

ANNUAL REPORT

2007-2008

PRIME INDUSTRIES LIMITED

PRIME INDUSTRIES LIMITED

Regd. Office : Village Gobindgarh, Malout Road, Abohar (Punjab)

Notice

Notice is hereby given that the 16th Annual General Meeting of Members of Prime Industries Limited will be held on Tuesday, the 30th day of September, 2008 at 11.30 A.M. at Registered Office i.e Village Gobindgarh, Malout Road, Abohar (Punjab) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2008 and the Balance Sheet alongwith Schedules appended thereto as at that date together with the Report of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Sh. Harjeet Singh Arora, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. Darshanjit Singh Minocha, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modifications(s), the following resolution as an **Ordinary Resolution**:

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

Special Business:

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

"RESOLVED THAT in accordance with the provisions of Section 198, 259, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and/or as per recommendation of the Remuneration Committee and Board of Directors of the Company, consent of the company be and is hereby accorded, approved and ratified to the re-appointment of Sh.R.K. Singhanian as Managing Director of the Company for a further period of 5 (five) years with effect August 1, 2008, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board") which term shall be deemed to include any Committee of the Board

For Prime Industries Ltd.


Director

constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

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

By Order of the Board
Sd/-
(R.K.SINGHANIA)
Managing Director

Place: Ludhiana
Date: 30.03.2008

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND TO THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL NOT VOTE EXCEPT ON A POLL.**

PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A BLANK PROXY FORM IS ENCLOSED.

3. The Register of Members and the Share Transfer Books of the Company will be closed from Friday, the 26th day of September, 2008 to Tuesday, the 30th day of September, 2008 (Both days inclusive) for the purpose of Annual General Meeting of the Company.
4. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days during office hours upto the date of the Annual General Meeting.
5. Members holding shares in demat mode are requested to notify the change in their address/bank account to their respective Depository Participant(s) (DPs). Members must quote their Folio Number/De-mat Account No. (Client ID) in all correspondence with the Company and/or R&T Agent.

for Prime Industries Ltd.

Director

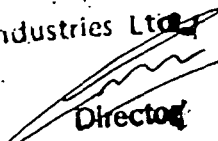
6. Pursuant to the provisions of Section 109A of the Companies Act, 1956, every shareholder or joint holders may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

7. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Annual General Meeting. As an austerity measure, Copy of Annual Report will not be distributed at the AGM.

ANNEXURE TO THE NOTICE

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

Name of Director	Sh. Harjeet Singh Arora	Sh. Darshanjit Singh Minocha
Date of birth	21.01.1953	15.09.1956
Date of Appointment	19.10.1992	30.12.2005
Expertise in specific functional areas	25 years experience in the field of Finance, Merchant Banking and Corporate Laws.	25 Years in the field of Finance, Internal Audit and Insurance
Qualifications	FCA, FCS	ACS
Directorship in other companies as on 31.03.2008	<ul style="list-style-type: none"> - Master Trust Ltd. - Master Capital Services Ltd - Master Commodity Services Ltd. - Master Insurance Brokers Ltd. - Master Share & Stock Brokers Ltd. - Master Portfolio Services Ltd. - MTL Share & Stock Brokers Ltd. - Master Projects (P) Ltd. - Arora Financial Services Ltd - Punjab Industrial Gases Ltd. 	NIL

For Prime Industries Ltd.

 Director

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No.6

The Remuneration Committee and the Board of Directors ("the Board") at its meeting held on 30.07.2008, subject to the approval of the Members at the forthcoming Annual General Meeting has recommended to consider, ratify and approve the re-appointment of Mr. R.K.Singhania as the Managing Director of the Company within the meaning of the Companies Act, 1956 ("the Act") for a further period of five years commencing from August 1, 2008 and ending on July 30, 2013 on such terms and conditions, remuneration payable as set out in the draft Agreement to be entered into by the Company with Mr. R.K.Singhania.

The draft agreement between the Company and Sh.R.K.Singhania contain the following principal terms and conditions

Mr. R.K.Singhania is to be re-appointed for a further period of 5 (five) years i.e August 1, 2008 to July 30,2013 as Managing Director of the Company and he shall devote the whole of his time and attention to his services as Managing Director of the Company and shall under the superintendence, control and direction of the Board, perform the duties and exercise the powers as may be entrusted to conferred upon by the Board.

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

- (i) Salary : At the rate of Rs. 20000 /- (Rupees Twenty Thousand) per month or such higher sum as May from time to time be determined by the Remuneration Committee/Board.
- (ii) Perquisites : Such perquisites and allowances as are or may from time to time be allowed to Senior Executives of the Company or as may from time to time be determined by the Remuneration Committee/Board.

Provided that if in any financial year during his term of appointment hereunder, the Company has no profit or its profits are inadequate, he shall for that year be entitled to the above remuneration or such lower remuneration as may from time to time be determined and decided by the Remuneration Committee/Board depending upon the effective capital of the Company for the time being as per Explanation I to Part II of Schedule XIII of the Act or any statutory modification or amendments thereof.

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

- a. contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961,
 - b. gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
 - c. encashment of leave at the end of the tenure
- (iii) In addition to the above, he shall also be entitled to such commission, if any, as may be determined by the Board provided the aggregate of the salary, perquisites and commission for any financial year shall not exceed 5% of the net profits of the Company for that year computed in the manner referred to in Section 198(1) of the Act.

For Prime Industries Ltd.

