

# PRIMA INDUSTRIES LIMITED



**19<sup>th</sup> ANNUAL REPORT 2012-2013**

## **BOARD OF DIRECTORS**

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

## **AUDITORS**

M/s G. Joseph & Associates  
Chartered Accountants  
Ernakulam

## **BANKERS**

ICICI Bank Ltd  
Indian Overseas Bank

## **REGISTERED OFFICE**

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

## **SHARE TRANSFER AGENT**

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

## **PLAT LOCATION:**

New Industrial Development Area  
Menon para road ,Kanjikode,  
Palakkad -678621

**NOTICE**

NOTICE is hereby given that the 19th 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 **Friday the 30th August, 2013 at 11.00.a.m.** for transacting the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Annual Accounts of the Company for the year ended 31st March, 2013 together with the Reports of the Directors and Auditors thereon.
2. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED that the retiring Auditors, M/s G. Joseph & Associates Chartered Accountants being eligible for reappointment, be and are hereby appointed as Auditors of the Company for the financial year ending 31st March, 2014, to hold office until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors.”

**SPECIAL BUSINESS**

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

“RESOLVED THAT Mr S.K Gupta, who was appointed as an Additional Director with effect from 05.12.2012 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 101 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Director and Chairman of the Company with effect from 24.01.2013.

**AS SPECIAL BUSINESS****NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The duly filled up Proxy Form should be lodged with the Company at its Registered Office not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will be Monday, 26<sup>th</sup> August, 2013 to Friday, 30<sup>th</sup> August, 2013 (both days inclusive).
4. Members/Proxies are requested to bring the Attendance Slip duly filled in for attending the Meeting. No duplicate will be issued at the venue of the Meeting.

5. Share Holders are requested to inform the Company any changes in their mailing address and also to quote folio number in all their correspondence with the Company.
6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.

Place: Cochin  
Date: 31.05.2013

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

#### FOR THE ATTENTION OF THE MEMBERS:

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

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

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

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

**ITEM NO. 3.** Mr S.K.Gupta was appointed as an Additional Director by the Board of Director w.e.f 05.12.2012 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 101 of Article of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the Company proposing his candidature for appointment as Director designated as Chairman of the Company (not liable to retire by rotation) in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956 . The Board feels that presence of Mr S.K.Gupta on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 3 for adoption. None of the Directors, except Mr S.K.Gupta is concerned or interested in this resolution. The Board recommends resolutions under Item No. 3 to be passed as special resolution.

**DIRECTORS' REPORT**

To  
The Members of Prima Industries Limited

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report together with the Audited Balance Sheet and Profit and Loss Accounts for the year ended 31st March 2013.

**PERFORMANCE**

During the year, the Company achieved gross revenue of ₹1348.72 Lacs and had incurred a loss of ₹ 80.84 Lacs.

**Financial Results**

Particulars	Current Year 31/03/2013(₹)	Previous Year 31/03/2012(₹)
Turnover	1157.06	490.41
Processing Income	191.66	198.67
Profit Before depreciation	-45.24	-98.56
Depreciation	105.49	100.79
Profit (Loss) after Depreciation & Taxes	-80.84	-199.35

**FUTURE PROSPECTS**

With great pleasure we may report that with the enduring and dedicated effort of Directors your Company had come out of its financial difficulty it had faced for the last 15 years. The Promoters had arranged funds to settle the over dues of financial institutions under One Time Settlement Schemes approved by them. We are hopeful that the net worth of your Company will become positive in the coming years.

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

Your Company had issued Redeemable preference shares for Rs.600 lakhs on private placement basis to persons from whom Company borrowed fund for paying off the dues to the Financial institutions.

During the year your company had forfeited the partly paid equity shares after complying with the formalities and as permitted by SEBI.

Your Company is a complex unit with Solvent Extraction Division, Oil Refining Division and Animal Feed Division, which are situated at Kanjikode, Palakad . It can process all types of oil cakes and other oil-bearing materials such as rice bran and oil seeds. This unique adaptability enables the unit to avail of the advantages of seasonal variations in the prices of various raw materials. This plant has the capacity

to extract oil from any oil-bearing material such as Mustard, Cottonseed, Rapeseed, and Sunflower Cake etc.

Its Animal Feed Division functions towards backward integration as major portion of de-oiled cake produced in its Refinery would be consumed for its Animal Feed Unit. Hygienically prepared and packed Cattle Feed in pellets form is being produced in this plant with modern technology and skill. This plant has a capacity of 250MT production per day. This unit, as presently structured, is poised to produce a variety of Animal Feeds. The Company has installed the most modern plant with computerized controls. By adopting sophisticated techniques and evolving recipes with appropriate ingredients to meet the nutritional and energy requirements of cattle, poultry and goats, Prima has been able to supply cattle feeds of high quality to the domestic market.

The present capacity utilization of Prima's manufacturing facilities are around 70 to 75% of the installed capacities, Bulk of the capacity utilization is for conversion contracts for well established companies like Kerala Feeds , KSE etc . Their products are manufactured according to their own specifications. Your Company is negotiating with Kerafed, a State Govt undertaking for processing their Oil Cake through your Plant. If we could finalise the deal, your Company management is fully confident of achieving the maximum utilization of manufacturing facility of all the plants.

#### **DIRECTORS**

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

#### **AUDITORS**

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

#### **COMMENTS ON THE AUDITORS' REPORT**

The Auditors had presented the report without any special comments for the FY 2012-13.

#### **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:

- ❖ that the applicable accounting standards have been followed along with proper explanation wherever required in the preparation of Annual Accounts.
- ❖ that the Company has adopted prudent accounting policies.
- ❖ that proper care has been taken for maintenance of accounting records in accordance with the provisions of the Act and
- ❖ 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 The Company's Banks 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 Govt. depts, employees and share holders for their active support and co-operation.

For and on behalf of the Board  
sd/-

Sanjay Gupta  
Managing Director

Place: Cochin  
Date: 31.05.2013

**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 setup 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 | : | Latest technology has been adapted absorption 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

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 strenthened to explore the possibility of export
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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

For and on behalf of the Board

sd/-

Place : Cochin

Date : 31.05.2013

Sanjay Gupta  
Managing Director

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

## 1 .COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The basic philosophy of Corporate Governance at "Prima" is to achieve business excellence and to create and enhance the value for its Stakeholders, Customers, Employees and Business Associates and thereby to make a significant contribution to the Economy. The Company 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 of Executive Non-executive and Independent Directors. Except for the Managing Director, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

During the year ended 31st March 2013, 9 Board Meetings were held on 02.04.2012, 31.05.2012, 31.07.2012, 28.09.2012, 30.10.2012, 07.11.2012, 05.12.2012, 26.12.2012, 24.01.2013 and 27.03.2013

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

Name of Director	Category	Number of shares held in the Company as on 31.03.2013	Attendance at		Directorships and Chairmanship / Membership of Board Committees in Other Companies as on 31.03.2013		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
1.Shri.Sanjay Gupta	P,MD	1409866	10	Yes	8	None	None
2.Shri. S.K. Gupta	P,C	41101	4	No	8	1	1
3.Shri.Rajyawardhan Agarwal	NED & I	-	10	Yes	5	1	None

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

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

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

### Reappointment of Directors

The Director, Mr. S.K. Gupta 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. S .K. Gupta
Date of Birth	:	01.03.1940
Date of Appointment	:	05.12.12
Qualification	:	Graduate
Expertise in specific Functional are	:	More than 25 years Experience in Manufacturing industry.

