

PRIMA INDUSTRIES LIMITED



17th ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS

Shri Sanjay Gupta	: Managing Director
Shri Rajyawardhan Agarwal	: Director
Shri Charley Rodrigues	: Director

AUDITORS

M/s G. Joseph & Associates
Chartered Accountants
Ernakulam

BANKERS

IDBI BANK Ltd
State Bank of India
Bank of India

REGISTERED OFFICE

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

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the Company will be held at Registered Office at Door No: V/679-C, Industrial Development Area, Muppathadam P O, Edayar, Cochin – 683 110 on Wednesday the 28th September, 2011 at 4.00. p.m. for transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts of the Company for the year ended 31st March, 2011 together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Charley Rodrigues who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting.

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The duly filled up Proxy Form should be lodged with the Company at its Registered Office not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 24th September, 2011 to Wednesday, 28th September, 2011 (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.

Place : Cochin
Date : 30.06.2011

By Order of the Board
Sd/-
SANJAY GUPTA
Managing Director

DIRECTORS' REPORT

To

The Members of Prima Industries Limited

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Balance Sheet and Profit and Loss Accounts for the year ended 31st March 2011.

PERFORMANCE

During the year, the Company achieved Turnover of Rs 851.97 Lacs and had incurred a loss of Rs.227.47 Lacs.

Financial Results

Particulars	Current Year 31/03/2011	Previous Year 31/03/2010
	(Rs.Lacs)	(Rs.Lacs)
Turnover	851.97	1197.72
Processing Income	108.16	84.12
Profit Before depreciation	-122.53	-82.24
Depreciation	104.94	104.72
Profit (Loss) after Depreciation & Taxes	-227.47	-186.96

FUTURE PROSPECTS

The Demand for vegetable oils and Animal feeds are on the upward trend. Enhanced capacities are needed for processing oil cakes for oil extraction and refinery. Now, the Company is generating additional income from job works. There will be more opportunities for job works. Your directors are trying to explore these opportunities. Your directors are putting all their efforts to redeem the term loans to financial Institutions under One Time Settlement and to arrange sufficient working capital and they are more optimistic to do better in the years to come.

DIRECTORS

Mr. Charley Rodrigues, Director retires by rotation at the forthcoming 17th Annual General Meeting of the Company. Mr. Charley Rodrigues, Director, being eligible, offers himself for reappointment.

AUDITORS

M/s G. Joseph and Associates, Chartered Accountants, Cochin will retire at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment as also indicated their willingness to be reappointed.

COMMENTS ON THE AUDITORS' REPORT

Auditors Report point No: vi.(1) : The time allowed for One Time Settlement by Banks and Financial Institutions has expired and the settlement was not fully made.

Auditors Report point No: vi.(2) : Interest on Secured Loan are not fully provided as the Company opt for OTS.

Auditors Report point No: vi.(3) : Loan accounts Balances are subject to reconciliation and confirmation.

(Please refer Schedule -16, Notes on Accounts Point No.4.)

The Company is hopeful to pay off the OTS fully during this financial year and when the Company become debt free, the Net-worth will become positive. The Company had already taken initiatives for revocation of suspension of trading in Shares by the BSE and the same will be expected to happen before October 2011.

PERSONNEL AND INDUSTRIAL RELATIONS

Industrial relations of the Company continued to be cordial during the year. Your Directors take this opportunity to record their appreciation for the services rendered by the employees at all levels.

STATUTORY DISCLOSURES

The Company has not accepted any fixed deposits under the provisions of Companies (Acceptance of Deposits) Rules, 1975.

Your Company does not have any employee in respect of whom information under Section 217(2A) of the Companies Act, 1956 as amended, is required to be annexed.

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 required, which 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.

REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

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

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record their sincere gratitude for the assistance extended by Industrial Development Bank of India (IDBI), State Bank of India and Bank of India for their continued support to the company. Your Directors also thank the Management of M/s Kerala Feeds Ltd and other business clients for the extended support to the Company. The Board of Directors wishes to place on record their sincere gratitude to all the employees and share holders for their active support and co-operation.

Place: Cochin
Date: 30.06.2011

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

ANNEXURE TO THE DIRECTORS' REPORT**INFORMATION AS PER SECTION 217(1)(e) AND FORMING PART OF
THE DIRECTORS REPORT****ENERGY CONSERVATION**

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

Total energy consumption and energy consumption per unit of production as prescribed in "form A" is not applicable to the company.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Research and Development:

- | | | |
|--|---|--|
| 1. Specific areas in which R&D carried out by the Company | : | Nil |
| 2. Benefits derived as a result of above R&D | : | NA |
| 3. Future Plan of Action | : | To renovate the existing feed mill and set up an R & D Department with a view to continuously upgrade the quality of final product through Research & Development. |
| 4. Expenditure on R&D | | |
| a. Capital | : | Nil |
| b. Recurring | : | Nil |
| c. Total | : | Nil |
| d. Total R&D expenditure as a percentage of total turnover | : | Nil |

Technology, Absorption, Adoption and Innovation

- | | | |
|---|---|--|
| 1. Efforts, in brief, made towards absorption | : | Latest technology has been adapted and innovation fully implemented. |
| 2. Benefits recorded as a result | : | Production of quality products acceptable to the user Industry. |

3. Particulars of Technology imported during the last 5 years : Nil
- a. Technology imported : NA
- b. Year of import : NA
- c. Has technology been fully absorbed : NA
- d. If not fully absorbed, area where this has not taken place, reasons therefore and future plans of action : NA

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 export plan : The Company has not yet entered the export market. Marketing efforts are being strengthened to explore the possibility of exports.

b. Total Foreign Exchange earned and used

Expenses in Foreign Currency (Travelling)	:	Nil
Capital Goods Import	:	Nil
Raw materials Import	:	Nil
Trading Goods	:	Nil
Others	:	Nil

Place : Cochin
Date : 30.06.2011

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

Annexure

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 endeavors to achieve the highest levels of transparency, accountability, integrity and responsibility by following the best practices in Corporate Governance.

2. BOARD OF DIRECTORS

The Board of Directors comprises 1 Executive and 2 Non-executive Independent Directors. Except for the Managing Director, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

During the year ended 31st March 2011, 8 Board Meetings were held on 30th June, 2010, 31st July, 2010, 10th August, 2010, 08th October, 2010, 30th October, 2010, 10th December, 2010, 30th January, 2010 and 04th March, 2011.