Director

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


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

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

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

Place: Ludhiana
Date : 30.08.2008

By Order of the Board
Sd/-
(R.K. Singhania)
Managing Director

for Prime Industries Ltd.

Director

DIRECTORS' REPORT

To
The Members

The Directors of your Company have pleasure in presenting the 16th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2008.

1. FINANCIAL RESULTS :

The Financial Results for the period 1st April, 2007 to 31st March, 2008 are as under.

Particulars	(Rupees in lacs)	
	2007-08	2006-07
Operating & Other Income	148.88	833.64
Profit before Tax (PBT)	1.08	3.50
Provision for Tax		
- Current	0.15	0.36
- Deferred	49.72	-8.65
- FBT	0.50	0.55
Profit (Loss) after Tax (PAT)	-49.29	-5.97

2. MANAGEMENT DISCUSSION AND ANALYSIS

PRODUCTION AND SALE REVIEW

During the year under review, your Company has registered gross sale of Rs. 148.88 lacs as compared to Rs. 833.64 lacs in previous year.

PROFITABILITY

The Company earned loss after of Rs. 49.29 lacs as compared to Rs. 5.96 lacs of the previous year.

3. DIVIDEND

Keeping in view to conserve the resources, your Directors are unable to recommend dividend for the year under review.

4. DIRECTORS

Mr. Harjeet Singh Arora, Director retires by rotation and being eligible offers himself for re-appointment.

Mr. Darshanjit Singh Minocha, Director retires by rotation and being eligible offers himself for re-appointment.

5. ADEQUACY OF INTERNAL CONTROL

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

For Prime Industries Ltd.


Director

6. PUBLIC DEPOSITS

During the period under review, the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

7. AUDITORS

The Auditors, M/s Manjeet Singh & Co., Chartered Accountants, Ludhiana, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate to the effect that the reappointment, if made, shall be in accordance with Section 224(1B) of the Companies Act, 1956.

8. AUDITORS' REPORT

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

9. CORPORATE GOVERNANCE

Your company fully adheres to the standards set out by the Securities & Exchange Board of India's Corporate Governance Practices and has implemented all of its stipulations. A certificate from the Company's Statutory Auditors in terms of Clause 49 of the Listing Agreement is annexed to and forms part of the Directors Report. The CEO/CFO's certificate duly signed forming part of the Corporate Governance Report, has been submitted to the Board. All Board Members and Sr. Management Personnel have affirmed compliance to the Code of Conduct for Financial Year 2007-08.

10. HUMAN RESOURCE DEVELOPMENT

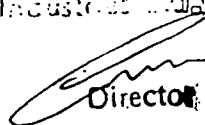
Prime Industries Ltd. always follow the policy of creating a healthy environment and work culture resulting into harmonious inter-personnel relations. The industrial relations at all levels of the Company have remained very cordial throughout the year.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profits of the Company for the period from April, 2007 to 31st March, 2008;

For Prime Industries Ltd.


Director

iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) That the annual accounts have been prepared on a going concern basis.

12. PARTICULARS OF EMPLOYEES

During the period under review, no employee received salary more than Rs. 24 lacs per annum or Rs.2.00 lacs per month. Accordingly no particulars of employees are being given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956.

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

Energy conservation continues to be an area of major emphasis in your Company. Efforts are made to optimize the energy cost while carrying out the manufacturing operations. Particulars with respect to conservation of energy and other areas as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board Of Directors) Rules, 1988 are annexed hereto and form part of this report.

15. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation to the team of Executives, Staff Members at all levels for their commitment and dedication. Your Directors also acknowledge with gratitude, continuing co-operation and assistance rendered by Company's Bankers and Business Associates/Partners for their continued co-operation and support. Your Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

For & On behalf of the Board of Directors

Place: Ludhiana
Date: 30.08.2008

Sd/-
(Harjeet S. Arora)
Director

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

for Prime Industries Ltd.

Director

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217 (I) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2008.

1. CONSERVATION OF ENERGY

- a. Instructions have been given to the staff to exercise great control over energy consumption.
- b. Additional investment & proposal under implementation for reduction of consumption of energy : No
- c. Impact of measure consequent to (a) (b) above : Positive
- d. Total energy consumption and energy consumption per unit of production as per Form-A.

FORM - A

(Rupees in Lacs)

	Current year 01.04.2007 to 31.03.2008	Previous Year 01.04.2006 to 31.03.2007
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased Unit (KWH)	0.00	4.60
Total Amount	0.00	5.48
Rate per Unit (In Rs.)	0.00	4.60
b) Own Generation		
Through Diesel Generator		
Units Produced (KWH)	0.00	0.00
Total Amount	0.00	0.00
Cost per Unit (In Rs.)	0.00	0.00
2. Rice Husk/Baggase etc:		
Quantity (In Mts.)	0.00	1.00
Total Cost	0.00	0.70
Average Rate (Rs./pmt)	0.00	700.00
3. Furnace Oil	0.00	0.00
4. Diesel	0.00	0.04
Total Quantity (In Ltrs.)	0.00	0.04
Total Cost (Rs.)	0.00	1.26
Average (Rs./Ltrs)	0.00	29.00

For Prime Industries Ltd


Director

1. Other/Internal Generation

2. CONSUMPTION PER M.T. OF PRODUCTION

1. PRODUCT

Electricity Consumed per Unit	0.00	0.00
Electricity Unit/Pmt	0.00	414.41
Rice Husk Tones/Pmt	0.00	0.90
Others	0.00	0.00

