepaid expenses - Unsecured, considered good	0.04	0.3
Total	754	1403.5

PRIME INDUSTRIES LIMITED



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 11 Revenue from operations

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs. In Lacs	Rs. In Lacs
Income from Sale Purchase of Securities/Land/Others	(126.38)	33.6
Rental Income	157.50	140.0
Interest Income	16.36	0.7
Dividend Income	0.53	0.0
Total	48.01	174.3

Note 12 Employee benefits expenses

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs. In Lacs	Rs. In Lacs
Salary,Wages , Other Allownses & Gratuity (Including Directors Remuration Rs.240000 Previous Year Rs.240000)	2.44	4.6
Staff Welfare Exp	1.49	1.0
Total	3.93	5.6

Note 13 Finance costs

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs. In Lacs	Rs. In Lacs
Interest expense on:		
Borrowings	16.97	0.9
Other borrowing costs		
- Bank Charges	0.03	0.11
Total	17.00	0.96

PRIME INDUSTRIES LIMITED



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 14 Other expenses

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs. In Lacs	Rs. In Lacs
Rent, Rate & Taxes	0.34	0.31
Printing & Stationery	0.30	0.36
Bad Debts Account Written off	14.12	148.41
Travelling & Conveyance	1.58	1.41
	0.00	0.00
Legal & Professional Charges	0.38	2.69
Loss on Sale of Fixed Asset	-	6.42
Postage & Telegram, Telephone & Telex	0.60	0.51
Insurance Charges	0.72	0.34
Vehicle Maintenance	1.17	2.12
Other General Exp	4.85	5.71
Payment to Auditors	0.00	0.00
As auditors - statutory audit	0.10	0.10
For taxation matters	0.02	0.02
Total	24.18	168.41

Note 15 Additional Information to Financial Statement Details of Fixed Assets Held for Sale

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs. In Lacs	Rs. In Lacs
Building	16.41	17.31
Plant & Machinery	0.95	1.00
Total	17.36	18.31



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. Notes on Accounts

16 Contingent liabilities

(a) Balances of sundry debtors, loans & advances and creditors are subject to confirmation and reconciliation if any.

(b) The Company has filed legal cases against debtors/advances of Rs.23.12 lacs (previous year 57.00 lacs) for recovery of outstanding amounts. No provision has been considered necessary for the cases filed in current year, since in the opinion of management these debts are recoverable.

17 (a) In the opinion of the Board, all the current assets, Loans & advances having the value on realization in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise.

18 Income from Sales, Purchase of securities, Land, Others include, Income from trading of Land Rs.Nil (Previous Year Rs. 33.89 Lacs), Misc Income Rs Nil (Previous Year Rs 0.02 Lacs), Profit/(loss) on Shares/Derivatives Trading (Rs. 126.37) Lacs (Previous Year (Rs. 0.32) Lacs)

19 The company is primarily engaged in Real Estate and allied activities and there are no separate reportable segments as per Accounting Standard (AS) 17 on "Segment Reporting".

Note

Particulars

20 Related party transactions

20.a Details of related parties:

	Description of relationship	Name			
	Associates/Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives.	Singhania Properties, Crescent Investments, Blue Circle Investments, Sanawar Investments			
	Key Management Personnel (KMP)	Mr. R.K. Singhania and Mr. Harjeet Singh Arora			
	Relatives of KMP	Mr. Puneet Singhania, Mr.Chirag Singhania, Mrs.Parveen Singhania, Mrs.Rohila Singhania			
	Note: Related parties have been identified by the Management.				
	Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013:				Rs.in Lacs
20.b		Associates	KMP	Relatives of KMP	Total
	Interest Paid	13.84	-	-	13.84
		(0.85)	-	-	(0.85)
	Brokerage/Commission Paid	0.78	-	-	0.78
		(0.06)	-	-	(0.06)
	Remuneration	-	2.40	-	2.40
		-	(2.40)	-	(2.40)
	<u>Balances outstanding at the end of the year</u>				
	Loan & Advances taken	1.34	-	-	1.34
		(956.78)	-	-	(956.78)
	Other Trade payables	71.35	-	-	71.35
		(49.65)	(7.35)	(0.52)	57.52



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars	As at 31 March, 2013	As at 31 March, 2012
		Rs. In Lacs	Rs. In Lacs
21	Deferred tax (liability)		
	<u>Tax effect of items constituting deferred tax liability</u>		
	On difference between book balance and tax balance of fixed assets	(1.35)	(2.49)
	Net deferred tax (liability)	(1.35)	(2.49)

Previous year's figures

Note	Particulars
22	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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