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 31.03.2011	Attendance at		Directorships and Chairmanship / Membership of Board Committees in Other Companies as on 31.03.2011		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
1.Shri.Sanjay Gupta	P,MD	1409866	8	Yes	3	None	None
2.Shri.RajyawardhanAgarwal	NED &I	-	8	Yes	1	1	None
3.Shri Charley Rodrigues	NED &I	500	8	Yes	1	1	1

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

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

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

Reappointment of Directors

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

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

Name of Director	Mr. Charley Rodrigues
Date of Birth	01.06.1937
Date of Appointment	30.10.2001
Qualification	Graduate
Expertise in specific Functional area	Animal Feed Flour Milling & Solvent Extraction

Details of other Directorships:

Name of the Company	Position held	Committee type	Membership status
1. Prima Industries Limited	Director	Audit	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 Charley Rodrigues has expert knowledge of finance and accounting.

During the year ended 31st March 2011, the Committee met 4 times on 29.03.10, 28.06.10, 29.09.10 and 28.01.11.

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

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

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

Name of the member	Category
1. Shri Charley Rodrigues	Chairman & Independent Director Independent Director
2. Shri Rajawardhan Agarwal	

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, 2011 to Managing Director, is as follows:

Shri Sanjay Gupta, Managing Director: NIL

e. Remuneration paid to Non-Executive Directors:

No Remuneration is paid to Non-Executive Directors.

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
Total	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 Charley Rodrigues 2. Shri Rajawardhan Agarwal	Chairman & Independent Director Independent Director

Given below is the position of investor queries / complaints and other correspondences received and attended to during 2010 -2011:

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	Nil
Pending queries / complaints as on 31.03.2011	Nil
Other letters received from shareholders and replied	Nil

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

The shares of the Company are traded in physical form. A table showing the requests received for dematerialisation / transfer during 2010-2011 is given below –

	Transfers	
	No. of requests	No. of shares
Lodged	Nil	Nil
Processed	Nil	Nil
Objections	Nil	Nil
Pending as on 31.03.2011	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
2007-08	Prima House, 31/536, South Kalamassery	27.09.2008	4.00 p.m.	None
2008-09	Prima House, 31/536, South Kalamassery	29.09.2009	4.00 p.m.	None
2009-10	Prima House, 31/536, South Kalamassery	29.09.2010	4.00 p.m.	None

No Extra- Ordinary General Meeting was held during the year 2010-2011.

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. Shares have been suspended from Trading by Bombay Stock Exchange w.e.f.13.03.2003 due to non-payment of listing fee. All pending amounts have been paid and the Company's shares are being admitted for trading.

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) 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 30th June, 2011.

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 : 28th September 2011 – 4 .p.m.
 Venue : Door No,V-679/C,Industrial Development Area,
 Muppathadam, Edayar. Cochin - 683110.

Financial Calendar 2010-11

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 : 24th September 2011 to 28th September 2011
 (Both days inclusive)
 Dividend payment date : N.A.
 Listing on Stock Exchange : Mumbai, Kochi and Ahmedabad -Listing fees paid only to Bombay Stock Exchange
 Stock Code : 531246

Demat ISIN Number : N.A.

Market Price data :

Company's shares are not traded during the period April, 2010 to March, 2011.

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

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

Done in-house
 Secretarial Department
 Prima Industries Limited
 "Door No: V/679-C, Industrial Development Area
 Muppathadam P O , Edayar, Cochin – 683 110
 Tel: 2551533/34
 Fax: 2556060
 E-mail: prima@vsnl.in

Share Transfer System:

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

Distribution of the shareholding on the basis of categories of shareholders as on 31.03.2011 is as under:

Category Code	Category of shareholder	No. of shareholders	Total no. of shares	Percentage to total shares
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	7	1523672	11.90
(a)	Individuals	1	1100000	8.59
(b)	Bodies Corporate	9	4887528	38.16
	Sub-Total (A)(1)	17	7511200	58.64
(2)	Foreign			
(a)	Bodies Corporate			
(b)	Individuals (Non-Residents Individuals/ Foreign Individuals)	84	190500	1.49
	Sub-Total (A)(2)	84	190500	1.49
	Total shareholding of Promoter and Promoter Group (A) =(A)(1)+(A)(2)	101	7701700	60.13
(B)	Public Shareholding			
(1)	Institutions			
(a)	Mutual Funds			
(b)	Foreign Institutional Investors			
	Sub-Total (B)(1)			
(2)	Non-Institutions			
(a)	Bodies Corporate	11	191700	1.50
(b)	Individuals			
	i. Individual shareholders holding nominal share capital upto Rs.1 Lakh.	1312	1492000	11.65
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh.	35	3422600	26.72
(c)	Trust			
(d)	Directors & their relatives			
(e)	Non resident Indians			
(f)	Overseas Corporate Bodies			
(g)	Clearing members			
(h)	Hindu undivided families			
	Sub-Total (B)(2)	1358	5106300	39.87
	Total Public Shareholding (B)=(B)(1)+(B)(2)	1358	5106300	39.87
	TOTAL (A) +(B)	1459	12808000	100

Distribution of shareholding as on 31.03.2011, pursuant to clause 35 of the Listing Agreement is as under :

Shareholding of nominal value of Rs.	No. of Shareholders	% of Shareholders	Amount of Share Capital in Rs.	% of Shareholding
Upto 5,000	671	45.401	3204010	2.502
5,001 – 10,000	540	37.012	4909000	3.833
10,001 – 20,000	81	5.552	1624000	1.268
20,001 – 30,000	28	1.919	1016000	0.793
30,001 – 40,000	22	1.508	868000	0.678
40,001 – 50,000	34	2.330	1679000	1.311
50,001 – 1,00,000	36	2.467	3247010	2.535
1,00,001 and above	47	3.221	111532980	87.081
Total	1459	100.00	128080000	100.000

Dematerialisation of shares and Liquidity:

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

Liquidity of shares:

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

Plant Location	:	Prima Industries Limited New Industrial Development Area Menonpara Road, Kanjikode Palakkad - 678 621
Investor correspondence For transfer	:	Secretarial Dept. "Door No: V/679-C Industrial Development Area Muppathadam P O , Edayar Cochin – 683 110
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 : Cochin
Date : 30.06.2011

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) of Prima Industries 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, 2011 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 so significant changes in accounting policies during the year which are required to be disclosed in the notes to the financial statements; and
 - (3) there have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

sd/-

sd/-

Sanjay Gupta
Managing Director

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

Place : Cochin
Date : 30.06.2011

AUDITORS' CERTIFICATE

TO THE MEMBERS OF
PRIMA INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by **Prima Industries Limited** for the year ended on 31st March, 2011, 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 **G.Joseph & Associates**
Chartered Accountants

sd/-
P.Rajagopal.
Partner
Membership No.202134

Place : Cochin
Date : 30.06.2011

MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry Structure and Developments

Vegetable oils and oil seed products are one of the largest agricultural Commodities traded internationally (International Trade Center, 1990). Though a variety of different oils are traded internationally including soybean, palm, coconut, rapeseed (canola), sunflower, and cottonseed, the trade patterns in the vegetable oil industry are primarily dominated by the global import and export of soybean oil and palm oil. The world vegetable oil industry is very large and it continues to grow as population increases around the world. Another factor that has contributed greatly to the rise in the vegetable oil trade is the growth in the food processing industry. Relatively low initial capital investment, and low maintenance cost are the reasons to attract developing countries to this industry. Some developing countries have already established themselves as major players within the industry. International trade has also been impacted by the changing trade policies of governments around the world and the formation of various international trade agreements. The vegetable Oil Industry operates in the agribusiness or food industry and therefore retains many traits and characteristics from these two industries.