Details of other Directorships:

Name of the Company	Position held	Committee type	Membership status
Prima Agro Limited	Chairman	Audit	Nil
Ayyappa Roller Flour mills Ltd	Chairman	Nil	Nil
Prima Credits Ltd	Director	Nil	Nil
PAPL Exim India Ltd	Director	Nil	Nil
Prima Beverage (P) Ltd	MD	Nil	Nil
Prima Alloys (P) Ltd	Director	Nil	Nil
Ayyappa Real Estates (P) Ltd	Director	Nil	Nil

### 3. AUDIT COMMITTEE

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

During the year ended 31st March 2013, the Committee met 4 times on 29.05.12, 28.07.12, 27.10.2012 and 22.01.2013

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

Name of Members of Audit Committee	Designation	No. of meeting attended
Shri. S K Gupta	Chairman, Non – Executive & Independent Director	1
Shri. Rajayawardhan Agarwala	Member & Non – Executive Director	4

#### 4. REMUNERATION COMMITTEE

Composition, name of Members, Chairperson and attendance

Name of Members of Audit Committee	Designation
Shri. S K Gupta	Chairman, Non – Executive & Independent Director
Shri. Rajayawardhan Agarwala	Member & Non – Executive Director

#### 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.

#### Remuneration to Directors

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

Details of remuneration paid to Managing Director for the year

The aggregate of salary, perquisites and commission paid/payable for the year ended 31st March, 2013 to Managing Director, is as follows:

Shri Sanjay Gupta, Managing Director : NIL

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
<b>Total</b>	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
Shri. S K Gupta	Chairman & Independent Director
Shri. Rajayawardhan Agarwala	Independent Director

Given below is the position of investor queries / complaints and other correspondences received and attended to during 2012 -2013:

Nature of complaint / queries	No. of complaints
For non-receipt of dividend, shares lodged for transfer, issue of duplicate share certificates.	1
Queries / Complaints redressed	-
Pending queries / complaints as on 31.03.2013	-
Other letters received from shareholders and replied	3

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 2012-2013 is given below –

	Transfers	
	No. of requests	No. of shares
Lodged	657	718600
Processed	657	718600
Objections		
Pending as on 31.03.2013	657	718600

## 6. GENERAL BODY MEETINGS

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

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2009-10	Prima House, 31/536, South Kalamassery	29.09.2010	4.00 p.m.	None
2010-11	Door No.V/679C,IDA, Muppathadam P.O. Edayar	28.09.2011	4.00 p.m.	None
2011-12	Door No.V/679C,IDA, Muppathadam P.O. Edayar	27.09.2012	4.00 p.m.	4
2011-12	Door No.V/679C,IDA, Muppathadam P.O. Edayar	30.11.2012	11.00 a.m.	1

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. Bombay Stock Exchange had revoked the suspension from Trading w.e.f 01/11/2011 since the Company had complied with all the required formalities for trading.

All pending amounts have been paid and the Company's shares are admitted for trading. The Company had already secured demat facility for its shares through NSDL & CDSL. 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 31st May, 2013.

## 8. MEANS OF COMMUNICATION

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

## 9 .GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date and time : **30th August, 2013 11.a.m.**  
Venue : Door No, V-679/C, Industrial Development Area,  
Muppathadam P.O., Edayar, Cochin - 683110.

### Financial Calendar 2012-13

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

### Code of Insider Trading

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

Dates of book closure	: Monday, 26 <sup>th</sup> August, 2013 to Friday, 30 <sup>th</sup> August, 2013 (Both days inclusive).
Dividend payment date	: N.A.
Listing on Stock Exchange	: BSE-Mumbai,
Stock Code	: 531246
Demat ISIN Number	: INE-723N01012
Market Price data	: Company's shares traded during the period April, 2012 to March, 2013.

Month	Bombay Stock Exchange (BSE)	
	Month's High Price	Month's Low Price
November, 2012	55	52.5
December, 2012	57.75	36.55
January, 2013	34.75	29.85
February, 2013	28.4	23.25

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

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

Share Transfer System:

Presently, the share transfers which are received in physical form are processed through our RTA 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 31.03.2013 is as under:

Category Code	Category of shareholder	No. of share holders	Total no. of shares	Number of shares held in dematerialized form	Percentage to total shares
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
(a)	Individuals	88	1707172	1503470	15.82
(b)	Central Government/State Government(s)	1	1100000	0	10.19
(c)	Bodies Corporate	6	4931528	2372528	45.70
	Sub-Total (A)(1)	95	7738700	3875998	71.71
(2)	Foreign				
(a)	Bodies Corporate				
(b)	Individuals (Non-Residents Individuals / Foreign Individuals)	1	1000		0.01
	Sub-Total (A)(2)	1	1000	3875998	0.01
	Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	96	7739700	3875998	71.72
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Funds				
(b)	Foreign Institutional Investors	1	2532	2532	0.02
	Sub-Total (B)(1)	1	2532	2532	0.02
(2)	Non-Institutions				
(a)	Bodies Corporate	8	52000	0	0.48
(b)	Individuals				
i.	Individual shareholders holding nominal share capital upto Rs.1 Lakh.	768	708198	92898	6.56
ii.	Individual shareholders holding nominal share capital in excess of Rs.1 Lakh.	11	2282400	15000	21.15
(c)	Trust				
(d)	Directors & their relatives				
(e)	Non resident Indians				
(f)	Overseas Corporate Bodies				
(g)	Clearing members				
(h)	Hindu undivided families				
(i)	Any Other (specify)	2	7070	7070	0.07
	Sub-Total (B)(2)	789	3049668	114968	28.26
	Total Public Shareholding (B) = (B)(1) + (B)(2)	790	3052200	117500	28.28
	TOTAL (A) + (B)	886	10791900	3993498	100.00



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

Shareholding of nominal value of ₹	No. of Shareholders	% of Shareholders	Amount of Share Capital in ₹	% of Shareholding
Upto5,000	399	45.03	178136	1.65
5,001 – 10,000	311	35.10	271375	2.51
10,001 – 20,000	71	8.01	124473	1.15
20,001 – 30,000	33	3.72	88132	0.82
30,001 – 40,000	11	1.24	41485	0.38
40,001 – 50,000	21	2.37	103200	0.96
50,001 – 1,00,000	15	1.69	121001	1.12
1,00,001 and above	25	2.82	9864098	91.40
<b>Total</b>	<b>886</b>	<b>100.00</b>	<b>10791900</b>	<b>100.00</b>

Dematerialisation of shares and Liquidity :  
Demat facility available with NSDL & CDSL.

Liquidity of shares :

During the last year, trading in the Company's shares were restarted in BSE.

Plant Location : Prima Industries Limited  
New Industrial Development Area  
Menonpara Road, Kanjikode  
Palakkad - 678 621

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

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

#### DECLARATION ON CODE OF CONDUCT

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

Place: Cochin  
Date: 31.05.2013

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 31<sup>st</sup> March, 2013 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee that:
- (1) there are no significant changes in internal control over financial reporting during the year;
  - (2) there have been 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

V R Sadasivan Pillai,  
General Manager (Finance)

Place: Cochin  
Date: 31.05.2013

**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 31<sup>st</sup> March, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

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

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

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

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

sd/-

P.Rajagopal  
Partner  
Membership No.202134

Place : Cochin  
Date : 31.05.2013

## 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.

Solvent Extraction 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 byproducts 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. 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 2010 the total production of edible oils in India was 110 lakh tonnes. This increased to 135 lakh tonnes during the season of 2012. 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 utilization 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 gross revenue of ₹1348.72 Lacs and had incurred a loss of ₹ 80.84 Lacs.