2. TECHNOLOGY ABSORPTION

Technology Absorption, Adoption and Innovation : -- --

3. FOREIGN EXCHANGE EARNINGS & OUTGO :

a) Foreign Exchange Earned (Rs.) -- --
b) Foreign Exchange Used (Rs. in Lacs) -- --

For & On behalf of the Board of Directors

Place: Ludhiana
Date: 30.08.2008

Sd/-
(Harjeet S. Arora)
Director

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

for Prime Industries

Director

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

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

Name of the Director	Designation	Category	Attendance at the last AGM	No. of Board Meetings attended	No. of Directorship in other companies
Sh. R.K. Singhania	Managing Director	Executive Director	Present	10	10
Sh. H.S. Arora	Director	Non Executive Director	Present	10	10
Sh. Amarjit Singh	Director	Executive Director	Present	3	-
Sh. Ashwani Kumar	Director	Non Executive Director	Present	7	7
Sh. Opinder Singh	Nominee Director	Non Executive Director	Present	-	-
Sh. Darshanjit S. Minocha	Director	Non Executive Director	Present	3	-

3. AUDIT COMMITTEE :

To ensure the independence of the Committee the three members Audit Committee was composed of nonexecutive and independent directors viz. Sh. Harjeet Singh Arora, Sh. Darshanjit Singh and Sh. Ashwani Kumar.

Sh. Ashwani Kumar is the chairman of the Committee. Statutory Auditors, Head of Account Department are permanent invitees to the Committee meetings. The Terms of Reference of the Audit Committee are as contained in Section 292A of the Companies Act, 1956 and also as contained in Corporate Governance clause of the Listing Agreement.

The Audit Committee met five times during the year on 27.04.2007, 27.07.2007, 27.08.2007, 27.10.2007 and 31.01.2008. The attendance of the members of the Committee is given below:

Name of Committee Director	Category	No. of Meetings Attended
Sh. Harjeet Singh Arora	Non Executive Director	5
Sh. Ashwani Kumar	Non Executive Director	4
Sh. Darshanjit Singh Minocha	Non Executive Director	3

for Prime Industries
R. R. Ch

4. DIRECTORS' REMUNERATION :

(a) Managing/ Whole Time Directors

Detail of remuneration paid to the Managing Director during the Financial Year 2007-08 is given below:

Figures (in Rupees)				
Name	Position	Salary	Other Perquisites	Total
Sh. R.K.Singhania	Managing Director	180000.00	60000.00	240000.00

(b) Non Executive Directors :

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

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE :

The Shareholders'/Investors' Grievance Committee was constituted to look into the redressal of investors' complaints on various issues. The Members of the Committee are Sh. Harjeet Singh Arora and Sh. Ashwani Kumar. The chairman of the committee is Sh. Harjeet Singh Arora. No complaint of any shareholder is pending with the company.

6. GENERAL BODY MEETINGS:

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

Financial Year	General Meeting	Location	Date	Time
2007	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	29.09.2007	3.30 P.M.
2006	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	30.09.2006	4.00 P.M.
2005	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	30.09.2005	1.30 P.M.

The Company has passed a resolution through postal ballot during the Financial Year 2007-08.

7. DISCLOSURE

1. There has been no instance of the non-compliance by the Company on any matter related to capital market during the last three years.
2. No treatment different from accounting standards prescribed by the Institute of Chartered Accountants of India, has been followed while preparing the financial statements.
3. The Company has complied with the mandatory requirements of clause 49 of the Listing Agreement and has not followed the non mandatory requirements.

For Prime Industries


Director

8. MEANS OF COMMUNICATION

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

9. GENERAL INFORMATION FOR SHAREHOLDERS :

ANNUAL GENERAL MEETING

i) 16th Annual General Meeting :

Date : 30.09.2008
Time : 11.30 A.M.
Venue : Regd. Office : Village Gobindgarh, Malout Road, Abohar.

ii) Financial : 1st April 2007 to 31st March 2008

First Quarterly Results : July, 2007
Second Quarterly Results : October, 2007
Third Quarterly Results : January, 2008
Annual Results : April, 2008

iii) Dates of Book Closure : : 26.09.2008 to 30.09.2008 (both days inclusive)

iv) Listing :

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

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

v) Stock Code :

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

for Prime Industries


Director

vi) Market Price Data

Monthly high and low prices of equity shares of Prime Industries Limited at The Bombay Stock Exchange Limited, (BSE) in comparison to sensx is given hereunder:

Month	Share Price of the Company			BSE Index		
	Highest (In Rs.)	Lowest (In Rs.)	Closing (In Rs.)	Highest (In Rs.)	Lowest (In Rs.)	Closing (In Rs.)
2007	7.67	4.67	4.67	14383.72	12425.52	13872.37
May 2007	4.44	2.96	2.96	14576.37	13554.34	14544.46
June 2007	2.82	2.13	2.35	14683.36	13946.99	14650.51
July 2007	2.24	1.85	1.85	15868.85	14638.88	15550.99
August 2007	2.02	1.77	2.02	15542.40	13779.88	15318.60
September 2007	2.33	2.12	2.33	17361.47	15323.05	17291.10
October 2007	2.56	2.33	2.56	20238.16	17144.58	19837.99
November 2007	2.68	2.55	2.55	20204.21	18182.83	19363.19
December 2007	3.90	2.67	3.90	20498.11	18886.40	20286.99
January 2007	8.38	4.09	8.38	21206.77	15332.42	17648.71
February 2007	11.97	8.79	9.79	18895.34	16457.74	17578.72
March 2007	9.31	8.41	8.41	17227.56	14677.24	15644.44

vii) Registrar and Share Transfer Agent :

