

PRIMA INDUSTRIES LIMITED



18th ANNUAL REPORT 2011-2012

BOARD OF DIRECTORS

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

AUDITORS

M/s G. Joseph & Associates
Chartered Accountants
Ernakulam

BANKERS

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 Investmet Pvt Ltd.
(Catergory - 1, Registrars) 12-10-167, Bharatnagar
Hydrabad - 500 018
Tel: 040-23818475
Fax: 040-2386024
E-mail: info@vccilindia.com

NOTICE

NOTICE is hereby given that the 18th 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 Thursday the 27th September, 2012 at 4.00. p.m. for transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts of the Company for the year ended 31st March, 2012 together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Rajyawardhan Agarwal who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting.

AS SPECIAL BUSINESS

Item No.4.

To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 198, 269,309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves appointment of Mr. Sanjay Gupta who was appointed by the Board of Directors as Managing Director of the Company, for a period of Three years with effect from 31st July, 2012 without any remuneration and on such terms and conditions as may be agreed by and between the Company and Mr. Sanjay Gupta with liberty to the Board of Directors to alter and vary terms and conditions of the said appointment in such manner and to the extent as may be agreed between the Board of Directors and Mr. Sanjay Gupta including any amendments thereto".

"RESOLVED FURTHER that the Board of Directors be and is hereby authorized to take all necessary steps including filing of necessary applications, forms, letters, etc., with the Government and other authorities to give effect to the above resolution."

Item No.5.

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

"RESOLVED THAT the existing clause V of the Memorandum of Association shall be substituted as follows:

The Authorised Share Capital of the Company is ₹ 25,00,00,000/- (Rupees Twenty five Crores only) divided into 1,35,00,000 (One Crore thirty five Lakhs only) equity shares of ₹ 10/- (Ten) each and 1,15,00,000 (One Crore Fifteen Lakhs only) preference shares of ₹ 10/- (Ten only) each, with power to increase, reduce or reorganise the share capital in accordance with the provisions of the Companies Act, 1956".

Item No.6

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

"RESOLVED THAT the existing Article 03 of the Articles of Association shall be substituted as follows:

The Share Capital of the Company is ₹ 25,00,00,000/- (Rupees Twenty five Crores only) divided into 1,35,00,000 (One Crore thirty five lakhs only) equity shares of ₹ 10/- (Ten) each and 1,15,00,000 (One Crore Fifteen Lakhs only) preference shares of ₹ 10/- (Ten only) each, with rights, privileges and conditions attached thereto as are provided by the regulations of the Company for the time being with power to increase and reduce the capital of the company and to divide the shares in the capital of the time being into several classes and attach there to respectively, subject to the laws for the time being in force, such rights, privileges or conditions as may determined by or in accordance with the regulations of the company to vary, modify, abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

Item No.7

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

"RESOLVED THAT the new Article 03A be and is hereby inserted after Article 03 of the Articles of Association and to read as follows:

03A. Provisions in case of Preference Shares: The Preference Shares of the Company are liable to be redeemed in any manner prescribed under the Act or converted in to Equity Shares and the Directors may, subject to the provisions of the Act, exercise such power in any manner as they think fit and proper for redemption of such shares or conversion of the shares by passing a suitable Board Resolution."

Item No.8

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

"RESOLVED THAT pursuant to the provisions of Section 80(1) and Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, consents as may be necessary, consent of the Company be and is hereby accorded to the Board or its Committee to issue 10% Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each at par/premium, in one or more tranches to such person(s), whether or not Shareholders of the Company, including one or more Financial Institutions/their Associates/Foreign Institutional Investors/Indian Institutional Investors/Mutual Funds/Banks/Public or Private Bodies Corporates/ Associations/Welfare Funds or any such funds through Public Issue or Private Placement basis and on such terms and conditions as regards conversion, upfront fee, dividend, etc. as the Board or its Committee may decide such that the Cumulative Redeemable Preference Shares outstanding at any point of time shall not exceed Rs.11.50 Crores (Rupees Eleven Crores and Fifty Lakhs Only)."