<b>Financial Results</b>		
Particulars	Current Year 31/03/2013 (₹ in Lacs)	Previous Year 31/03/2012 (₹.Lacs)
Turnover	1157.06	490.41
Processing Income	191.66	198.67
Profit Before depreciation	-45.24	-98.56
Depreciation	105.49	100.79
Profit (Loss) after Depreciation & Taxes	-80.84	-199.35

**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.

For and on behalf of the Board  
sd/-

Place: Cochin  
Date: 31.05.2013

Sanjay Gupta  
Managing Director

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of M/s. Prima Industries Limited ("The company") which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit & Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2013;
- b) in the case of the Profit & Loss Account, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) 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.
- c) the Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; .
- e) On the basis of written 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, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Sd/-  
**P Rajagopal**  
 Partner

Place : Cochin - 20  
 Date : 31.05.2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Prima Industries Limited on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) a The company has maintained records showing particulars including quantitative details and situation of fixed assets, but the same required to be updated.
- b As explained to us, the fixed assets have been physically verified by the management at reasonable intervals ; 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 at reasonable intervals during the year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and on the basis of examination of the records, the company is generally maintaining proper records of its inventory. No material discrepancies were noticed on physical verification of inventory by the management as compared to the book records.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans, secured or unsecured to companies, firms, or other parties listed in the register maintained section 301 of the Companies Act 1956. Consequently , the provisions of clauses (iii)(b), (iii)(c) & (iii)(d) of the Order are not applicable to the company.
- e) The company has taken unsecured loans from 6 parties. At the year end, the outstanding balance of such loans taken aggregated to ₹ 3,05,02,924 and the maximum amount involved during the year was ₹ 74,413,311.
- 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 explanations given to us, there are adequate internal control systems commensurate with the size of th company and nature of its business for the purchase of inventory and fixed assets and for sale of goods and services.
- (v) In our opinion and according to the information and explanations given to us, there are no contracts and arrangements referred to in section 301 of the Companies Act, 1956 during the year that need to be entered in the register maintained under that section. Accordingly, Clause (v) (b) of the paragraph 4 of the Order is not applicable to the company for the current year.
- (vi) The company has not accepted any deposit from the public covered under section 58A and 58AA of the Companies Act, 1956.
- (vii) **The Company does not have an internal audit system.**
- (viii) As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor education and protection fund, Employees' state insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.

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 ₹	Period to which the amount relates	Forum where dispute is pending
KGST Act	KGST	5,149,818	2007-08	High Court
KGST Act	KGST	215,211	2008-09	Penalty

- (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 and 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.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a Chit Fund or Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of this clause of the companies (Auditor's Report) Order, 2003 (as amended) is 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) According to the information & explanations given to us, the company has, not given any guarantee for loans taken by others from a bank or financial institution.
- (xvi) According to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were obtained.
- (xvii) Based on the information & explanations given to us and on an overall examination of the balance sheet of the company as at 31st March, 2013, we report that no funds raised on short term basis have been used for long term investment by the company.
- (xviii) The company has made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year and the prices at which the shares have been issued are not prejudicial to the interest of the company.
- (xix) The company has no outstanding debentures during the period under audit.
- (xx) The company has raised any money by public issue during the year.
- (xxi) Based on the audit procedures performed and the information and explanation given to us, we report that no fraud on or by the company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

Place : Cochin  
Date : 31.05.2013

Sd/-  
P Rajagopal  
Partner  
Membership No.202134



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

**Balance Sheet as at 31st March, 2013**

Particulars	Note	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
a. Share Capital	3	229,973,530	169,601,030
b. Reserves and Surplus	4	(151,835,698)	(158,971,407)
<b>2 Non-Current Liabilities</b>			
a. Long Term Borrowings	5	-	24,923,363
b. Long Term Provisions	6	340,694	293,172
<b>3 Current Liabilities</b>			
a. Trade Payables	7	10,396,077	22,694,899
b. Other Current Liabilities	8	43,199,724	94,567,981
c. Short Term Provisions	6	-	62,251
<b>TOTAL</b>		<b>132,074,327</b>	<b>153,171,288</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
a. Fixed Assets	9		
(i) Tangible Assets		90,524,545	99,080,271
(ii) Capital Work-In-Progress		16,323,473	4,958,250
b. Long-Term Loans and Advances	10	638,891	678,891
c. Other Non-Current Assets	11	-	-
<b>2 Current Assets</b>			
a. Inventories	12	8,557,208	22,030,379
b. Trade Receivables	13	8,960,658	22,061,589
c. Cash & Bank Balances	14	323,664	230,283
d. Short-Term Loans and Advances	10	5,091,224	2,637,600
e. Other Current Assets	11	1,654,664	1,494,025
<b>TOTAL</b>		<b>132,074,327</b>	<b>153,171,288</b>
Summary of significant accounting policies	2.3		

As per our report of even date attached  
**For G Joseph & Associates**  
Chartered Accountants  
(Firm Reg. No.006310S)

For and on behalf of the board of directors  
**Prima Industries Limited**

Sd/-  
**P. Rajagopal**  
Partner  
Membership No. 202134

Sd/-  
**Sanjay Gupta**  
Managing Director

Sd/-  
**S.K. Gupta**  
Director

Place: Cochin  
Date : 31.05.2013

Prima Industries Limited

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

Statement of Profit and loss for the year ended March 31, 2013

Particulars	Note	For year ended March 31, 2013 (₹)	For year ended March 31, 2012 (₹)
<b>I Income</b>			
Revenue from operations	15	134,872,390	68,907,934
Other income	16	2,924,949	730,433
<b>Total Revenue</b>		<b>137,797,338</b>	<b>69,638,367</b>
<b>II Expenses</b>			
1 Cost of materials consumed	17	111,380,297	53,746,127
2 (Increase)/ Decrease in inventories	18	2,858,127	(2,658,281)
3 Employee benefits expense	19	4,126,990	3,039,222
4 Finance costs	20	25,390	5,209,849
5 Depreciation and amortization expense	9	10,549,332	10,078,589
6 Other expenses	21	23,930,495	20,157,869
<b>Total expenses</b>		<b>152,870,630</b>	<b>89,573,374</b>
III Profit before exceptional and extraordinary items and tax (III-IV)		(15,073,291)	(19,935,007)
IV Exceptional items & Extraordinary items	22	6,989,000	18,181,130
III Profit before tax (I-II)		<b>(8,084,291)</b>	
IV Tax expense:	23		
1 Current tax		-	-
2 Deferred tax		-	-
V Profit (Loss) for the period (III - IV)		<b>(8,084,291)</b>	<b>(1,753,877)</b>
VI Earnings per equity share:	24		
1 Basic		(0.75)	(0.15)
2 Diluted		(0.75)	(0.15)
Number of shares used in computing Earnings per share			
1 Basic		10,764,025	11,654,438
2 Diluted		10,764,025	11,654,438
Summary of significant accounting policies	2.3		

As per our report of even date attached

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

For and on behalf of the board of directors  
**Prima Industries Limited**

Sd/-  
**P. Rajagopal**  
Partner  
Membership No. 202134

Sd/-  
**Sanjay Gupta**  
Managing Director

Sd/-  
**S.K. Gupta**  
Director

Place: Cochin  
Date : 31.05.2013

## Notes to financial statements for the year ended March 31, 2013

## 3 Share Capital

Particulars	31/03/2013 (₹)	31/03/2012 (₹)
<b>a.) Authorised Shares</b>		
13,500,000 (As at 31st march 2012: 13,500,000) equity shares of ₹10/- each	<u>135,000,000</u>	<u>1,35,000,000</u>
11,500,000 (As at 31st march 2012: 5,500,000) preference shares of ₹10/- each	<u>115,000,000</u>	<u>55,000,000</u>
<b>b.) Issued, Subscribed and Paid up shares</b>		
10,791,900 (As at 31st march 2012: 10,717,400) equity shares of ₹10/- each fully paid up.	107,919,000	107,174,000
Equity shares of ₹10/- each of which ₹ 5/- paid up - Nil (As at 31st march 2012: 2,090,600)	-	10,453,000
11,197,403 (As at 31st march 2012: 5,197,403) Cumulative Redeemable Preference shares of ₹10/- each	<u>111,974,030</u>	<u>51,974,030</u>
	<u>219,893,030</u>	<u>169,601,030</u>
<b>c.) Forfeited Share Account</b>	<u>10080500</u>	-
<b>d.) Reconciliation of the shares outstanding at the beginning and at the end of the reported period</b>		

Particulars	31/03/2013		31/03/2012	
	No. of shares	Share capital (₹)	No. of shares	Share capital (₹)
<b>Equity Shares</b>				
At the beginning of the period	12,808,000	128,080,000	12,808,000	117,627,000
Issued during the period				
Forfeiture of Shares	<u>(2,016,100)</u>	<u>(20,161,000)</u>	-	-
<b>Outstanding at the end of the period</b>	<u>10,791,900</u>	<u>107,919,000</u>	<u>12,808,000</u>	<u>117,627,000</u>
<b>Preference Shares</b>				
At the beginning of the period	5,197,403	51,974,030	5,197,403	51,974,030
Issued during the period	<u>6,000,000</u>	<u>60,000,000</u>	-	-
<b>Outstanding at the end of the period</b>	<u>11,197,403</u>	<u>111,974,030</u>	<u>5,197,403</u>	<u>51,974,030</u>