B) Opportunities, Threats, Risks and Concerns

The vegetable oil industry has witnessed significant growth over the past few years on account of growing population as well as the rising demand for alternative energy sources. Per Capita Edible oil consumption in India is much below that of the developed countries. In India the per capita consumption is 11.2 Kg per annum whereas in developed countries the same is above 40 Kgs. The Indian edible oil market is the World's Fourth largest after the USA, China and Brazil. A growing population increasing rate of consumption and increasing per capita income are accelerating the demand for edible oil in India. Consumption of edible oil is likely to reach 13.95, 14.83, 16.17 kg by 2009-10 if per capita income grows by 4%, 5% and 6% respectively.

Solvent Extraction unit is the main Industry by extracting oil from oil bearing material and vegetable oil refinery is the important industry for refining oil and converting it into edible form. Production of Edible oil is not possible without these two industries. Also the by products obtained from this Industry are the main raw materials for soap industry. Since India is not able to produce the entire demand of the country, the domestic market is mainly depended on Import of vegetable oil for Industrial as well as domestic consumption. India's vegetable oil imports grew more than two folds in April 2010, with shipments into the country are projected to reach the record level of 80 lakh Tonnes during the present oil year to October 2009. The imports of vegetable oil surged to 6.99 lakhs Tonnes in April 2010 from 3.47 lakhs Tonnes in April 2008. From this 6.59 lakh Tonnes was edible oil and the rest was non edible oil. Import of edible oil is next only to the import of petroleum products in value terms. If crude edible oil imports are encouraged by the Government by modernizing the policies, then the domestic industries can be benefitted by utilizing its full capacity.

C) Outlook

In 1998, the total production of edible oils in India was 67.9 lakh tonnes. This increased to 73.7 lakh tonnes during the season of 1999. There is a steady demand for both Solvent Extraction and Refinery capacities in view of the increasing trend of edible oil consumption. Especially the plant situated in Kerala, being the largest producer of copra in the country, (about 80% of it), the Company has a good potential for efficient capacity utilisation. Being committed to high standards of quality, the Company won customer confidence and also won national recognition as the second highest Processor's Award for processing coconut cake for 3 consecutive years. The Company aims to be the highest processor in India for Coconut cake in the coming years.

D) Internal Control System and their Adequacy

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

- i) Protection and conservation of resources of the Company.
- ii) Compliance with statutory requirements.
- iii) Maximum utilisation of resources.
- iv) The management structure is defined with adequate responsibility and authority 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 there with.

E) Financial and Operational Performance

During the year, the Company achieved Turnover of Rs 851.97 Lacs and had incurred a loss of Rs.227.47 Lacs.

Financial Results

Particulars	Current Year 31/03/2011	Previous Year 31/03/2010
	(Rs.Lacs)	(Rs.Lacs)
Turnover	851.97	1197.72
Processing Income	108.16	84.12
Profit Before depreciation	-122.53	-82.24
Depreciation	104.94	104.72
Profit (Loss) after Depreciation & Taxes	-227.47	-186.96

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, changes in Government policies, economic conditions over which the company does not have control.

Place: Cochin
Date: 30.06.2011

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

AUDITORS' REPORT

To

Members
Prima Industries Limited
Door No. V-679/C, Industrial Development Area
Muppathadam, Edayar
Cochin -683110

We have audited the attached Balance Sheet of M/s. Prima Industries Limited ("The company") as at 31st March, 2011 and the Profit & Loss Account of the company for the year ended 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 have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

As required by the Statement on the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditors Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

Further we report that:-

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
- ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
- iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- iv. In our opinion, The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, subject to the **Accounting Standard - 15 on Employee Benefits, where gratuity is provided on Company's own computation only.**
- v. On the basis of written representation received from directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) 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 said accounts; **subject to:**

1. As per the records available, the time granted by IDBI Bank, State Bank of India & Bank of India (hereinafter together referred to as "Banks") for settling the amounts due to them as per the One Time Settlement (hereinafter referred to as "OTS") Scheme recognised in the books in 2006-07 has expired. However the outstandings as shown in the Balance Sheet are as per the OTS only, whereby the liabilities to the Banks are understated by Rs. 228,053,150, the Loss by Rs 95,579,120 and Reserves overstated by Rs 13,24,74,030.

2. Provision for interest on the outstanding dues to the banks if the One Time Settlement amount is not in force, works out to Rs.41,557,636 (including the interest for the previous year amounting to Rs.37,105,033.73). Out of that provision, interest amounting to Rs.29,571,750 only has been provided in the financial statements whereby the loss has been understated by Rs.119,85,887.78. and liabilities to Bank are understated by Rs.37,305,137.78

3. The bank balances (except Bank of India-3528, Canara Bank -116720100349, HDFC, ICICI -18031, State Bank of Travancore) and Loan accounts with Banks are subject to Reconciliation and Confirmation.

4. Certain expenses included under travelling expense, fees & taxes, Canteen expenses and Repairs & maintenance were not adequately supported by external evidences.

give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011;
- b) in the case of the Profit & Loss Account, of the Loss for the year ended on that date; and
in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **G Joseph & Associates**
Chartered Accountants
Firm Reg. No. 006310S

Place Cochin -20
Date : 30 June, 2011

Sd/-
P Rajagopal
Partner
Membership No.202134

ANNEXURE TO THE AUDITORS REPORT

Statement referred to in our report of even date to the members of **Prima Industries Limited** on the accounts for the year ended 31st March, 2011.

- (i) a The company has maintained records showing particulars including quantitative details and situation of fixed assets, **but the same requires to be updated.**
- b As per the information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c The company has not disposed off substantial part of its fixed assets during the year.
- (ii) a) Physical verification of inventory has been conducted by the management, **but the frequency of such verification needs to be improved.**
- b) In our opinion and according to the information and explanations given to us, the procedure for physical verification of inventory are by and large reasonable and adequate in relation to the size of the company and the nature of its business. The company has taken necessary steps for strengthening the procedures.
- c) On the basis of examination of the records of inventory, in our opinion, the company has generally maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory as compared to the book records.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, or other parties, covered in the register maintained under section 301 of the Act. Clauses (iii)(b) to (iii)(d) of paragraph 4 of the said Order are not applicable to the company.
- e) The company has taken unsecured loans from a Director. At the year end, the outstanding balance of such loans taken aggregated to Rs.28,248,144 and the maximum amount involved during the year was Rs.28,248,144
- f) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the company.
- g) The terms of repayment for the above loans have not been stipulated, but the same are stated to be repayable on demand. Since the company is stated to have received no demand for repayment of the above loans, there has been no default on the part of the company.
- (iv) In our opinion and according to the information and explanation given to us, there is an internal control system for the purchase of inventory and fixed asset and for the sale of goods and services. **However, the same is not commensurate with the size of the company and nature of its business.**
- (v) As explained to us and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956 in respect of each party during the year have been entered in the register.
- (vi) The company has not accepted any deposit from public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 framed thereunder.
- (vii) **The company does not have an internal audit system**
- (viii) The provisions regarding maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 are not applicable to the company.