"FURTHER RESOLVED that for the purpose of giving effect to this resolution the Board or its Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue or allotment and redemption from time to time as it may in its absolute discretion deem fit."

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

2. The duly filled up Proxy Form should be lodged with the Company at its Registered Office not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 25th September, 2012 to Thursday, 27th September, 2012 (both days inclusive).
4. Members/Proxies are requested to bring the Attendance Slip duly filled in for attending the Meeting. No duplicate will be issued at the venue of the Meeting.
5. Share Holders are requested to inform the Company any changes in their mailing address and also to quote folio number in all their correspondence with the Company.
6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.

By Order of the Board

Sd/-

SANJAY GUPTA

Managing Director

Place : Cochin
Date: 31.07.2012

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

Item No. 4:

At a meeting of the Board of Directors of the Company held on 31st July, 2012 the Board has decided to re-appoint Mr. Sanjay Gupta as Managing Director of the Company for a period of 3 years from 31st July, 2012 subject to the Shareholders approval.

Mr. Sanjay Gupta has agreed to be appointed as Managing Director of the Company without any remuneration in the best interest of the company

The matter is being placed at this Annual General meeting for consideration of ratifying the appointment in terms of Schedule XIII and the Board of Directors recommend passing of the resolution as Mr. Sanjay Gupta has been rendering yeomen service. Mr. Sanjay Gupta has over Twenty years of experience in the Corporate Sector.

Mr. Sanjay Gupta has been associated with the Company for past Twenty years and under his leadership, the Company has made significant progress to transform itself into a significant player in the agro based industries.

The Board is of the opinion that his appointment as the Managing Director of the Company would be in the best interest of the Company and accordingly the resolution at Item No.4 of the Notice is recommended for Members' approval.

Except Mr. Sanjay Gupta, none of the other Directors is interested in this Resolution.

Explanatory Statement on Item No.5 to 8

As required by section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to the business under items 5 to 8 of the accompanying Notice dated July, 31, 2012.

The Company had taken credit facilities from IDBI, SBI and Bank of India and these were become overdue for the past few years due to the severe setback in the business of the Company. The Company got sanction from these banks for One Time Settlement (OTS). The promoters of the Company had arranged funds from the Associate Companies and settled all the dues of these Banks as per OTS. The fund borrowed from the Associate Companies, Directors and share holders cannot be refunded by the Company in the near future from internal source and therefore the Board of Directors proposes to issue convertible preference shares to these Parties under private placement basis. For this it is proposed to increase the Authorised Capital of the Company.

The Board, if necessary, in consultation with appropriate authorities and advisors will fix the detailed terms of issue including the price, dividend, terms of conversion, etc. Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the authorised and issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the shareholders in General Meeting decided otherwise.

Your Directors, therefore recommend the resolution for your approval. Directors of the Company are interested in the resolution to the extent of their respective share holdings in the Company.

By Order of the Board

SANJAY GUPTA
Managing Director

Place: Cochin
Date : 31/7/2012

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.

DIRECTORS' REPORT

To
The Members of Prima Industries Limited

Your Directors have pleasure in presenting the 18th Annual Report together with the Audited Balance Sheet and Profit and Loss Accounts for the year ended 31st March 2012.

PERFORMANCE

During the year, the Company achieved Turnover of ₹ 490.41 Lacs and had incurred a loss of ₹199.35 Lacs.

Financial Results

Particulars	Current Year	Previous Year
	<u>31/03/2012</u>	<u>31/03/2011</u>
	(₹)	(₹)
Turnover	490.41	851.97
Processing Income	198.67	108.16
Profit Before depreciation	-98.56	-122.53
Depreciation	100.79	104.94
Profit (Loss) after Depreciation & Taxes	-199.35	-227.47

FUTURE PROSPECTS

With a view to overcome the financial problems faced by your Company, the Directors have taken professional advice from reputed consultants and are in the process of revamping and reorganizing all its activities. Substantial progress has been made in technology up gradation of the manufacturing facilities and recruitment of additional managers in various functions. Targets which could be achieved with reasonable performance have been set for technical and marketing managers. All dues to financial institutions were settled under One Time Settlement Schemes approved. This has helped the Company to settle the heavy dues at reduced amount. Your Company is generating additional income from job works.