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

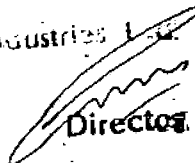
Skyline Financial Services (P)Ltd.
246, Sant Nagar, Main Iscon Temple Road
East of Kailash, New Delhi.
Phones: 011-46573054, 26292682-83
Fax: 011-29848352
e-mail: admin@skylinefina.com

ix) Share Transfer System :

All Applications for transfer of shares in physical form are received and processed by the Company's Registrar and Share Transfer Agent i.e Skyline Financial Services (P) Ltd.

x) Distribution of Shareholding Pattern of The Company as on 31.03.2008

For Prime Industries Ltd.


Director

S. No.	Category	No. of Shares	% of Shares
1.	Promoters	3126003	39.57
2.	Corporate Bodies	2340893	29.63
3.	General Public	1282704	16.24
4.	NRI	263500	3.34
5.	Bank/ FIs	886900	11.22

xi) Dematerialization of Shares :

As on 31st March 2008	% of the Share Capital dematerialized
1734600	21.95 %

xii) Plant Location:

Village Gobindgarh,
Malout Road, Abohar.

xiii) Address for Correspondence :

Head Office : Master Chambers,
19, Feroze Gandhi Market, Ludhiana.
Tel. No. : 0161-2410557-58, Fax No. : 0161-2402963
E-mail : primeindustries@alibaba.com

xiv) Compliance Officer :

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

DECLARATION UNDER CLAUSE 49

All Board Members and Senior Management have affirmed compliance with the code of conduct as adopted by the Board of Directors of the Company.

Place : Ludhiana
Date : 30.08.2008

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

for Prime Industries Ltd

Director

CEO CERTIFICATE

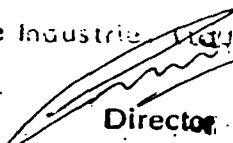
Pursuant to Clause 49 (V) of the Listing Agreement of the Stock Exchanges, we hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief;
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
- (d) We have indicated to the auditors and the Audit committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) that no instances of significant fraud have come to our notice.

Place: Ludhiana
Date: 30.08.2008

For Prime Industries Limited
Sd/-
(R.K.Singhania)
Managing Director

for Prime Industries Ltd



Director

the members of Prime Industries Limited on compliance of
Corporate Governance for the year ended 31st March, 2008
the Listing Agreement.

Members
Prime Industries Limited

I/We have examined the compliance of conditions of Corporate Governance by Prime Industries Limited for the year ended 31st March, 2008, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange (hereinafter referred to as clause 49).

The compliance of conditions of corporate governance is the responsibility of the management. My/Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my/our opinion and to the best of our information and according to the explanations given to me/us and the representations made by the directors and the management, I/We certify that the company has upto 31st March, 2008, complied in all material respects with the conditions of Corporate Governance stipulated in Clause 49. Further I/We state that no investor grievances are pending for a period of one month against the company as per the records maintained by the Investor Grievance Committee.

I/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 had conducted the affairs of the company.

For Manjeet Singh & Co.
Chartered Accountants

Sd/-
Manjeet Singh

Date : 30.08.2008

For Prime Industries

Director

AUDITOR'S REPORT

To
The Members
Prime Industries Limited.
Abohar.

We have audited the attached Balance Sheet of Prime Industries Limited, Malout Road ,Abohar as at 31.03.2008 and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- 1) As required by the Companies (Auditor's Reports) Order 2003 issued by the Central Government of India in terms of sub-section, (4A) of section 227 of the Companies Act, 1956, We annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
- 2) Further to our comments in the annexure referred in paragraph (1) above we state that:-
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of accounts as required by law, have been kept by the company so far as it appears from our examination of such books.
 - iii) The Balance Sheet and Profit and Loss Account, dealt with by this report are in agreement with the books of accounts.
 - iv) In our opinion the Balance Sheet and Profit And Loss Account comply with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, in so far as they apply to company.
 - v) Based on representation made by the directors and taken on record by the Board, we report that none of the directors is disqualified as on 31.3.2008 from being appointed as a director in terms of clause (g) of subsection (i) of section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanation given to us, read with the other notes, the said statements of accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view subject to non provision of Impairment Loss as explained in notes of accounts:-

For Prime Industries Limited


Director

1. In the case of the Balance Sheet, of the State of Affairs of the Company as at 31.03.2008 and
2. In the case of Profit and Loss Account, of the Loss for the year ended on that date.
3. In the case of the Cash flow Statement, of the cash flows for the year ended on that date.

Place : Ludhiana
Dated: 30.08.2008

For Manjeet Singh & Co.
Chartered Accountants

Sd/-
(Manjeet Singh)
Prop

for Prime Industry Ltd.