## e.) List of equity shareholders holding more than 5 percent.

Names	As on 31/03/2013		As on 31/03/2012	
	No. of shares	% of shares	No. of shares	% of Shares
<b>Equity Shares</b>				
Sanjay Gupta	1,409,866	13.06	1,409,866	11.01
Ayyappa Roller Flour	2,093,000	19.39	1,353,000	10.56
Prima Credits Limited	1,269,000	11.76	1,269,000	9.91
Kerala State Industrial Development Corporation	1,100,000	10.19	1,100,000	8.59
Prima Agro Limited	1,019,528	9.45	1,019,528	7.96

## List of Cumulative Redeemable preference shareholders holding more than 5 percent.

IDBI Bank	-	-	5,197,403	100
Ayyappa Roller Flour Mills Ltd	11,197,403	100	-	-

## 4 Reserves and Surplus

Particulars	31/03/2013 (₹)	31/03/2012 (₹)
<b>a. Capital Reserves ;</b>		
At the beginning of the accounting period (Investment subsidy)	1,500,000	1,500,000
Additions during the year	-	-
At the end of the accounting period	<u>1,500,000</u>	<u>1,500,000</u>

Particulars	31/03/2013 (₹)		31/03/2012 (₹)	
<b>b. Other Reserves – Loan Waiver on One Time Settlement</b>				
At the beginning of the accounting period	132,474,030		132,474,030	
Additions during the year	15,220,000		-	
At the end of the accounting period	<u>147,694,030</u>		<u>132,474,030</u>	
<b>c. Surplus/ (deficit) in the statement of profit and loss</b>				
At the beginning of the accounting period	(292,945,437)		(291,191,560)	
Add : Profit for the year	(8,084,291)		(1,753,877)	
<b>Net Surplus in the statement of profit &amp; loss</b>	<u>(301,029,728)</u>		<u>(292,945,437)</u>	
<b>Total reserves and surplus (a) + (b) + (c)</b>	<u><u>(151,835,698)</u></u>		<u><u>(158,971,407)</u></u>	
<b>5 Long Term Borrowings</b>				
	Non - Current Portion		Current maturities	
Particulars	31/03/2013 (₹)	31/03/2012 (₹)	31/03/2013 (₹)	31/03/2012 (₹)
<b>1 Secured Borrowings</b>				
(a) Working Capital Loans - from banks.		-	-	14,700,000
<b>A</b>		-	-	<u>14,700,000</u>
Notes:				
i Working Capital Loan from: State Bank of India		-		14,700,000
		-		<u>14,700,000</u>
<b>2 Unsecured Borrowings</b>				
(a) Loans repayable on demand				
Bank Overdraft	-	-	328,929	437,816
(b) Loans from Directors	-	24,923,363	-	-
<b>B</b>	-	<u>24,923,363</u>	<u>328,929</u>	<u>437,816</u>
<b>A + B</b>	-	<u><u>24,923,363</u></u>	<u><u>328,929</u></u>	<u><u>15,137,816</u></u>

- i 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.
- ii As per the One Time Settlement Scheme, State Bank Of India has waived the loan amount of ₹ 1,47,00,000 and interest of ₹ 69,89,000.
- iii Amount of current maturities disclosed under the head "Other Current Liabilities".

- iv The Company has repaid the entire dues under one time settlement scheme with the IDBI Bank, State Bank of India and Bank of India.

Particulars	Period of Default	31/03/2013 (₹)	31/03/2012 (₹)
Loan repayable on demand from banks (One Time Settlement Scheme)	-		
<b>Principal</b>			
State Bank of India	-	-	14,700,000
<b>Interest</b>			
State Bank of India	-	-	9,689,000
		<u>-</u>	<u>24,389,000.00</u>

## 6 Provisions

Particulars	Long - term		Short - term	
	31/03/2013 (₹)	31/03/2012 (₹)	31/03/2013 (₹)	31/03/2012 (₹)
<b>1 Provision for employee benefits.</b>				
a) Provision for gratuity	340,694	293,172	-	-
<b>2 Others (specify nature).</b>				
a) Provision for income tax (net) (Refer note below)	-	-	-	62,251
	<u>340,694</u>	<u>293,172</u>	<u>-</u>	<u>62,251</u>

Notes:

Particulars	31/03/2013 (₹)	31/03/2012 (₹)
a. Provision for Income tax (Current Year)	-	-
Provision for Income tax relating to prior years	-	423,409
Less: Income tax advance paid : Tax deducted at source (Current year)	-	361,158
<b>Provision for Income tax (net)-</b>	<u>-</u>	<u>62,251</u>

## 7 Trade Payables

Particulars	31/03/2013 (₹)	31/03/2012 (₹)
Creditors for purchases	10,396,077	22,694,899
	<u>10,396,077</u>	<u>22,694,899</u>

**8 Other Current Liabilities**

Particulars	31/03/2013 (₹)	31/03/2012 (₹)
1 Current maturities of long term debt	328,929	15,137,816
2 Interest accrued and due on borrowings;	-	9,689,000
3 Statutory dues ( <i>Refer note below</i> )	3,608,180	6,036,992
4 Creditors for expenses	2,110,205	2,437,319
5 Creditors for others	4,721,471	4,682,333
6 Expenses payable	802,487	834,501
7 Other Current Liabilities	31,628,453	55,750,020
	43,199,724	94,567,981

Notes:

- i Other Current Liabilities include balances to Related parties (*Refer note 27*)

	Current Year	Previous Year
Ayyappa Roller Flour Mill	27,974,294	6,320,937
PAPL Exim India Ltd.	-	605,750
Prima Beverages Pvt Ltd	1,754,543	1,759,443
Prima Agro Ltd-Edayar	1,899,616	33,587,215
Prima Agro Ltd, Tvm	-	4,708,825
Prima Credits Ltd	-	8,767,850
	31,628,453	55,750,020

ii Central Sales Tax and Interest due thereon is provided based on the orders of Fast Track Team of Commercial Tax Department relating to Asst Year 2004-2005.

- iii Sales Tax (KGST) payable and interest due thereon is provided based on the revised orders on appeal.

iv <b><u>Statutory dues includes:-</u></b>	31/03/2013 (₹)	31/03/2012 (₹)
ESI damages Payable	62,917	92,917
Central Sales Tax Payable	3,182,665	3,182,665
Interest on Central Sales Tax Payable	325,404	2,673,439
KVAT Payable	10,960	-
Sales Tax Payable (KGST)	-	13,207
Interest on Sales Tax Payable	-	60,165
EPF Payable	20,927	9,883
ESI Payable	5,307	4,716
	3,608,180	6,036,992