There will be more opportunities for job works. Your directors are trying to explore these opportunities. The Net- worth will become positive in the Current Financial Year. The Company had already secured revocation of suspension of trading in Shares by the BSE. The Shares of your Company is now having the NSDL & CDSL connectivity and you can demat your holdings in the Company.

DIRECTORS

Mr. Rajyawardhan Agarwal, Director retires by rotation at the forthcoming 18th Annual General Meeting of the Company. Mr. Rajyawardhan Agarwal, Director, being eligible, offers himself for reappointment.

AUDITORS

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

COMMENTS ON THE AUDITORS' REPORT

- Auditors Report point No: vi.(1) : The time allowed for One Time Settlement by Banks and Financial Institutions has expired and the settlement was not fully made.
- Auditors Report point No: vi.(2) : Interest on Secured Loan are not fully provided as the Company opt for OTS.
- Auditors Report point No: vi.(3) : Loan accounts Balances are subject to reconciliation and confirmation.
- Auditors Report point No: vi.(4) : Certain expenses were not supported by external evidences

PERSONNEL AND INDUSTRIAL RELATIONS

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

STATUTORY DISCLOSURES

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

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

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

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Directors Particulars in the Report of Board of Directors) Rules 1988, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo in Form No. A & B is required, which is annexed to this report.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors confirm:

- a. that the applicable accounting standards have been followed along with proper explanation wherever required in the preparation of Annual Accounts.
- b. that the Company has adopted prudent accounting policies.
- c. that proper care has been taken for maintenance of accounting records in accordance with the provisions of the Act and
- d. that the Annual Accounts of the Company have been prepared on a going concern basis.

REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

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

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record their sincere gratitude for the assistance extended by 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.

Place: Cochin
Date: 31.07.2012

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

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

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

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

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Research and Development:

- | | | |
|--|---|---|
| 1. Specific areas in which R&D carried out by the Company | : | Nil |
| 2. Benefits derived as a result of above R&D | : | NA |
| 3. Future Plan of Action | : | To renovate the existing feed mill and 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 : NA
 this has not taken place, reasons
 therefore and future plans of action

III FOREIGN EXCHANGE EARNINGS AND OUTGO

- a. Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plan : The Company has not yet entered the export market. Marketing efforts are being strengthened to explore the possibility of export

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

Place : Cochin
 Date : 31.07.2012

sd/-
 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 2012, 9 Board Meetings were held on 30th May, 2011, 29th June, 2011, 30th June, 2011, 30th July, 2011, 12th August, 2011, 27th September, 2011, 31st October, 2011, 31st January, 2012 and 28th March, 2012.

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 31.03.2012	Attendance at		Directorships and Chairmanship / Membership of Board Committees in Other Companies as on 31.03.2012		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
1. Shri. Sanjay Gupta	P, MD	1409866	9	Yes	3	None	None
2. Shri. Rajyawardhan Agarwai	NED & I	-	9	Yes	1	1	None
3. Shri Charley Rodrigues	NED & I	500	9	Yes	1	1	1

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

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

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

Reappointment of Directors

The Director, Mr. Rajyawardhan Agarwala 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. Rajyawardhan Agarwal
Date of Birth	25.10.1965
Date of Appointment	30.10.2001
Qualification	Graduate
Expertise in specific Functional area	More than 15 years Experience in Manufacturing industry.

Details of other Directorships:

Name of the Company	Position held	Committee type	Membership status
1. Prima Agro Limited	Director	Audit	NIL
2. Raus Aqua Farms (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.Charley Rodrigues has expert knowledge of finance and accounting.

During the year ended 31st March 2012, the Committee met 5 times on 2.05.11, 27.06.11, 28.07.11, 29.10.11 and 28.01.12.