Director

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph (1) of our report of even date)

1. a) The company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the management has physically verified certain fixed assets during the year and no serious discrepancies have been noticed. In our opinion, the frequency of fixed assets is reasonable. To the best of our knowledge, no material discrepancy have been noticed on verification.
- c) During the year the Company has sold the part of Machinery/Building which will effect the going concern status of the company.
- a) The inventory have been physically verified during the year by the management and in our opinion the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the company is reasonable and commensurate with the size of company and the nature of its business.
- c) The company is maintaining proper record of inventory. The discrepancies noticed on verification between the physical inventory and book records were not material and the same have been properly dealt with in the books of accounts.
3. In respect of loans, secured or unsecured, granted or taken by the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - a) The Company has granted loan to two parties aggregating to Rs. 238.38 lacs at the end of the year (previous year Two parties 0.80 lacs) granted to associate companies.
 - b) In our opinion and according to the information and explanation given to us , the rate of interest wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - c) In respects of loan granted to the company these are repayable on demand and therefore the question of overdue amounts does not arise.
4. In our opinion, and according to the information and explanation given to us during the course of audit, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of books and records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.

For Firm's Use

Director

5. a) Based upon the audit procedures applied by us and according to the information and explanation given to us, we are of the opinion that the transactions required to be entered into the register maintained under section 301 of the Act, have been so entered.
- b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rupees five lacs or more in respect of each party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
6. The company has not accepted any deposits from public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
7. In our opinion, the company has an adequate system of internal audit which is commensurate with the size and nature of its business.
8. We are informed that maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 in respect of the Company's product.
9. The company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities wherever applicable. No amount was outstanding for more than six months as on the date of Balance Sheet from the date they become payable.
10. There are no accumulated losses of the company at the end of the financial year. There are no cash losses during the current and immediately preceding financial year.
11. According to the information and explanations given to us and as per books and records examined by us, the company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares debentures and other securities.
13. The company does not fall within the category of Chit fund/ Nidhi/ Mutual Benefit fund/Society and hence the related reporting requirements are not applicable.
14. The company is dealing or trading in shares, securities debentures and other investments and maintaining proper records of transactions and contracts and also timely entries have been made therein. Shares, securities debentures and other securities have been held by the company in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.
15. The company has given corporate guarantee of Rs.1600.00 Lacs(Previous Year 1100.00 Lacs) for the facilities of bank guarantee taken by the associate company from banks or financial institutions, the terms & conditions whereof in our opinion are not prima facie prejudicial to the interest of company.

For Firm's

Director

16. In our opinion, and according to the information and explanations given to us, the term loan raised during the year by the Company has been applied for the purpose for which the said loan was obtained, where such end use has been stipulated by the lender.

17. According to the information and explanation given to us, and as per the books and records examined by us, as on the date of balance sheet, the fund raised by the company on short term basis have not been applied for long term investments. Long term funds have been partly applied for financing core working capital in consonance with principles of sound financial management.

18. The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. The company has not issued any debentures during the year.

20. The company has not raised any money by way of public issues during the year.

21. During the course of our examination of books and records of the company carried out in accordance with the generally accepted auditing practices in India we have neither come across any instance of fraud on or by the company, noticed and reported during the year, nor have we been informed of such case by the management.

Place : Ludhiana
Dated: 30.08.2008

For Prime Industries Ltd.

Director

For Manjeet Singh & Co.
Chartered Accountants

Sd/-
(Manjeet Singh)
Prop.

PRIME INDUSTRIES LIMITED

BALANCE SHEET AS AT 31.03.2008

SOURCE OF FUNDS	ANNEXURE	AS AT 31.03.2008 (RS.)	AS AT 31.03.2007 (RS.)
SOURCE OF FUNDS			
SHAREHOLDERS FUNDS			
Capital	A	78633500.00	78633500.00
Reserve & Surplus	B	46367708.99	51296997.02
		<u>125001208.99</u>	<u>129930497.02</u>
Deferred Tax Liability (Net)		12840299.88	7867510.00
TOTAL		<u>137841508.87</u>	<u>137798007.02</u>
Application of Funds			
Fixed Assets			
Gross Block	C	109904292.00	133802064.00
Less Depreciation		29673111.00	44074591.00
Net Block		<u>80231181.00</u>	<u>89727473.00</u>
INVESTMENT			
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	E	256543.00	10702358.00
Sundry Debtors	F	14805925.86	15370476.86
Cash & Bank Balances	G	1610069.82	441890.32
Loans and Advances	H	45708170.55	39215626.78
TOTAL		<u>62380709.23</u>	<u>65730351.96</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
Liabilities	I	5627881.36	18517317.94
Net Current Assets		<u>56752827.87</u>	<u>47213034.02</u>
TOTAL		<u>137841508.87</u>	<u>137798007.02</u>

NOTES ON ACCOUNTS

This is the balance sheet referred to in our report of even date.

For Manjeet Singh & Co.

Chartered Accountants

Sd/-
(Manjeet Singh)
Prop.

For and on behalf of Board

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

Sd/-
(Harjeet S.Arora)
Director

Place : Ludhiana

Date : 30.08.2008

For Prime Industries Ltd.


Director

PRIME INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008

PARTICULARS	ANNEXURE	AS AT 31.03.2008	AS AT 31.03.2007
INCOME			
Operating Income	J	14888311.25	83364066.33
Total		14888311.25	83364066.33
Expenditure			
Cost of Material	K	10445815.00	68258642.41
Mfg. Expenses	L	0.00	7049964.05
Employee Cost	M	676340.00	1175219.00
Administration & Other Expenses	N	2840784.42	1498936.50
Financial Expenses	O	143440.98	2552362.82
Selling Expenses	P	29417.00	832668.53
Depreciation		644012.00	1636677.00
		14779809.40	83004470.31
Profit/Loss(-) for the year		108501.85	359596.02
Provision for Taxation-Current		15000.00	36000.00
-Deferred		4972789.88	665528.00
-FBT		50000.00	55000.00
Profit (Loss)(-)After Taxation		-4929288.03	-596931.93
Add Previous year Balance		35070901.02	0.00
Profit available for appropriation		30141612.99	35767463.02
Appropriation			
unutilised STT of previous Year		0.00	385562.00
Balance carried over to Balance sheet		30141612.99	35070901.02

NOTES ON ACCOUNTS

This is the balance sheet referred to in our report of even date. For Manjeet Singh & Co. Chartered Accountants


For and on behalf of board

Sd/-
(Manjeet Singh)
Prop.