## 9 Fixed Assets and Depreciation for the Year 2012-2013

Assets	GROSS BLOCK			Depreciation			NET BLOCK	
	As at 01/04/2012	Additions	Deletions	As at 31/03/2013	For the Year	Deletions for the period	As at 31/03/2013	As at 31/03/2012
<b>A. Tangible Assets</b>								
Land and Development	8,575,215	-	-	8,575,215	-	-	8,575,215	8,575,215
Building	53,055,383	1,257,843	-	54,313,226	1,800,056	-	26,678,464	27,220,678
Plant and Machinery	152,499,842	924,257	(668,258)	152,755,841	7,251,958	(13,766)	54,095,033	61,077,227
Electrical Installation	20,546,988	19,031	-	20,566,019	1,319,227	-	0	1,300,197
Office Equipments	980,003	123,527	-	1,103,530	51,781	-	387,769	316,023
Computers	407,382	3,800	-	411,182	3,800	-	0	0
Printers	28,000	18,600	-	46,600	2,346	-	41,503	25,249
Furniture and Fixtures	902,958	53,060	-	956,018	53,060	-	0	-
Lab Equipments	799,454	3,746	-	803,200	38,110	-	235,857	270,222
Vehicles	41,276	258,000	-	299,276	7,060	-	276,462	25,522
Weighing Machines	751,557	-	-	751,557	35,699	-	234,240	269,939
<b>TOTAL</b>	<b>238,588,058</b>	<b>2,661,864</b>	<b>(668,258)</b>	<b>240,581,664</b>	<b>10,549,332</b>	<b>(13,766)</b>	<b>90,524,545</b>	<b>99,080,272</b>
<b>Previous Year</b>	<b>235,757,597</b>	<b>2,830,461</b>	<b>-</b>	<b>238,588,058</b>	<b>10,078,589</b>	<b>-</b>	<b>99,080,272</b>	<b>106,328,401</b>
<b>CAPITAL WORK IN PROGRESS</b>								
Electrical Installation	58386	357140	-	415526				
Plant and Machinery	4899864	9954561	-	14854425				
Building		1053521	-	1053521				
<b>TOTAL</b>	<b>4958250</b>	<b>11365222</b>	<b>-</b>	<b>16323472</b>				

## 10 Loans and Advances

Particulars	Non - Current		Current	
	31/03/2013 (₹)	31/03/2012 (₹)	31/03/2013 (₹)	31/03/2012 (₹)
<b>1. Security Deposits;</b>				
a.)Secured, considered good	638,891	678,891	250,000	200,000
Unsecured, considered good;	-	-	1,500,000	-
Doubtful	-	-	-	-
	<u>638,891</u>	<u>678,891</u>	<u>1,750,000</u>	<u>-</u>
Provision for doubtful security deposit	-	-	-	-
	<u>638,891</u>	<u>678,891</u>	<u>1,750,000</u>	<u>200,000</u>
<b>2. Loans and advances to related parties</b>				
Unsecured, considered good;	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3 Other loans and advances</b>				
a.) Prepaid Expenses	-	-	309,806	271,678
b.) Advances to Employees ( <i>note i</i> )	-	-	124,623	189,754
c.) Advance for expenses and other advances ( <i>note ii</i> )	-	-	937,693	1,052,384
d.) Advance tax and Tax Deducted at Source ( <i>note iv</i> )-	-	-	1,718,187	921,559
e.) Balances with statutory/ government authorities ( <i>refer note iii</i> )	-	-	250,914	2,225
	<u>-</u>	<u>-</u>	<u>3,341,224</u>	<u>2,437,600</u>
<b>Total</b>	<u>638,891</u>	<u>678,891</u>	<u>5,091,224</u>	<u>2,637,600</u>

Note:

i Loans and salary advances due by staff and other employees etc.

Particulars	Current	
	31/03/2013 (₹)	31/03/2012 (₹)
<b>(i) Advance to employees include</b>		
- Dues from staff	124,623	189,754
	<u>124,623</u>	<u>189,754</u>
<b>(ii)Advances for expenses and other advances include</b>		
- Dues from staff	50,188	26,362
- Advance for expense	887,505	1,026,022
	<u>937,693</u>	<u>1,052,384</u>
<b>(iii)Balances with statutory/ government authorities (refer note iii)</b>		
- KVAT	-	2,225
- Excise Duty	250,914	-
	<u>250,914</u>	<u>2,225</u>
<b>(iv) Advance tax and Tax Deducted at Source</b>		
- Tax Deducted at Source	435,470	-
- Less : Provision for taxation	-	-
- Tax Deducted at Source previous years	1,282,717	921,559
	<u>1,718,187</u>	<u>921,559</u>

## 11 Other Assets

Particulars	Non - Current		Current	
	31/03/2013 (₹)	31/03/2012 (₹)	31/03/2013 (₹)	31/03/2012 (₹)
<b>1 Other Current Assets</b>				
Interest accrued on fixed deposits	-	-	29,136	11,905
Other Current Assets	-	-	1,625,528	1,482,120
	<u>-</u>	<u>-</u>	<u>1,654,664</u>	<u>1,494,025</u>

Note:

i) i) Other Current Assets includes advances to Prima Agro LTD( related parties) ₹11,25,528 (PY ₹982,120)



## 12 Inventories (valued at lower of cost or net realizable value)

Particulars	31/03/2013 (₹)	31/03/2012 (₹)
a. Raw Materials (Refer note i below)	7,700,291	17,935,186
b. Finished Goods (Refer note iii)	65,628	2,923,754
c. Consumables, Stocks and Spares (Refer note ii)	791,289	1,171,439
	<u>8,557,208</u>	<u>22,030,379</u>

## Notes:

- i Inventories are valued at lower of cost and net realizable value using First in First Out method.
- ii Net realisable value is the estimated selling price in the ordinary course of business and cost includes purchase cost and processing expenses (for finished goods).

## 13 Trade Receivables

## 1 Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment

a) Secured, considered good	-	-
Unsecured, considered good	8,520,156	19,852,702
Doubtful	-	-
	<u>8,520,156</u>	<u>19,852,702</u>
Provision for doubtful receivables	-	-
	<u>(A) 8,520,156</u>	<u>19,852,702</u>

## 2 Other Receivable

a) Secured, considered good	-	-
Unsecured, considered good	440,502	2,208,887
Doubtful	-	-
	<u>440,502</u>	<u>2,208,887</u>
Provision for doubtful receivables	-	-
	<u>(B) 440,502</u>	<u>2,208,887</u>

## 14 Cash &amp; Bank Balances

a.) Balances with banks		
(i) In current accounts	313,579	208,639
b.) Cash on hand	10,085	21,644
	<u>323,664</u>	<u>230,283</u>

## Notes:

The details of balances as on Balance Sheet date with banks are as follows:

In Current Accounts

Canara Bank	-	50,145
ICICI	20,264	29,603
ICICI kalamassery	282,593	76,390
State Bank of India	8,528	51,733
State Bank of Travancore	-	-
	<u>2,194</u>	<u>768</u>
	<u>313,579</u>	<u>208,639</u>

## 15 Revenue from operations

a. Sale of products (Refer Note (i) below)		
Finished goods	115,706,361	49,041,293
b. Sale of services (Refer Note (ii) below)	19,166,029	19,866,641
	<u>134,872,390</u>	<u>68,907,934</u>
Less: Excise duty	-	-
	<u>134,872,390</u>	<u>68,907,934</u>

Notes:

Particulars	31/03/2013 (₹)	31/03/2012 (₹)	
i Sale of products comprises			
<u>Finished goods</u>			
Coconut Oil - Refined	113,386,340	47,129,244	
Other Products	2,320,021	1,912,049	
<b>Total sale of Products</b>	<b>115,706,361</b>	<b>49,041,293</b>	
ii <u>Sale of Services</u> comprises			
Processing Charges	19,166,029	19,866,641	
<b>Total - Sale of services</b>	<b>19,166,029</b>	<b>19,866,641</b>	
<b>16 Other income</b>			
a. Other non-operating income. (Refer Note (i) below)	2,924,949	730,433	
	<u>2,924,949</u>	<u>730,433</u>	
i <u>Other non operating income</u> comprises			
Lab Analysis	27,675	100,725	
Creditors written back	1,881,061	-	
Discount received	58,790	-	
Fuel charges recovery	469,491	-	
Weigh Bridge receipt	11,430	9,100	
Insurance Reimbursement	171,536	-	
Interest income (KSEB)	19,385	21,539	
Excess provision written back for gratuity	-	426,934	
Profit on sale of assets	231,761	-	
Miscellaneous Income	53,819	172,135	
	<u>2,924,949</u>	<u>730,433</u>	
<b>17 Cost of material consumed</b>			
a.) <u>Raw Materials</u>			
Opening stock	17,935,186	5,369,853	
Add: purchases	101,145,403	66,311,460	
	<u>119,080,588</u>	<u>71,681,313</u>	
Less: Closing stock	7,700,291	17,935,186	
	<u>111,380,297</u>	<u>53,746,127</u>	
<b>18 (Increase)/ Decrease in inventories</b>			
			<b>(Increase)/ Decrease</b>
<b>Particulars</b>	<b>31/03/2013 (₹)</b>	<b>31/03/2012 (₹)</b>	
a.) <u>Inventories at the end of the year</u>			
- Finished goods	65,628	2,923,754	2,858,127
	<u>65,628</u>	<u>2,923,754</u>	<u>2,858,127</u>
b.) <u>Inventories at the beginning of the year</u>			
- Finished goods	2,923,754	265,473	(2,658,281)
	<u>2,923,754</u>	<u>265,473</u>	<u>(2,658,281)</u>
<b>Net (increase) /decrease</b>	<b>2,858,127</b>	<b>(2,658,281)</b>	
<b>19 Employee benefits expense</b>			
a.) Salaries, Wages & Bonus	2,024,774	1,313,758	
b.) Contribution to provident and other funds	188,032	421,665	
c.) Gratuity Expense	47,522	-	
d.) Ex Gratia	130,106	-	
e.) Post employment medical benefits	38,657	27,342	
f.) Staff welfare	1,697,899	1,276,457	
	<u>4,126,990</u>	<u>3,039,222</u>	