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.Charley Rodrigues	Chairman, Non - Executive & Independent Director	5
Shri. Rajyawardhan Agarwal	Member & Non - Executive Director	5

4. REMUNERATION COMMITTEE

a. Composition, name of Members, Chairperson and attendance

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

b. Brief description of terms of reference

To determine and recommend to the Board the remuneration including commission, perquisites and allowance payable to the whole time directors based on overall performance and financial results of the Company during the relevant financial year and in consonance with the existing industrial practice.

c. Remuneration to Directors

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

d. Details of remuneration paid to Managing Director for the year

The aggregate of salary, perquisites and commission paid/payable for the year ended 31st March, 2012 to Managing Director, is as follows:

Shri Sanjay Gupta, Managing Director: NIL

e. Remuneration paid to Non-Executive Directors:

No Remuneration is paid to Non-Executive Directors.

The details of sitting fees paid during the period are as follows:

Name of Director	Details of Sitting Fee Paid			
	For Board Meeting	For Audit Committee Meeting		For Shareholders and Investors Grievance Committee Meeting
NA	NIL	NIL		NIL
Total	NIL	NIL		NIL

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Investors Grievance Committee reviews and redresses shareholder grievances / complaints. The Committee oversees the performance of the Registrars and Share Transfer Agents and recommends measures for overall improvement of the quality of investor services. The members of the Committee are as under:

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

Given below is the position of investor queries / complaints and other correspondences received and attended to during 2011 -2012:

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	Nil
Pending queries / complaints as on 31.03.2012	Nil
Other letters received from shareholders and replied	2

Every letter received from the investors is replied generally within two weeks of receipt unless the issues involved require investigation or looking into very old records to be retrieved from godowns 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 2011-2012 is given below -

	Transfers	
	No. of requests	No. of shares
Lodged	9	38600
Processed	9	38600
Objections	1	1000
Pending as on 31.03.2012	Nil	Nil

6. GENERAL BODY MEETINGS

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

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2008-09	Prima House, 31/536, South Kalamassery	29.09.2009	4.00 p.m.	None
2009-10	Prima House, 31/536, South Kalamassery	29.09.2010	4.00 p.m.	None
2010-11	Door No.V/679C,IDA, Muppathadam P.O. Edayar	28.09.2011	4.00 p.m.	None

No Extra- Ordinary General Meeting was held during the year 2011-2012.

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 July, 2012.

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 : 27th September 2012 - 4 .p.m.

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

Financial Calendar 2011-12

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 companies 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 : 25th September 2012 to 27th September 2012
(Both days inclusive)
Dividend payment date : N.A.
Listing on Stock Exchange : BSE-Mumbai,
Stack Code : 531246

Demat ISIN Number : INE-723N01012
Market Price data : Company's shares traded during the period April, 2011 to March, 2012.

Month	Bombay Stock Exchange (BSE)	
	Month's High Price	Month's Low Price
1.	01/11/2011 - 50	01/11/2011 - 50

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
ore received in physical form are
processed and the shore 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 31.03.2012 is as under:

Category Code	Category of shareholder	No. of share holders	Total no. of shares	Percentage to total shares
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	7	1523672	11.90
(a)	Individuals	1	1100000	8.59
(b)	Bodies Corporate	9	4887528	38.16
	Sub-Total (A)(1)	17	7511200	58.64
(2)	Foreign			
(a)	Bodies Corporate			
(b)	Individuals (Non-Residents Individuals / Foreign Individuals)	85	190500	1.49
	Sub-Total (A)(2)	85	190500	1.49
	Total shareholding of Promoter and Promoter Group			
	(A) = (A)(1) + (A)(2)	102	7701700	60.13
(B)	Public Shareholding			
(1)	Institutions			
(a)	Mutual Funds			
(b)	Foreign Institutional Investors			
	Sub-Total (B)(1)			
(2)	Non-Institutions			
(a)	Bodies Corporate	11	191700	1.50
	(b) Individuals			
	i. Individual shareholders holding nominal share capital upto Rs.1 Lakh.	1312	1492000	11.65
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh.	35	3422600	26.72
(c)	Trust			
(d)	Directors & their relatives			
(e)	Non resident Indians			
(f)	Overseas Corporate Bodies			
(g)	Clearing members			
(h)	Hindu undivided families			
	Sub-Total (B)(2)	1358	5106300	39.87
	Total Public Shareholding (B) = (B)(1) + (B)(2)	1358	5106300	39.87
	TOTAL (A) + (B)	1460	12808000	100.00