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

Sd/-
(Harjeet S. Arora)
Director

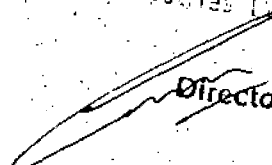
Place : Ludhiana
Date : 30.03.2008

For Prime Industries Ltd

Director

PRIME INDUSTRIES LIMITED
SCO 19, FFROZE GANDHI MARKET,
LUDHIANA 141001

SCHEDULE C

	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	W.D.V. 01.04.07	Additions During the Year	Sale/Adjustments for the Year	As at 31.03.2008	As at 01.04.2007	For the Year	Adjustment for the year	As At 31.03.2008	As At 31.03.2008	As At 31.03.2007
Land	9676000.00	0.00		9676000.00	0.00	0.00		0.00	9676000.00	9676000.00
Building	15151705.00		4231092.00	10920614.00	5403160.00		2006383	3396777.00	7523837.00	10254613.00
Plant & Machinery	102047387.00	0.00	23891720.00	81155667.00	35543218.00	0.00	12691721.00	22851497.00	58304170.00	66935138.00
Furniture & Fixture	582548.00	86013.00		679561.00	351388.00	43010.00		394414.00	285147.00	269089.00
Vehicles	4870147.00	1573240.00	522388.00	5920999.00	1680881.00	502789.00	347380.00	1836282.00	4084717.00	3444560.00
Office Equipments	1473851.00	77500.00		1551351.00	1058934.00	88207.00		1184141.00	357310.00	438701.00
	133802739.00	1746753.00	25645200.00	108904292.00	44074591.00	644012.00	15045462.00	29673111.00	80231181.00	91018101.00

For Prime Industries Ltd

 Director

PRIME INDUSTRIES LIMITED

ANNEXURES ANNEXED TO END FORMING PART OF THE BALANCE SHEET AS AT 31.03.2008

<u>PARTICULARS</u>	<u>AS AT 31.03.2008</u>	<u>AS AT 31.03.2007</u>
ANNEXURE-A		
Share Capital		
Authorised		
80,00,000/- (Previous Year (80,00,000)		
Equity Share of Rs.10/-	80000000.00	80000000.00
Issued subscribed and paidup		
7900000(Previous year 7900000)		
Equity Share of Rs.10/- each fully paid	79000000.00	79000000.00
Less :Calls unpaid	366500.00	366500.00
TOTAL	78633500.00	78633500.00
ANNEXURE-B		
Reserve and Surplus		
Capital Reserve	9249500.00	9249500.00
Revaluation Reserve	6976596.00	6976596.00
Profit & Loss	30141612.99	35070901.02
TOTAL	46367708.99	51296997.02

for Prime Industries Ltd.

Director

PRIME INDUSTRIES LIMITED

ANNEXURES ANNEXED TO END FORMING PART OF THE BALANCE SHEET AS AT 31.03.2008

PARTICULARS	AS AT 31.03.2008	AS AT 31.03.2007
ANNEXURE - D		
INVESTMENT		
63,500 (Prev. Year 63,500) Equity Shares of Rs.10/- each of Master Trust Ltd.	657500.00	657500.00
UNQUOTED		
20,000 Shares of Master Portfolio Services Ltd. (Previous year 20,000) of Rs. 10/- each Market value of quoted shares is Rs.12.41 lacs (Previous year Rs.3.83 lacs)	200000.00	200000.00
TOTAL	657500.00	857500.00
ANNEXURE - E		
INVENTORIES		
(As taken valued and certified by the Management)		
Raw Material (At Cost)	0.00	0.00
Finished Goods (at cost price)	0.00	0.00
Work in Progress (at estimated cost)	0.00	10445815.00
Stores & spares (At cost or realisable value whichever is less)	256543.00	256543.00
TOTAL	256543.00	10702358.00
ANNEXURE - F		
SUNDRY DEBTRS (UNSECURED)		
Considered goods	13446135.21	13641995.21
Over six month old	1353790.65	1728481.65
Others	14805925.86	15370476.86
TOTAL	14805925.86	15370476.86
ANNEXURE - G		
CASH AND BANK BALANCE		
Cash in hand	97772.21	59244.59
Balance with Scheduled Banks in Current accounts	1512297.61	382645.73
TOTAL	1610069.82	441890.32
ANNEXURE - H		
LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	44527842.55	38264426.78
Security Deposits	197720.00	407020.00
Tax Deducted Source	982608.00	544180.00
TOTAL	45708170.55	39215626.78