Particulars	31/03/2013 (₹)	31/03/2012 (₹)
<b>20 Finance costs</b>		
a.) Interest expense on:		
(i) Borrowings	-	2,430,000
(ii) Others		
- Bank charges	25,390	32,906
	<u>25,390</u>	<u>2,462,906</u>
<b>21 Other expenses</b>		
a. <b><u>Manufacturing Expenses:</u></b>		
Consumables	9,570,800	1,228,820
Gunny Marking & Stitching Expenses	313,322	461,231
Electricity Charges	6,062,426	5,358,190
Freight Inwards	3,781	11,900
Lab Expenses	8,107	84,969
Loading & Unloading Charges	6,976	5,695
Diesel Charges	144,226	9,126
Machinery Maintenance	2,667,120	2,284,817
Production Expenses	18,211	19,964
	<u>(A) 18,794,969</u>	<u>9,464,712</u>
b. <b><u>Administrative Expenses:</u></b>		
Administration Expenses	-	16,200
Advertisement Expenses	92,994	92,680
Auditor's Remuneration	83,090	63,474
Debtors written off	300,618	-
Sales / Business Promotion Expenses	69,580	349,755
Travelling & Conveyance		
- Director's	-	155,364
- Others	636,299	1,543,701
Donation	702	2,376
Electrical Expenses	1,716	-
Fees & Taxes	741,699	1,818,194
Festival Expense	40,896	57,845
Vehicle running expenses	106,091	143,758
General Office Expenses	1,252,064	2,062,532
Legal & Professional Charges	662,145	622,255
Miscellaneous Expense	-	41,328
Postage & Telegram	67,325	19,822
Printing & Stationery	46,242	39,737
Repairs & Maintenance - Others	90,874	211,700
ROC filing fees	228,663	-
Security charges	32,500	-
Insurance	302,045	24,698
Interest on Sales tax and TDS	179,540	2,746,943
Telephone Charges	95,354	80,185
Transportation Charges	105,090	140,521
	<u>(B) 5,135,526</u>	<u>10,233,067</u>
c. <b><u>Selling Expenses:</u></b>		
Freight Outward & Marketing Expenses	-	6,987
Sales Tax	-	17,380
Central Sales Tax	-	3,182,665
	<u>(C) -</u>	<u>3,207,032</u>
	<u>(A) + (B) + (C) 23,930,495</u>	<u>22,904,812</u>

Particulars	31/03/2013 (₹)	31/03/2012 (₹)
Notes:		
<u>Consumables, Stocks and Spares</u>		
Opening stock	1,171,439	188,658
Add: purchases	9,190,650	2,211,601
	<u>10,362,089</u>	<u>2,400,259</u>
Less: Closing stock	791,289	1,171,439
	<u>9,570,800</u>	<u>1,228,820</u>
i Payments to the auditors comprises (net of service tax input credit, where applicable):		
a.) As auditors - statutory audit	60,000	55,000
b.) For taxation matters	13,483	8,474
c.) Others	9,607	-
	<u>83,090</u>	<u>63,474</u>
<b>22 Exceptional and extraordinary items</b>		
1 Extraordinary items		
Interest written back on One Time Settlement of Loan	6,989,000	18,181,130
	<u>6,989,000</u>	<u>18,181,130</u>
<b>23 Tax expense:</b>		
1. Current Tax		
a.) tax expense for current year	-	-
b.) Less: MAT credit	-	-
c.) tax expense relating to prior years	-	-
d.) Net current tax expense	-	-
2. Deferred Tax	-	-
<b>24 Earnings per equity share:</b>		
1. <b>Basic Earnings per Share</b>		
Net profit / (loss) for the year	(8,084,291)	(1,753,877)
Weighted average number of equity shares	10,764,025	11,654,438
<b>Earnings per share - Basic (of ₹ 10/- each)</b>	(0.75)	(0.15)
2. <b>Diluted Earnings per share</b>		
Net profit / (loss) for the year	(8,084,291)	(1,753,877)
Weighted average number of equity shares for Basic EPS	10,764,025	11,654,438
Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS	10,764,025	11,654,438
<b>Earnings per share - Diluted (of ₹ 10/- each)</b>	(0.75)	(0.15)

## 25 Segment Reporting

### Primary Segment Information(By Business Segment)

The company's primary segment have been identified as (a) Cattle Feed Division, (b) Oil Cake Processing Division.

There are no reportable secondary segments.

**26 Related party transactions****1. Details of Related Parties:****Description of relationship**

a.) Key Management Personnel

b.) Associates

**Names of related parties**

1. Mr. Sanjay Gupta (Managing Director)

2. Mr. S.K. Gupta (Director)

1. Prima Agro Limited

2. Ayyappa Roller Flour Mills Limited

3. Prima Beverages Pvt Limited

4. Prima Credits Limited

**2. Details of related party transactions during the year ended 31 March, 2013 and balances outstanding for the year ended 31 March, 2012:**

Transactions	31/03/2013 (₹)	31/03/2012 (₹)
<b>a.) Transactions during the year</b>		
<b><u>Sales</u></b>		
Prima Agro Limited	-	91,524.00
<b><u>Purchase of fixed assets</u></b>		
Prima Agro Limited	766,500	-
<b><u>Purchase of raw materials or finished goods</u></b>		
Ayyappa Roller Flour Mills Ltd	-	420,945.55
<b><u>Loans taken</u></b>		
Prima Agro Limited	26,658,216	8,953,383
Ayyappa Roller Flour Mills Ltd	110,176,848	2,461,000
Prima Credits Ltd	120,000	-
<b><u>Loans Repaid</u></b>		
Prima Agro Limited	64,907,499.00	-
Prima Credits Ltd	8,887,850.00	-
Ayyappa Roller Flour Mills Ltd	28,185,447.00	-
S K Gupta	3,825,883.00	-
Sanjay Gupta	20,883,441.00	-
<b><u>Loans (taken from) / given to directors</u></b>		
S K Gupta	-	2,136,005
Sanjay Gupta	(5,430,000)	(237,781)
<b><u>Cash (received)/Paid</u></b>		
Prima Agro Limited	153,895	27787
Prima Beverages Pvt Ltd	4,400	50,000.00
Ayyappa Roller Flour Mills Ltd	550,000	-
Sanjay Gupta	(10,283)	(390,868.00)
<b><u>Issue of Preference Shares</u></b>		
Ayyappa Roller Flour Mills Ltd	60,000,000	-
<b><u>Other expenses met/(paid)</u></b>		
Prima Agro Limited	(114,726)	(9,316,301)
Ayyappa Roller Flour Mills Ltd	(211,956)	(3,540,392.27)
Prima Beverages Pvt Ltd	500	-
<b>b.) Balances outstanding at the end of the year</b>		
<b><u>Other Current Liabilities</u></b>		
Prima Agro Limited	774,088	38,296,040
Ayyappa Roller Flour Mills Limited	27,974,294	6,320,937.00
Prima Beverages Limited	1,754,543	1,759,443
Prima Credits Limited	-	8,767,850
<b><u>Unsecured Loans</u></b>		
S K Gupta	-	3,825,883
Sanjay Gupta	-	15,443,158

**27 Employee benefit plans****Gratuity plan**

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The Gratuity liability has not been externally funded. Company makes provision of such gratuity liability in the books of accounts on the basis of company's own valuation.