Distribution of shareholding as on 31.03.2012, pursuant to clause 35 of the Listing Agreement is as under:

Shareholding of nominal value of ₹	No. of Shareholders	% of Shareholders	Amount of Shore Capital in ₹	% of Shareholding
Upto 5,000	636	43.52	300101	2.343
5,001 - 10,000	550	37.671	491000	3.834
10,001 - 20,000	89	6.096	160400	1.252
20,001 - 30,000	38	2.603	101600	0.793
30,001 - 40,000	21	1.438	86800	0.678
40,001 - 50,000	32	2.192	167900	1.311
50,001 - 1,00,000	25	1.712	201901	1.576
1,00,001 and above	69	4.726	11298298	88.213
Total	1460	100.000	128080000	100.000

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 For transfer	: Venture Capital And Corporate Investments Pvt. Limited, (Category-I Registrars) 12-10-167, Bharatnagar, Hyderabad -500018, 040 23818475 (Tel), 040 23868024 (Fax), Email: info@vccilindia.com
Any query on Annual Report	: Secretarial Dept. "Door No: V/679-C Industrial Development Area Muppathadam P O , Edayar Cochin - 683 110

DECLARATION ON CODE OF CONDUCT

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

Place : Cochin
Date : 31.07.2012

Sd/-
Sanjay Gupta
Managing Director

CEO/CFO Certificate under Clause 49 of the Listing Agreement

We, Sanjay Gupta, Managing Director and Mr. V R Sadasivan Pillai, General Manager (Finance) of Prima Industries Limited (the Company) hereby certify to Board that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2012 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee that:
- (1) there are no significant changes in internal control over financial reporting during the year;
 - (2) there have been so significant changes in accounting policies during the year which are required to be disclosed in the notes to the financial statements; and
 - (3) there have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

sd/-

sd/-

Sanjay Gupta
Managing Director

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

Place : Cochin
Date : 31.07.2012

AUDITORS' CERTIFICATE

TO THE MEMBERS OF
PRIMA INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by **Prima Industries Limited** for the year ended on 31st March, 2012, 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 : 31.07.2012

MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry Structure and Developments

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

B) Opportunities, Threats, Risks and Concerns

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

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

C) Outlook

In 1998, the total production of edible oils in India was 67.9 lakh tonnes. This increased to 73.7 lakh tonnes during the season of 1999. There is a steady demand for both Solvent Extraction and Refinery capacities in view of the increasing trend of edible oil consumption. Especially

the plant situated in Kerala, being the largest producer of copra in the country, (about 80% of it), the Company has a good potential for efficient capacity utilisation. Being committed to high standards of quality, the Company won customer confidence and also won national recognition as the second highest Processor's Award for processing coconut cake for 3 consecutive years. The Company aims to be the highest processor in India for Coconut cake in the coming years.

D) Internal Control System and their Adequacy

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

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

The Audit Committee of Board of Directors takes the responsibility for review of the Internal Controls and the matters connected there with.

E) Financial and Operational Performance

During the year, the Company achieved Turnover of ₹ 490.41 Lacs and had incurred a loss of ₹ 199.35 Lacs.