- (ix) a) According to the information and explanations provided to us, **the company was not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues, applicable to it.** The following were outstanding for a period of more than six months on the last day of the financial year:-

Name of statute	Nature of dues	Amount (Rs.)	Period to which the amount relates
Income Tax	Fringe Benefit Tax	332,752	2005-06
Income Tax	Fringe Benefit Tax	90,997	2006-07
EPP Dues	PF Contribution	53,715	2006-07

- b) As per the information given to us, the following statutory dues have not been deposited on account of any disputes:-

Nature of statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
KGST Act	KGST	2,449,747	1998-99	Sales Tax Appellate Tribunal
KGST Act	KGST	1,565,109	1999-00	Sales Tax Appellate Tribunal
KGST Act	KGST	937,802	2000-01	Sales Tax Appellate Tribunal
KGST Act	Central Sales Tax,KGST	76,033,749	2001-2002	Sales Tax Appellate Tribunal
KGST Act	Central Sales Tax,KGST	36,592,597	2002-2003	Sales Tax Appellate Tribunal
KGST Act	Central Sales Tax,KGST	22,110,633	2003-2004	Sales Tax Appellate Tribunal
KGST Act	Central Sales Tax,KGST	588,540	2005-06	Deputy Commissioner (Appeals)
KGST Act	KGST	1,914,214	2006-07	Assistant Commissioner (Appeals)
KGST Act	KGST	5,149,818	2007-08	High Court
KGST Act	KGST	215,211	2008-09	Penalty
CST Act	Central Sales Tax	7,165,039	2004-05	Deputy Commissioner (Appeals)

- (x) The accumulated losses of the company at the end of the financial year is more than fifty percent of the net worth; but the company has not incurred cash losses during the current financial year but has incurred so in the immediately preceding financial year.
- (xi) As per the information and explanations given to us, the company has not availed any loans from banks or financial institutions or through debentures during the year.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to Chit Fund or Nidhi or Mutual Fund Society are not applicable to the company.
- (xiv) In our opinion and according to the explanations given to us, the company is not a dealer or trader in securities.
- (xv) As explained to us, the company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof, are prejudicial to the interest of the company.
- (xvi) According to the information and explanations given to us, the company has not obtained any term loans.
- (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 investments.
- (xviii) The company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year
- (xix) In our opinion, the company has not issued any debentures during the year.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us, during the year, no fraud on or by the company has been noticed or reported.

For G Joseph & Associates
Chartered Accountants
Firm Reg. No. 006310S
sd/-

Place : Cochin-20
Date : 30 June, 2011

P Rajagopal
Partner
Membership No.202134

Prima Industries Limited			
Door No. V/679, Industrial Development Area, Muppathadam, Edayar, Cochin - 683 110			
Balance Sheet as at March 31, 2011.			
(Amount in Rupees.)			
	Sch. No.	2011	2010
I. SOURCES OF FUNDS			
(1) Shareholders Funds			
(a) Share Capital	1	167,494,530	167,494,530
(b) Reserves & Surplus	2	133,974,030	133,974,030
(2). Loan Funds			
(a) Secured Loans	3	63,997,720	59,845,220
(b) Unsecured Loans	4	28,248,144	28,648,226
TOTAL:		393,714,424	389,962,006
II. APPLICATIONS OF FUNDS			
(1). Fixed assets:			
(a) Gross block	5	235,757,597	234,755,207
(b) Less: Depreciation		129,429,198	118,935,248
(c) Net block		106,328,399	115,819,959
Capital Work in Progress		576,029	-
(2).Investments		-	100,000
(3).Current assets, loans and advances			
(a) Inventories	6	5,823,984	6,016,805
(b) Sundry debtors		19,906,790	34,186,058
(c) Cash & Bank Balances		31,079	36,823
(d) Other current assets		1,460,107	1,473,454
(e) Loans and advances		17,433,577	1,117,351
		44,655,537	42,830,491
Less: Current liabilities and provisions:	7		
(a) Liabilities		47,883,586	36,168,173
(b) Provisions		1,153,515	1,064,838
		49,037,101	37,233,011
Net Current Assets		(4,381,564)	5,597,480
(4) Profit and loss account		291,191,560	268,444,567
TOTAL:		393,714,424	389,962,006
Significant Accounting Policies and Notes to Accounts	16		
As per our report of even date attached			
For G.Joseph & Associates			
Chartered Accountants			
(Firm Reg. No.006310S)			
sd/-	sd/-	sd/-	
P.Rajagopal	Sanjay Gupta	Charley Rodrigues	
Partner	Managing Director	Director	
Membership No.202134			
Cochin, 30 June, 2011			

Prima Industries Limited			
Door No. V/679, Industrial Development Area, Muppathadam, Edayar, Cochin - 683 110			
Profit and Loss Account for the Year Ended March 31, 2011			
(Amount in Rupees.)			
	Sch. No.	2011	2010
INCOME			
Sales - Manufactured Goods		85,128,914	119,457,055
- Others		67,828	374,390
Less: Returns		-	(59,895)
		85,196,742	119,771,550
Processing Charges		10,815,755	8,411,796
Other Income	8	239,885	65,720
Stock Differential		-	863,461
TOTAL:		96,252,382	129,112,527
EXPENDITURE			
Stock Differential	9	5,547,233	-
Raw Materials Consumed	10	82,044,432	109,148,783
Manufacturing Expenses	11	8,025,181	10,304,430
Employee Remuneration & Benefits	12	2,753,879	1,786,455
Administrative Expenses	13	3,744,265	4,106,012
Selling Expenses	14	2,071,810	412,297
Financial Charges	15	4,318,625	11,578,297
Depreciation	5	10,493,950	10,472,759
TOTAL:		118,999,375	147,809,033
Net Loss for the year before tax		22,746,993	18,696,506
Provision for Taxation		-	-
Net Loss for the year		22,746,993	18,696,506
Add: Loss brought forward from previous year		268,444,567	249,748,061
Balance Transferred to Balance Sheet		291,191,560	268,444,567
Earnings Per Share of Rs.10/- each			
a. Basic		(1.97)	(1.62)
b. Diluted		(1.97)	(1.62)
Significant Accounting Policies and Notes to Accounts	16		
As per our report of even date attached			
For G. Joseph & Associates			
Chartered Accountants (Firm Reg. No.006310S)			
Sd/- P.Rajagopal Partner Membership No.202134	Sd/- Sanjay Gupta Managing Director	sd/- Charley Rodrigues Director	
Cochin, 30 June, 2011			