**28 Operating Lease**

Operating Lease payments are recognised as expenses in the Profit & Loss Account for the year

Particulars	31/03/2013 (₹)	31/03/2012 (₹)
a.) Total Minimum lease payment for each of the following periods		
-Not Later than 1 year	-	-
-Later than 1 year and not later than 5 years	-	-
-Later than 5 years	-	-
b.) Total of Future Minimum sub- lease payments, if any	-	-
c.) Lease payments recognised in the Profit & Loss A/c for the year		
- Rent for the accommodation of Staff	-	-

**29 Contingent Liabilities and commitments (to the extent not provided for)****1 Contingent Liabilities**

(a) Claims against the company not acknowledged as debt;	Nil	Nil
(b) Guarantees;		
- Guarantees issued by the bank	Nil	Nil
(c) Other money for which the company is contingently liable		
- Sales Tax demand disputed by the Company	Nil	Nil
- Central Sales Tax demand disputed by the Company	Nil	Nil
- Penalty disputed by the Company	Nil	Nil

**2 Commitments**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	Nil	Nil
(b) Uncalled liability on shares and other investments partly paid	Nil	Nil
(c) Other commitments - Dividend on Cumulative Redeemable Preference Shares.	5,197,000	Nil

**30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

(i) Principal amount remaining unpaid to any supplier at the end of the accounting year	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

Note:

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**31 Activity in foreign currency**

a.) Earnings in Foreign Exchange	Nil	Nil
b.) CIF Value of Imports	Nil	Nil
c.) Expenditure in Foreign Currency	Nil	Nil
d.) Dividends remitted in foreign currencies	Nil	Nil

As per our report of even date attached

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

For and on behalf of the board of directors  
**Prima Industries Limited**

Sd/-  
**P. Rajagopal**  
Partner  
Membership No. 202134

Sd/-  
**Sanjay Gupta**  
Managing Director

Sd/-  
**S.K. Gupta**  
Director

Place: Cochin  
Date : 31/05/2013

**Prima Industries Limited**

No. V-679/C, Industrial Development Area, Muppathadam, Edayar, Cochin-683110

**Notes to financial statements for the year ended March 31, 2013****1 Corporate information**

Prima Industries Limited (the "Company"), Indian Company registered under the Indian Companies Act, 1956. The Company was promoted primarily for Solvent Extraction and also for the refining of Oil.

**2.1 Basis of accounting and preparation of financial statements**

The Financial Statements have been prepared on the historical cost convention. These statements have been prepared in accordance with the generally accepted accounting principles and the applicable Mandatory Accounting Standards and relevant requirements of The Companies Act, 1956 ('the Act'). The accounting policies have been consistently applied by the Company. The preparation required adoption of estimates and assumptions that can affect the reported amounts of revenue and expenditure and the assets and liabilities as well as the disclosure of contingent liabilities. Differences between the actual results and estimates are recognised in the year in which they become known or materialises.

**2.2 Use of estimates**

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**2.3 Summary of Significant accounting policies****a. Inventories**

Finished goods, Raw materials and Inventories are valued at lower of cost and net realizable value.

**Cost Formula**

Inventories are valued by using First in First Out method.

Net realisable value is the estimated selling price in the ordinary course of business.

(where cost includes purchase cost and processing expenses (for finished goods))

**b. Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**c. Depreciation and amortisation**

Depreciation has been provided on fixed assets which were put to use under Straight Line Method ('SLM') at the rates prescribed under the schedule XIV of the Companies Act, 1956.

**d. 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.

**e. Fixed assets**

Fixed Assets are stated at their original cost of acquisition including taxes, duties, freight and



other incidental expenses relating to the acquisition and installation of the concerned assets less accumulated depreciation.

#### **f. Employees Benefits**

##### Retirement 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.

#### **g. Borrowing Costs**

Borrowing Cost that are directly attributable to the acquisition and construction of the qualifying asset are capitalised. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing cost are recognised in the period in which they are incurred.

#### **h. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

#### **i. Taxes on Income**

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

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.

#### **j. 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.

#### **k. 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.

#### **l. Cash Flow Statement**

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.

**m.Provisions and contingencies**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

- 3 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.

**One Time Settlement with Banks**

The interest waiver obtained on one time settlement with banks during the year 2011 - 12 and 2012 - 13 have been credited to profit & loss account. The interest waiver obtained in earlier years 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 31/03/2012 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.

- 4 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.
- 5 The amount of borrowing costs capitalized during the year is Rs. Nil.
- 6 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.

25 **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
<b>A. Revenue</b>						
External Sale	-	-	115,706,361	49,041,293	115,706,361	49,041,293
Processing Charges	19,166,029	19,866,641	-	-	19,166,029	19,866,641
Others	933,943	288,751	98,515	441,682	1,032,458	730,433
Unallocated income	-	-	-	-	1,892,491	-
Total Segment Revenue	<u>20,099,972</u>	<u>20,155,392</u>	<u>115,804,875</u>	<u>49,482,975</u>	<u>137,797,338</u>	<u>69,638,367</u>
<b>B. Result</b>						
Stock Differential	-	-	2,858,127	(2,658,281.4)	2,858,127	(2,658,281)
Raw material consumed	-	-	111,380,297	53,746,127	111,380,297	53,746,127
Packing Mat consumed	-	-	-	-	-	-
Consumables	1,360,058	-	8,210,742	1,228,820	9,570,800	1,228,820
Freight Inwards	537	-	3,244	11,900	3,781	11,900
Gunny Sticking	313,322	461,231	-	-	313,322	461,231
Electricity	861,501	1,553,875	5,200,925	3,804,315	6,062,426	5,358,190
Other overheads	-	-	162,437	119,754	162,437	119,754
Repairs and Maintenance	1,399,184	1,123,327	1,298,806	1,161,490	2,697,990	2,284,817
Depreciation on segment assets	-	121,857	-	7,025,776	-	7,147,633
Other Repairs	-	-	-	211,700	-	211,700
Advertisement Expenses	13,215	-	79,779	-	92,994	-
Employee benefits expense	586,466	-	3,540,524	-	4,126,990	-
Freight Outward	-	-	-	6,900	-	6,900
Loading and Unloading expense	991	-	5,985	-	6,976	-
Lab expenses	1,152	-	6,955	-	8,107	-
Insurance	42,922	-	259,123	-	302,045	-
Selling Expenses	9,888	-	59,692	3,200,132	69,580	3,200,132
Bank charges	3,608	-	21,782	106,410	25,390	106,410
Allocated segment expenses	<u>4,592,843</u>	<u>3,260,291</u>	<u>130,230,292</u>	<u>70,623,324</u>	<u>134,823,135</u>	<u>73,883,614</u>
Un-allocated expenses	-	-	-	-	4,640,037	13,244,602
Operating Profit/(Loss)	<u>15,507,130</u>	<u>16,895,101</u>	<u>(17,283,543)</u>	<u>(18,482,067)</u>	<u>(4,523,960)</u>	<u>(14,831,568)</u>
Less: Interest Expense	-	-	-	-	-	5,103,439
Less: Fringe Benefit Tax	-	-	-	-	-	-
Profit from ordinary activities	15,507,130	16,895,101	(17,283,543)	(18,482,067)	-	(19,935,007)
Less : Extra-ordinary loss	-	-	-	-	6,989,000	-
Net Profit/(Loss)	<u>15,507,130</u>	<u>16,895,101</u>	<u>(17,283,543)</u>	<u>(18,482,067)</u>	<u>(6,989,000)</u>	<u>(19,935,007)</u>
<b>OTHER INFORMATION:</b>						
<b>C. Assets</b>						
Segment Assets	20,628,368	18,085,532	84,272,468	98,149,876	104,900,836	152,550,327
Fixed Assets	3,668,097	2,962,050	60,843,812	67,060,361	64,511,909	70,022,411
Capital Work in Progress	10,127,577	-	6,195,896	-	-	16,323,472
Current Assets, Loans & Advances	6,832,694	15,123,482	17,232,760	31,089,515	24,065,454	46,212,997
Un-allocated assets	-	-	-	-	27,173,491	36,314,919
Total Assets	<u>20,628,368</u>	<u>18,085,532</u>	<u>84,272,468</u>	<u>98,149,876</u>	<u>132,074,327</u>	<u>152,550,327</u>
<b>D. Liabilities</b>						
Segment Liabilities	4,916,359	14,326,174	13,424,011	22,266,952	18,340,370	36,593,127
Un-allocated liabilities	-	-	-	-	35,596,125	56,015,214
Total Liabilities	<u>4,916,359</u>	<u>14,326,174</u>	<u>13,424,011</u>	<u>22,266,952</u>	<u>53,936,495</u>	<u>92,608,340</u>
<b>E. Depreciation</b>						
Segment Depreciation	316,411	121,857	7,163,573	7,025,776	7,479,984	7,147,633
Unallocated Depreciation	-	-	-	-	3,069,347	2,930,956
Total Depreciation	<u>316,411</u>	<u>121,857</u>	<u>7,163,573</u>	<u>7,025,776</u>	<u>10,549,332</u>	<u>10,078,589</u>