For Prime Industries Ltd


Director

PRIME INDUSTRIES LIMITED

ANNEXURES ANNEXED TO END FORMING PART OF THE BALANCE SHEET AS AT 31.03.2008

PARTICULARS	AS AT 31.03.2008	AS AT 31.03.2007
ANNEXURE - I		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	377548.81	1773939.62
Other Liabilities	5185332.55	16652378.32
Provisions for FBT	50000.00	55000.00
Provisions for Tax	15000.00	36000.00
TOTAL	<u>5627881.36</u>	<u>18517317.94</u>
ANNEXURE- J		
OPERATING & OTHER INCOME		
Sale, Services & Others	13601330.25	82069258.33
Interest Income	1286981.00	1294808.00
TOTAL	<u>14888311.25</u>	<u>83364066.33</u>
ANNEXURE- K		
CCST OF MATERIAL		
OPENING STOCK		
Raw Material	0.00	4918197.00
Oil in Process	10445815.00	7317548.00
Finished Goods	0.00	16782.00
TOTAL	<u>10445815.00</u>	<u>12252527.00</u>
Add: PURCHASE	0.00	66451930.41
LESS CLOSING STOCK		
Oil in Process	0.00	10445815.00
TOTAL	<u>0.00</u>	<u>10445815.00</u>
NET COST	10445815.00	68258642.41
ANNEXURE- L		
MANUFACTURING EXPENSES		
Power & Fuel	0.00	743246.00
Store Consumed	0.00	6236761.05
Repair & Maintainance	0.00	48154.00
Labour Charges	0.00	21803.00
TOTAL	<u>0.00</u>	<u>7049364.05</u>

For Prime Industries Ltd.


Director

ANNEXURES ANNEXED TO END FORMING PART OF THE BALANCE SHEET AS AT 31.03.2008

PARTICULARS	AS AT 31.03.2008	AS AT 31.03.2007
ANNEXURE- M		
EMPLOYEE COST		
Salary, Wages, Lww & Other Allownses (Including Directors Remuration Rs.240000/- Previous Year Rs.472645/-)	582733.00	999727.00
Staff Welfare Exp	93607.00	175492.00
TOTAL	676340.00	1175219.00
ANNEXURE - N		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rate & Taxes	46000.00	103500.00
Printing & Stationery	10216.00	31292.00
Travelling & Conveyance (Including Director - Travelling Rs.177816/- Previous Year Rs.152963/-)	438550.00	241340.00
Legal & Professional Charges	30210.00	129725.00
Postage & Telegram, Telephone & Telex	142296.30	281309.00
Insurance Charges	603698.00	201443.00
Vehicle Maintainece	182361.00	155156.00
office Maintainece		
Other general Exp (Including AGM Exp etc)	1376129.12	343947.50
Audit Fees	11224.00	11224.00
TOTAL	2840784.42	1498936.50
ANNEXURE- O		
FINANCIAL EXPENSES		
INTEREST		
on Car loan/other loans	120780.86	2445893.09
Bank Charges	22660.12	106469.73
TOTAL	143440.98	2552362.82
ANNEXURE - F		
SELLING EXPENSES		
Brokerage & commission	0.00	57019.00
Rebate & Discount	0.00	335266.07
Advertisement Expenses	20707.00	34069.00
Freight Outward & Other Selling Expenses	8710.00	406314.46
TOTAL	29417.00	832668.53

For Prime Industries Ltd.

Director

ANNEXURE -Q

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF ACCOUNTING

The financial statements are prepared under historical cost convention with applicable accounting standards and relevant presentation requirement of the companies Act, 1956 and on the basis of going concern.

B) FIXED ASSETS

I) Fixed assets are stated at cost of acquisition including taxes, duties and other direct and indirect expenses incidental to acquisition and installation/construction and net of Modvate Credit and adjusted by revaluation of land at current market value as certified by the approved valuer as on 31.03.2003.

II) The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indications of impairment thereof, based on external/internal factors. Impairment loss has not been recognized, and the carrying amount of an asset exceeds its recoverable amount. As the management is in process of valuation of Plant & Machinery on 31-03-2008, Impairment loss has not been recognized.

III) Depreciation on fixed assets is provided on straight line method in the manner and at the rates specified in schedule XIV/No.GSR/756(E) Dated 16 Dec.1992 calculated on the basis of number of days plant has worked during the year.

C) INVENTORIES

The basis of determining cost of inventories

Raw Material	: At Cost Price
Work-in-process	: At Estimated cost
Finished Goods	: At Cost Price
Stores & Spares	: At cost or realizable value whichever is lower

For Prime Industries Ltd.


Director

D) INVESTMENTS

Investments are stated at the cost of acquisition.

E) PROVIDENT FUND

The company's contribution to the fund is charged to Profit & Loss account as revenue as required under the state rules.

F) GRATUITY

Provision of Gratuity is made & charged to Profit & Loss account.

G) REVENUE RECOGNITION

The company follows the mercantile system of accounting and recognized profit and Loss account on that basis.

H) FRINGE BENEFIT TAX

The Fringe Benefit Tax has been calculated and accounted for in accordance with the provisions of the Income tax act, 1961 and the guidance note on accounting for fringe Benefit Tax issued by the institute of Chartered Accountants of India.

I) BORROWING COST

All borrowing costs are charged to revenue.

2) CONTINGENT LIABILITIES

a) The company has been giving corporate guarantee to the bank for the Bank Guarantee facility taken by its associate company amounting to Rs. 1600 lacs (Previous year Rs. 1100 lacs).

3) Balances of sundry debtors and creditors are subject to confirmation and reconciliation if any.

4) In the opinion of the Board, all the current assets, Loans & advances have been the Value on realization in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise.