Schedules forming part of the Balance Sheet		
SCHEDULE - 1		
	31.03.2011	31.03.2010
		(Amount in Rupees.)
SHARE CAPITAL		
A. Authorised		
13,500,000 equity Shares (Previous year 13,500,000) of Rs.10.each.	135,000,000	135,000,000
Preference Shares 5,500,000 (Previous Year - 5,500,000) of Rs. 10.each.	55,000,000	55,000,000
B. Issued , Subscribed		
12,808,000 Equity shares (Previous year 12,808,000) of Rs.10 each fully subscribed	128,080,000	128,080,000
Less :- Calls in arrears - Directors : Nil		
- Others	(12,559,500)	(12,559,500)
C. Paid Up Capital		
12,808,000 Equity Shares (Previous Year 12,808,000) of Rs. 10 each , Rs. 9 each paid up.	115,520,500	115,520,500
5,197,403 Cumulative Redeemable Preference Shares (Previous year 5,197,403) of Rs.10 each.	51,974,030	51,974,030
	167,494,530	167,494,530
SCHEDULE - 2		
RESERVES & SURPLUS		
Capital Reserve		
-Investment subsidy from Government of Kerala	1,500,000	1,500,000
-Loan waiver on One Time Settlement	132,474,030	132,474,030
	133,974,030	133,974,030
SCHEDULE - 3		
SECURED LOANS		
1. a) Term Loans from:		
Industrial Development Bank of India	2,925,970	3,025,970
Interest accrued and due	17,019,500	17,019,500
2. Working Capital Loan from :		
- State Bank of India	18,000,000	18,000,000
- Bank of India	13,500,000	13,500,000
Interest accrued and due	12,552,250	8,299,750
	63,997,720	59,845,220
SCHEDULE - 4		
UNSECURED LOANS		
Loans from Directors	28,248,144	28,648,226
	28,248,144	28,648,226

SCHEDULE - 6		
	31.03.2011	31.03.2010
CURRENT ASSETS, LOANS AND ADVANCES		
A. Current Assets		
INVENTORIES :(as taken, valued and certified by the management)		
Raw Materials	5,369,853	64,890
Consumables, Stocks & Spares	188,658	139,209
Finished Goods	265,473	5,812,706
	5,823,984	6,016,805
SUNDRY DEBTORS		
Debts considered good and in respect of which the company is fully secured.		
	-	-
Debts considered good for which the company holds no security other than the personal security of the debtor		
- Exceeding Six Months	18,909,208	28,084,281
- Other Debts	997,582	6,101,777
(Refer Note)	19,906,790	34,186,058
CASH & BANK BALANCE		
Cash in Hand	7,900	9,810
Bank balances	23,179	27,013
	31,079	36,823
Other Current Assets		
Other Current Assets	1,460,107	1,473,454
	1,460,107	1,473,454
B.Loans & Advances		
(Unsecured, considered good, holds no security other than the debtors personal security.)		
a) Advances recoverable in cash or kind.	357,471	461,495
b) Deposits	656,106	655,856
c) Advance to IDBI against One Time Settlement	16,420,000	-
	17,433,577	1,117,351
SCHEDULE - 7		
CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
<u>Sundry Creditors</u>		
Total outstanding dues of Micro & Small Enterprises		
	-	-
Total outstanding dues of creditors other than Micro & Small Enterprises:		
- for raw materials	4,147,614	1,490,853
- for others	8,201,331	4,289,114
- for expenses	3,169,865	2,593,345
Expenses payable	1,608,703	846,354
Bank Overdrafts	400,967	665,354
(Does not represent a sanctioned limit)		
ESI damages payable	92,917	92,917
Other Current Liabilities	30,262,189	26,190,236
	47,883,586	36,168,173

	31.03.2011	31.03.2010
B.Provisions		
Fringe benefits tax	423,409	619,889
Provision for Gratuity	730,106	444,949
	1,153,515	1,064,838
SCHEDULE - 8		
OTHER INCOME		
Lab Analysis	36,825	-
Weigh Bridge receipt	8,700	-
Insurance Reimbursement	1,545	-
Interest income (CAFCO FD)	-	3,330
(Tax deducted at source on above for current year Rs.NIL)		
Miscellaneous Income	192,815	62,390
	239,885	65,720
SCHEDULE - 9		
STOCK DIFFERENTIAL		
Finished Goods		
a. Closing Stock	265,473	5,812,706
b. Opening Stock	5,812,706	4,949,245
Increase/(Decrease) in Stock	(5,547,233)	863,461
SCHEDULE - 10		
RAW MATERIAL CONSUMED		
Opening Stock	64,890	3,491,288
Add:- Purchases	87,349,395	105,722,385
Less : Closing Stock	5,369,853	64,890
	82,044,432	109,148,783
SCHEDULE - 11		
MANUFACTURING EXPENSES		
Consumables	641,767	4,619,175
Gunny Marking & Stitching Expenses	208,879	150,520
Electricity Charges	3,969,675	3,911,081
Freight Inwards	178,875	172,460
Lab Expenses	51,413	5,800
Loading & Unloading Charges	277,363	605
Diesel Charges	56,930	-
Machinery Maintenance	2,635,903	1,381,642
Production Expenses	4,376	63,147
	8,025,181	10,304,430
SCHEDULE - 12		
	31.03.2011	31.03.2010
EMPLOYEE REMUNERATION AND BENEFITS		
Salaries & Allowances	928,267	991,094
Labour Charges	446,819	-
Canteen Expenses	741,259	598,762
Contribution to EPF	35,008	40,569
Contribution to ESI	22,966	24,119
Ex-Gratia	60,088	-
Gratuity	439,437	31,688
Medical Expenses	13,506	30,011
Staff Welfare	66,529	70,212
	2,753,879	1,786,455