## 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
<b>Balance outstanding at the beginning of the year</b>	<b>(38,296,040)</b>	<b>(6,320,937)</b>	<b>(1,759,443)</b>	<b>(8,767,850)</b>	<b>(3,825,883)</b>	<b>(15,443,158.00)</b>
Sales	-	-	-	-	-	-
Purchase of raw materials or finished goods	-	-	-	-	-	-
Provision/ (Receipt) of management services	-	-	-	-	-	-
Loans (Taken)	(26,658,216)	(110,176,848)	-	(120,000)	-	(5,430,000)
Loans Repaid	64,907,499	28,185,447	-	8,887,850	3,825,883	20,883,441
(Sale)/Purchase of Fixed Asset	(766,500)	-	-	-	-	-
Issue of CRPS	-	60,000,000	-	-	-	-
Loans (taken from) / given to directors	-	-	-	-	-	-
Cash (received)/Paid	153,895	550,000	4,400	-	-	(10,283)
Rent (Expense) / Income	-	-	-	-	-	-
(Other expenses) met	(114,726)	(211,956)	500	-	-	-
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	-	-	-	-	-	-
<b>Balance outstanding at the year end</b>	<b>(774,088)</b>	<b>(27,974,294)</b>	<b>(1,754,543)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Prima Industries Limited

Door No. V-679/C, Industrial Development Area, Muppalthadam, Edayar, Cochin-683110

## Cash flow statement for the year ended March 31, 2012

Particulars	Note	For year ended March 31, 2013	For year ended March 31, 2012
		(₹)	(₹)
<b>Schedules to Cash flow statements</b>			
<b>I Cash flows from operating activities</b>			
<b>Profit before tax and exceptional item</b>		(8,084,291)	(1,753,877)
Non- cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortization expense		10,549,332	10,078,589
Finance charges		25,390	106,410
Interest on working capital loan		-	2,430,000
<b>Operating profit before working capital changes</b>		2,490,430	10,861,121
<b>Movements in working capital:</b>			
Increase/(decrease) in other liabilities		(51,368,257)	(14,232,232)
Increase/(decrease) in provisions		(14,729)	(344,860)
Increase/(decrease) in trade payables		(12,298,822)	18,547,285
Decrease/(increase) in loans and advances		(2,413,623)	15,048,990
Decrease/(increase) in other assets		(160,639)	84,401
Decrease/(increase) in Inventories		13,473,171	(16,206,395)
Decrease/(increase) in trade receivables		13,100,930	(2,154,799)
<b>Cash generated from/(used in) operations</b>		(37,191,539)	11,603,511
Direct tax paid (net of refunds)		-	-
Gratuity paid		-	-
<b>Net cash flow from/(used in) operating activities (I)</b>		(37,191,539)	11,603,511
<b>II Cash flows from investing activities</b>			
Capital Work in progress		(11,365,222)	(4,382,221)
Purchase of fixed assets		(2,661,864)	(2,830,461)
Proceeds from sale of assets		668,258	-
Proceeds from non- current investments		-	-
Purchase of non- current investments		-	-
Purchase of current investments		-	-
Proceeds from current investments		-	-
Interest received (net of TDS)		-	-
Dividend received		-	-
<b>Net cash flow from/(used in) investing activities (II)</b>		(13,358,828)	(7,212,682)
<b>III Cash flows from financing activities</b>			
Increase/(decrease) in secured loans		(9,265,547)	(3,798,564)
Receipts from shares issue		60,372,500	2,106,500
Unsecured Loans from directors		-	-
Finance charges		(25,390)	(106,410)
Interest on working capital loan		-	(2,430,000)
Dividend paid on equity shares		-	-
<b>Net cash flow from/(used in) financing activities (III)</b>		51,081,563	(4,228,474)
<b>Net increase /(decrease) in cash and cash equivalents (I+II+III)</b>		531,197	162,355
Effect of exchange differences on cash & cash equivalents held on foreign currency		-	-
Cash and cash equivalents at the beginning of the year		(207,533)	(369,888)
<b>Cash and cash equivalents at the end of the year</b>		(5,265)	(207,533)
Summary of significant accounting policies	2.3		
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

For and on behalf of the board of directors  
**Prima Industries Limited**

Sd/-  
**Sanjay Gupta**  
Managing Director

Sd/-  
**S.K. Gupta**  
Director

Place: Cochin  
Date : 31/05/2013

**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.....  
.....of.....in the district of .....as my/our  
proxy to vote for me/us, on my/our behalf at the 19<sup>th</sup> Annual General Meeting of the members of the  
Company to be held on Friday the 30th August, 2013 at 11.00 a.m. at its Regd.Office: "Door No: V/679-  
C , Industrial Development Area , Muppathadam P O , Edayar, Cochin – 683 110 on Kerala, India and at  
any adjournment thereof.

Signed at .....this.....day of.....2013

Signature of the Member



Regd. Folio No:  
No of shares held:

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

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**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 19thAnnual General Meeting of the Members of the Company being  
held on Friday the 30th August, 2013 at 11.00 a.m. at Regd.Office: "Door No: V/679-C, Industrial  
Development Area, Muppathadam P O, Edayar, Cochin – 683 110, Kerala, India

Regd. Folio No:  
No of shares held:

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

# PRINTED BOOK

TO

If undelivered, please return to:

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

## FORMAT FOR REGISTERING EMAIL ID

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



**ANNEXURE  
FORM A**

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

1.	Name of the Company	PRIMA INDUSTRIES LTD
2.	Annual financial statements for the year ended	31 <sup>ST</sup> March,2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	NA
5.	To be signed by- <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Auditor of the company</li> <li>• Audit Committee Chairman</li> </ul>	<p>For PRIMA INDUSTRIES LTD.</p> <p><i>[Signature]</i> Managing Director</p> <p><i>[Signature]</i> CFO</p> <p><i>[Signature]</i> Auditor</p> <p><i>[Signature]</i> Audit Committee Chairman</p> <p><b>JOSEPH &amp; ASSOCIATES</b> CHARTERED ACCOUNTANTS Firm Regn. No: 00631051</p> <p><i>[Signature]</i> <b>P. RAJAGOPAL</b> PARTNER (M.No. 202134)</p>

**FORM B**

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

1.	Name of the Company	
2.	Annual financial statements for the year ended	
3.	Type of Audit observation	
4.	Frequency of observation	
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	
6.	Additional comments from the board/audit committee chair:	
7.	To be signed by- <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Auditor of the company</li> <li>• Audit Committee Chairman</li> </ul>	