5) Other General expenses include/(Incomes) related to earlier year Rs. Nil (Previous year Rs. Nil)

6) The previous year figure have been regrouped and reclassified wherever necessary.

7) Sales, services and other income include miscellaneous Income Rs. Nil (previous year NIL), Insurance claim received Rs. 232501/- (Previous Year NIL), Profit on sale of shares on F&O basis Rs. 7571067/- (Previous year 335701/-), Dividend received Rs. NIL (Previous year. NIL).

8) Segment Reporting: During the year the company had operated only in one business segment viz. Trading oils. Hence in the opinion of the management there is no separate reportable segment reportable segment as required under Accounting Standard 17 segment reporting issued by institute of Chartered accountant as of India.

For Director



Director

9. Deffered Tax Liabilities as on 31/03/2008 is as follows.

Particulars	Amount	Amount
Deferred Tax Liabilities as on 31/03/2007	7867510.00	7001982.00
-for the year ended 31/03/2008	4972790.00	865528.00
Deferred Tax Liability as on 31/03/2008	12840300.00	7867510.00

10) Related party Disclosures

Related Party Disclosures as required by As-18. Related party Disclosures given below :

Associates/ Enterprises owned or
Significantly influenced by key
Management Persons or their Relatives

Key Management Personal

Master Trust Ltd.
Master Capital Services Ltd.
Master Shares & stock Brokers Ltd.
MTL shares & stock Brokers Ltd.
Transaction with related parties

Mr. R. K. Singhania Managing Director
Mr. Harjeet Singh Arora Director
Mr. Amarjeet Singh executive Director

Key Managements/Associates/Enterprises
Owned or persons in gnificantly /
influenced by key Management Persons
or their Relatives

Sales	-----	-----
Purchase	-----	-----
Interest Income	86981.00	94808.00
Remuneration	240000.00	384000.00
Loans Given	238.38 Lacs	0.80 Lacs
Balance outstanding at the end of year		
Receivable	12389930.00	-----

For Firm

Director

OTHER ADDITIONAL INFORMATION

A) PARTICULARS OF LICENSED/ REGISTERED/ INSTALLED ANNUAL CAPACITIES/ PRODUCTION

CLASS OF GOODS	UNITS	LICENSED /REGD CAPACITY		INSTALLED CAPACITY		PRODUCTION	
		AS AT		For the		For the	
		31.03.2008	31.03.2007	31.03.2008	31.03.2007	year ended 31.03.2008	year ended 31.03.2007
Processed oil/ Vanaspati	Mts	16500	16500	14500	14500	Nil	1110.201*
Oxygen Gas	Cu.Mts.	570000	570000	350000	350000	Nil	Nil

The installed capacities have been taken as certified by the management and not verified by the auditors being a technical matter.

- Production includes goods produced and used for captive consumption.

B) PARTICULARS OF SALES

CLASS OF GOODS	UNIT	For the year ended 31.03.2008		For the year ended 31.03.2007	
		Quantity	Values (Rs.)	Quantity	Values (Rs.)
Processed oil/ Vanaspati	Mts	2136.000	4388808	1188.070	54718322
Diff in Trading	Nos.		7571066	82220	22657564
F&o & Securities					
Others			2928437		4357670

For: P. J. M. S.



Director

C) OPENING AND CLOSING STOCKS OF GOODS PRODUCTION AND TRADED IN

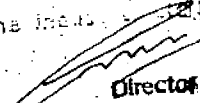
Class of good	Unit	As at 31.03.08		As at 31/03/07		As at 31/03/06	
		Quantity	value (Rs.)	qty.	value(Rs.)	qty.	Value (Rs)
Processed Oil/ Vanaspati	Mts.	Nil	Nil	Nil	Nil	Nil	Nil
Others		--	--	--	--	--	--

D) TRADING GOODS PURCHASED

Class of goods	Unit	For the Year ended 31.03.2008		For the year Ended 31/03/2007	
		Quantity	value (Rs.)	qty.	value (Rs.)
Vansapati/Oil	Mts.	Nil	Nil	62.160	2356068.
Others		--	--	82220	22272567

E) RAW MATERIAL CONSUMED

Class of goods	Unit	For the Year ended 31.03.2008		For the year Ended 31/03/2007	
		Quantity	value (Rs.)	Qty.	Value (Rs.)
Oil	Mts.	Nil	Nil	1147.204	38982429

For Prima Inc. 2008

 Director

F) OTHER ADDITIONAL INFORMATION

Remuneration (Rupees)	of	Managing	Director	
Name	Position	Salary	Other Perquisites	Total
Sh. R K Singhania	Managing Director	180000	60000	240000

G) VALUE OF IMPORTED /INDIGENOUS RAW MATERIAL, SPARES COMPONENTS AND STORES CONSUMED

Class of goods	For the Year ended 31.03.2008		For the year Ended 31/03/2007	
	value (Rs.)	%	value (Rs.)	%
i) Raw Material				
- indigenous	NIL	NIL	38982429	100
- imported	NIL	NIL		
ii) Stores, Spares-indigenous	NIL	NIL	6236761	100
- imported				

For Manjeet Singh & Co.
Chartered Accountants

for and on behalf of the board

Sd/-
(Manjeet Singh)
Prop.

sd/-
(R K Singhania)

sd/-
(Harjeet S.Arora)

Place :-Ludhiana
Dated :- 30.08.2008

for Prime Industries Ltd
Director