SCHEDULE - 13		
ADMINISTRATIVE EXPENSES		
Administration Expenses	11,150	5,025
Advertisement Expenses	63,234	52,365
Annual Maintenance Contract	-	13,712
Auditor's Remuneration	55,000	68,422
Sales / Business Promotion Expenses	85,491	263,471
Commission	26,000	-
Credit Card Expense	14,000	-
ESI Damages	-	129,530
Travelling & Conveyance		
-Director's	133,838	-
- Others	806,176	1,151,256
Donation	150	1,451
Electrical Expenses	11,975	11,975
Fees & Taxes	367,438	104,471
Festival Expense	3,000	-
Vehicle running expenses	179,576	175,915
General Office Expenses	683,447	736,357
Legal & Professional Charges	155,766	132,375
Miscellaneous Expense	163,729	228,142
Postage & Telegram	1,217	3,546
Printing & Stationery	57,218	15,523
Rent	4,400	26,500
Repairs & Maintenance - Others	327,368	284,788
ROC filing fees	459,823	69,573
Interest on loan from directors	-	69,741
Rates & Taxes	670	234,183
Security Charges	-	84,364
Water Charges	4,500	-
Telephone Charges	80,644	97,442
Transportation Charges	48,455	145,885
	3,744,265	4,106,012
SCHEDULE - 14		
	31.03.2011	31.03.2010
SELLING EXPENSES		
Freight Outward & Marketing Expenses	13,988	334,385
Rebate & Discount	-	12,038
Trade Discount	-	1,617
Sales Tax	2,057,822	-
Cash discount	-	308
Marketing Expenses	-	63,949
	2,071,810	412,297
SCHEDULE - 15		
FINANCIAL CHARGES		
Interest Others	2,814	40,471
Interest on Working capital Loan	4,252,500	4,173,750
Interest on Term Loan	-	7,287,500
Bank Charges	63,311	76,576
	4,318,625	11,578,297

DEPRECIATION FOR THE YEAR 2010-11

Schedule 5

FIXED ASSETS & DEPRECIATION

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01.04.10	ADDITIONS/ (DELETION)	AS AT 31.03.11	UPTO 01.04.10	FOR THE YEAR	UPTO 31.03.11	AS AT 31.03.11	AS AT 31.03.10
Land and Development	8,575,215	-	8,575,215	-	-	-	8,575,215	8,575,215
Building	52,444,897	-	52,444,897	22,325,545	1,751,660	24,077,205	28,367,692	30,119,352
Plant and Machinery	149,333,634	954,598	150,288,232	77,134,196	7,103,752	84,237,948	66,050,284	72,199,438
Electrical Installation	20,527,196	19,792	20,546,988	16,819,532	1,451,277	18,270,809	2,276,179	3,707,664
Office Equipments	975,803	-	975,803	571,245	46,351	617,596	358,207	404,558
Computers	407,382	-	407,382	373,121	4,936	378,057	29,325	34,261
Printers	-	28,000	28,000	-	1,421	1,421	26,579	-
Furniture and Fixtures	902,958	-	902,958	837,846	57,157	895,003	7,955	65,112
Lab Equipments	795,289	-	795,289	453,671	37,776	491,447	303,842	341,618
Vehicles	41,276	-	41,276	9,872	3,921	13,793	27,483	31,404
Weighing Machines	751,557	-	751,557	410,220	35,699	445,919	305,638	341,337
TOTAL	234,755,207	1,002,390	235,757,597	118,935,248	10,493,950	129,429,198	106,328,399	115,819,959
Previous Year	234,417,335	337,872	234,755,207	108,462,489	10,472,759	118,935,248	115,819,959	125,954,846

PRIMA INDUSTRIES LIMITED

Schedule – 16

NOTES ON ACCOUNTS

1 Background

Prima Industries Limited (the “Company”) , Indian Company registered under the Indian Companies Act, 1956. The Company was promoted primarily to manufacture Cattle Feed and also for the refining of Oil.

2 Significant Accounting Policies

The Significant Accounting Policies followed by the company are as stated below:

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

Fixed Assets are stated at historical cost less accumulated depreciation.

d) Depreciation

Depreciation has been provided on fixed assets which were put to use under straight line method at the rates and in the manner given under Schedule XIV to the Companies Act,1956.

e) Revenue Recognition

Revenue from sale of goods is recognised at the point of despatch to the customers, net of sales returns. Income from processing is recognised on accrual basis.

f) Inventories

Inventories are valued as under :

Raw Materials	-At Cost on FIFO Basis
Finished Goods	-At lower of Cost or net realizable value
Consumables, packing	
Materials and Stores & Spares	-At Cost on FIFO Basis
(where cost includes purchase cost and processing expenses (for finished goods))	

g) Employee Benefits :

Contribution to provident fund and employees welfare fund are charged to Profit & Loss Account on accrual basis. The liability on account of gratuity has been provided for on the basis of company's own valuation as per AS - 15.

h) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the asset upto the date the asset is got ready for the intended use or sale. Other borrowing cost of the year are charged.

i) Impairment Loss

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

j) Segment Reporting

The company's primary segments (business segments) have been identified as (a) Cattle Feed Division, (b) Oil Cake Processing Division. There are no reportable geographical segments. Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable estimate. The expenses, which are not directly attributable to any of the business segment are shown as unallocated expenditure. Assets and liabilities that cannot be allocated between the segments are shown as part of unallocated assets and liabilities respectively.

k) Cash Flow

Cash Flow Statement has been prepared under the Indirect Method as per AS - 3. Cash & Cash Equivalents in the statement comprises of Cash in hand & balances with banks representing overdrafts.

- 3 a) The term loans from the Industrial Development Bank of India are secured by way of first charge on the movable and immovable properties of the company and further guaranteed by the Managing Director of the Company.
- b) The Working Capital Loans are secured by hypothecation of present and future goods, book debts and all other movable assets of the company and second charge on the fixed assets and further guaranteed by the Managing Director.
- 4 Company's offer for the settlement of dues to the Banks on One Time Settlement (OTS) have been approved by them.

One Time Settlement with Banks

The interest amount waived by the banks as per the Scheme has been reduced from the brought forward losses and the principal amount waived were credited to the Capital Reserves.

The OTS amount for the Term Loan includes the value of Cumulative Redeemable Preference Shares allotted to the Bank, against overdue interest upto 31/03/2001 and converting the outstanding Principal amount and converting the present value of savings on account of reduction in rate on a restructuring. The OTS amount net of the value of the Cumulative Preference shares is considered to be principal amount waiver and the entire interest outstanding as per books is considered to be waived and has been reduced from the brought forward losses.

- 5 We confirmed that investments does not exist.
- 6 In the opinion of the management, current assets, loans and advances will realise the values as stated in the Balance Sheet, if realised in the normal course of business.
- 7 All bank balances (except BOI,Canara Bank,HDFC,ICICI-18031,IQB-112,Statebank of Travancore and State Bank of India) are subject to reconciliation and confirmation.
- 8 The amount of borrowing costs capitalized during the year is Rs. Nil
- 9 The term loans and working capital loans are subject to reconciliation and confirmation. Interest is provided on the outstanding loan amounts as per the OTS scheme.
- 10 As the company carries inventory of finished goods of various grade / quality, and the net realisable value of all such grade / quality are not available, the valuation is done based on the rates as certified by the Managing Director.

11 Contingent liabilities not provided for

	2010-11	2009-10
a) - Sales Tax demand disputed by the Company	147,557,419	9,007,329
- Central Sales Tax demand disputed by the company	7,165,039	54,406
- Penalty disputed by the company	2,994,080	2,994,080
b) Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

12 Remuneration to Directors:

- Salaries	Nil	Nil
- Sitting fees	Nil	Nil

13 Auditors Remuneration includes:

	Current Year	Previous Year
Statutory audit	55,000	55,000
Taxation matters	-	13,422
Others	-	-
	55,000	68,422

14 Disclosure in respect of Related Parties pursuant to Accounting Standard 18

- I List of Related Parties
Parties where control exists - Nil
- II. Other Related parties with whom the Company has entered into transactions during the year
- i) Associates
For details on the Related Party Transactions, Please Refer Annexure 1
- ii) Key Managerial Personnel and Enterprises having common Key Management Personnel or their relatives :
- Key Managerial Personnel :
Shri Sanjay Gupta - Managing Director
Shri S K Gupta - Chairman

15 Additional information pursuant to the provision of part II of schedule VI to the Companies Act,1956.

- 1 Licensed and Installed Capacity and Production (Previous Years Figures are in brackets) (Installed capacity being a technical matter is as certified by the Managing Director and accepted by the auditors)

Licensed	N.A.
Installed	
Oil Extraction	500TPD (500TPD)
Refining	50TPD (50TPD)
CPD	5TPD (5TPD)

Quantitative particulars of Finished Goods (Qty in Metric Tonnes)

Item	Opening Stock	Purchase	Production	Issue to Production	Sales	Closing Stock	Rate	Value (In Rs.)
Crude Coconut Oil	1,545	1,523.125	-	1,456.969	-	67.70	79,223.34	5,363,420.00
Refined Coconut Oil	119.386	-	1,291.036		1,407.342	3.080	80,101.09	246,711.36
Acid Oil	0.93	-	15.627		16.557	-	-	-
Fatty Acid	0.35	-	21.090		21.440	-	-	-
Fatty Acid Oil	-		34.170		34.170	-	-	-
Spent Earth	-		64.380		64.380	-	-	-
Sludge	-	-	7.870		2.990	4.880	3,844.68	18,762.04
Total	122.211					75.661		5,628,893.40

16 CIF value of imports

Nil

Nil

17 Earnings per Share

	<u>Current Year</u>	<u>Previous Year</u>
Profit/Loss after Tax	(22,746,993)	(18,696,506)
Number of Shares Outstanding (Adjusting Partly paid Shares)	11,552,050	11,552,050
Earnings per Share of Rs.10 each		
- Basic	-1.97	-1.62
- Diluted	-1.97	-1.62

18 Taxation

1 Provision for Current Tax :

The company does not have any income tax liability during the year.

2 Deferred Taxation

The company has not recognised the Deferred Tax Asset as it is not anticipated to generate enough profits to set off the losses in the foreseeable future. Consequently, the deferred tax liability for the year has also not been considered in the accounts as it would only set off a part of the unrecognised deferred tax asset.

20	Arrears of dividend on cumulative redeemable preference shares as on 31.03.2010.	36,732,646	31,535,243
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21 Disclosure requirement with reference to Micro, Small and Medium Enterprises Development Act, 2006.

	<u>31.03.2011</u>	<u>31.03.2010</u>
a.) The principal and interest remaining unpaid to the specified units beyond specified period:	Nil	Nil
b.) Amount of payment made to the supplier beyond the appointed day:	Nil	Nil
c.) Amount of interest due and payable for the period of delay in making the payment:	Nil	Nil
d.) The amount of interest accrued and remaining unpaid at the end of the accounting year:	Nil	Nil
e.) The amount of further interest remaining due and payable even in the succeeding years:	Nil	Nil

22 Applicability of Accounting Standards

"The company is a Level 1 Enterprise as defined in the General instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly the company has complied with the Accounting Standards as applicable to a Level 1 Enterprise.

23 Previous years figures have been re-grouped/recast wherever necessary to suit current year layout.

For G.Joseph & Associates

Chartered Accountants
(Firm Reg. No.006310S)

Sd/-

P.Rajagopal

Partner

Membership.No.202134

Cochin,30th June 2011

Sd/-

Sanjay Gupta

Managing Director

Sd/-

Charley Rodrigues

Director

Related Party Transactions

Annexure 1

Parties	Prima Agro Ltd	Ayyappa Roller Flour Mills Ltd	Prima Beverages Pvt Ltd	Prima Credits Ltd	S K Gupta	Sanjay Gupta
Balance outstanding at the beginning of the year	(17,185,129)	(5,691,034)	1,809,443	-	(5,939,225)	(15,201,509.00)
Sales	-	-	-	-	-	-
Purchase of raw materials or finished goods	-	-	-	-	-	-
Provision/ (Receipt) of management services	-	-	-	-	-	-
Loans Given	-	-	-	-	-	-
Loans (Taken)	-	-	-	-	-	-
Loans Repaid	4,442,562	14,392,805	-	7,223,650	198,689	1,675,000
(Sale)/Purchase of Fixed Asset	-	-	-	-	-	-
Inventory held as consignee at the year end	-	-	-	-	-	-
Loans (taken from) / given to directors	(5,182,766)	(8,600,370)	-	(15,991,500)	(221,352)	(1,208,000)
Cash (received)/Paid	2,503,505	-	-	-	-	-
Rent (Expense) / Income	-	-	-	-	-	-
(Other expenses) met	(4,723,839)	-	-	-	-	-
Assets (leased) / obtained on lease	-	-	-	-	-	-
R&D (Received) / Transferred	-	-	-	-	-	-
Guarantees given / (obtained)	-	-	-	-	-	-
Royalty (Expense) / Income	-	-	-	-	-	-
Provision for bad and doubtful debts	-	-	-	-	-	-
Write (off) /back of amounts due	-	-	-	-	-	-
Balance outstanding at the year end	(20,145,667)	101,401	1,809,443	(8,767,850)	(5,961,888)	(14,734,509)

SEGMENT REPORTING

Annexure 1

	Particulars	Animal Feed Division		Crude Oil Processing		Consolidated Total	
		Current Year	Prev Year	Current Year	Prev Year	Current Year	Prev Year
A.	<u>Revenue</u>						
	Total Segment Revenue	11,206,311	15,713,807	85,046,044	112,535,259	96,252,355	128,249,066
B.	<u>Result</u>						
	Allocated segment expenses	2,633,932	15,915,872	96,996,799	111,435,459	99,630,731	127,351,331
	Un-allocated expenses					9,535,128	8,996,452
	Operating Profit/(Loss)	8,572,379	(202,065)	(17,497,988)	1,963,261	(18,460,737)	(7,235,256)
	Less: Interest Expense			-		4,252,500	11,461,250
	Less: Fringe Benefit Tax	-	-			-	-
	Profit from ordinary activities	8,572,379		(17,497,988)		(22,713,237)	(18,696,506)
	Less : Extra-ordinary loss					-	-
	Net Profit/(Loss)	8,572,379		(17,497,988)		(22,713,237)	(18,696,506)
	<u>OTHER INFORMATION:</u>					-	-
C.	<u>Assets</u>						
	Segment Assets	5,084,598	4,495,710	90,302,156	95,177,439	95,386,754	99,673,149
	Un-allocated assets					576,029	59,077,301
	Total Assets	5,084,598	4,495,710	90,302,156	95,177,439	95,962,783	158,750,450
D.	<u>Liabilities</u>						
	Segment Liabilities	517,892	517,892	8,100,246	2,977,056	8,618,138	3,494,948
	Un-allocated liabilities					(8,618,138)	33,738,063
	Total Liabilities	517,892	517,892	8,100,246	2,977,056	-	37,233,011
E.	<u>Depreciation</u>						
	Segment Depreciation	121,857	121,845	6,973,958	6,962,141	7,095,815	7,083,986
	Unallocated Depreciation					3,398,135	3,388,773
	Total Depreciation	121,857	121,845	6,973,958	6,962,141	10,493,950	10,472,759

Prima Industries Limited		
Door No. V/679, Industrial Development Area, Muppathadam, Edayar, Cochin - 683 110		
Cash Flow Statements for the Year Ended March 31, 2011		
(Amount in Rupees.)		
	2010-2011	2009-2010
<u>Cash Flow From Operating Activities</u>		
A. Net Profit Before Tax	(22,746,993)	(18,696,506)
<u>Adjustment for :</u>		
Depreciation	10,493,950	10,472,759
Interest on Term loan	-	7,287,500
Finance charges	66,125	-
Interest on Working Capital Loan	4,252,500	4,173,750
Provision for Gratuity	439,437	31,688
Operating Loss Before Working Capital Changes	(7,494,981)	3,269,191
<u>Movement in Working Capital :</u>		
(Increase)\Decrease in Trade and other receivables	14,279,268	(5,631,311)
(Increase)\Decrease in Other Current Assets	13,347	292,986
(Increase)\Decrease in Loans & Advances	(16,316,226)	(101,859)
(Increase)\Decrease in Inventories	192,821	2,726,358
Increase\((Decrease) in Payables	11,979,800	12,377,440
Cash Generated from Operations	2,654,029	12,932,805
Tax paid	(196,480)	(108,800)
Gratuity paid	(154,280)	(124,205)
Net cash from Operating Activities	2,303,269	12,699,800
B. <u>Cash Flow From Investing Activities</u>		
Capital Work in progress	(576,029)	-
Purchase of Fixed Assets	(1,002,390)	(337,872)
Net cash used in investing activities	(1,578,419)	(337,872)
C. <u>Cash Flow From Financing Activities</u>		
Increase in Secured Loan	4,252,500	-
Unsecured Loans from Directors	(400,082)	(1,057,037)
Finance Charges	(66,125)	-
Interest on Term Loan	-	(7,287,500)
Interest on Working Capital Loan	(4,252,500)	(4,173,750)
Net cash outflow from financing activities	(466,207)	(12,518,287)
Increase\((decrease) in cash and cash equivalents	258,643	(156,359)
Cash and cash equivalents at the beginning of the year	(628,531)	(472,172)
Cash and cash equivalents at the end of the year	(369,888)	(628,531)
Notes:		
1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.		
2 Previous year figures have been regrouped or reclassified to confirm to those of the current year.		
This is the Cash Flow Statement referred to in our report of even date.		
For G. Joseph & Associates		
Chartered Accountants (Firm Reg. No.006310S)		
sd/- P.Rajagopal Partner Membership No.202134 Cochin, 30 June, 2011	sd/- Sanjay Gupta Managing Director	sd/- Charley Rodrigues Director

Prima Industries Limited Door No. V/679, Industrial Development Area, Muppathadam, Edayar, Cochin - 683 110 Part IV of Schedule VI to the Companies Act, 1956 in term of Government notification BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	
I. REGISTRATION DETAILS	
Registration No.	L15142KL1994PLC008368
Balance sheet date	31.3.2011
II. Capital raised during the year (amount in Rs. thousands)	
Public issue (Calls in Arrears)	Nil
Rights issue	Nil
Bonus issue	Nil
Private placement	-
III. Position of mobilisation and deployment of funds (amount in Rs. thousands)	
Total liabilities	393714.00
Total assets	393,714
SOURCES OF FUNDS	
Paid up capital	167,495
Reserves & surplus	133,974
Secured loans	63,998
Unsecured loans	28,248
APPLICATION OF FUNDS	
Net Fixed assets	106,328
Investments	-
Net current assets	- 4,382
Miscellaneous expenditure	-
Accumulated losses	291,192
IV. Performance of the company (amount in Rs. thousands)	
Total Income	96,252
Total expenditure	118,999
Extraordinary items	-
Profit before tax	22746.99
Profit after tax	22746.99
Earnings per share	
Basic	-1.97
Diluted	-1.97
Item code No. (ITC Code)	23,065,002.00
Product description	
sd/- Sanjay Gupta Managing Director	sd/- Charley Rodrigues Director
Cochin, 30 June, 2011	

PRIMA INDUSTRIES LIMITED

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

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.....
.....in the district ofas
my/our proxy to vote for me/us, on my/our behalf at the 17th Annual General Meeting of the members of the Company to
be held on Wednesday the 28th September, 2011 at 4.00. p.m. at its Regd.Office: "Door No: V/679-C , Industrial
Development Area , Muppathadam P O , Edayar, Cochin – 683 110on Kerala, India and at any adjournment thereof.

Signed atthis.....day of.....2011

Affix
Re.1/-
Revenue
Stamp

Signature of the Member

Regd. Folio No:

No of shares held:

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

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

PRIMA INDUSTRIES LIMITED

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

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 17th Annual General Meeting of the Members of the Company being held on Wednesday the 28th September, 2011 at 4.00. at Regd.Office: "Door No: V/679-C, Industrial Development Area , Muppathadam P O , Edayar, Cochin – 683 110, Kerala, India

Regd. Folio No:

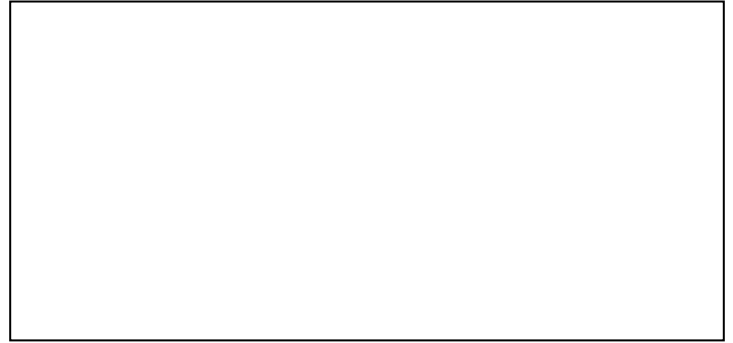
No of shares held:

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