Financial Results

Particulars	Current Year 31/03/2012	Previous Year 31/03/2011
	(₹ in Lacs)	(₹.Lacs)
Turnover	490.41	851.97
Processing Income	198.67	108.16
Profit Before depreciation	-98.56	-122.53
Depreciation	100.79	104.94
Profit (Loss) after Depreciation & Taxes	-199.35	-227.47

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: 31.07.2012

Sanjay Gupta
Managing Director

AUDITORS' REPORT

To

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

We have audited the attached Balance Sheet of M/s. Prima Industries Limited ("The company") as at 31st March, 2012 and the Profit & Loss Account of the company for the year ended that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Further we report that:-

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
- ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
- iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- iv. In our opinion, The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of written representation received from directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information, and according to the explanation given to us, the said accounts:

subject to:

 1. As per the records available, the time granted by State Bank of India for settling the amounts due to them as per the One Time Settlement (hereinafter referred to as "OTS") Scheme recognised in the books in 2006-07 has expired. However the outstandings as shown in the Balance Sheet are as per the OTS only, whereby the liabilities to the Banks are understated by ₹ 72,366,372 and Reserves overstated by ₹ 72,366,372.
 2. Provision for interest on the outstanding dues to State Bank of India, if the One Time Settlement amount is not in force, works out to ₹10,963,965. Out of that provision, interest amounting to ₹ 2,430,000 only has been provided in the financial statements whereby the loss has been understated by ₹ 8,533,965 and liabilities to Bank are understated by ₹ 8,533,965.
 3. The bank balances (except Bank of India-3528, HDFC, ICICI -18031 and Loan account with State Bank of India) are subject to Reconciliation and Confirmation.
 4. Certain expenses included under Capital work in progress, freight inwards, travelling expense, lab expenses, fees and taxes and repairs & maintenance were not adequately supported by external evidences.

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

- a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
- b) in the case of the Profit & Loss Account, of the Loss for the year ended on that date; and in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place: Cochin -20
Date : 31 May, 2012

Sd/-
P Rajagopal
Partner
Membership No.202134

ANNEXURE TO THE AUDITORS REPORT

Statement referred to in our report of even date to the members of Prima Industries Limited on the accounts for the year ended 31st March, 2012.

- (i)
- a) The company has maintained records showing particulars including quantitative details and situation of fixed assets, **but the same requires to be updated.**
- b) As per the information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The company has not disposed off substantial part of its fixed assets during the year.
- (ii)
- a) Physical verification of inventory has been conducted by the management, **but the frequency of such verification needs to be improved.**
- b) In our opinion and according to the information and explanations given to us, the procedure for physical verification of inventory are by and large reasonable and adequate in relation to the size of the company and the nature of its business. The company has taken necessary steps for strengthening the procedures.
- c) On the basis of examination of the records of inventory, in our opinion, the company has generally maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory as compared to the book records.
- (iii)
- The company has not granted any loans, secured or unsecured to companies, firms, or other parties, covered in the register maintained under section 301 of the Act. Clauses (iii)(b) to (iii) (d) of paragraph 4 of the said Order are not applicable to the company.
- e) The company has taken unsecured loans from a Director. At the year end, the outstanding balance of such loans taken aggregated to ₹ 24,923,363 and the maximum amount involved during the year was ₹ 24,923,363.
- f) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the company.
- g) The terms of repayment for the above loans have not been stipulated, but the same are stated to be repayable on demand. Since the company is stated to have received no demand for repayment of the above loans, there has been no default on the part of the company.
- (iv)
- In our opinion and according to the information and explanation given to us, there is an internal control system for the purchase of inventory and fixed asset and for the sale of goods and services. **However, the same is not commensurate with the size of the company and nature of its business.**
- (v)
- As explained to us and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956 in respect of each party during the year have been entered in the register.
- (vi)
- The company has not accepted any deposit from public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 framed thereunder.
- (vii)
- The company has an internal audit system, the scope and extent of coverage of which is required to be improved.
- (viii)
- The provisions regarding maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 are not applicable to the company.
- (ix)
- a) According to the information and explanations provided to us, **the company was not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues, applicable to it.**

The following were outstanding for a period of more than six months on the last day of the financial year:-

Name of statute	Nature of dues	Amount (₹)	Period to which the amount relates
Income Tax	Fringe Benefit Tax	332,752	2005-06
Income Tax	Fringe Benefit Tax	90,997	2006-07

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

Nature of statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
KGST Act	Central Soles Tax, KGST	588,540	2005-06	Deputy Commissioner (Appeals)
KGST Act	KGST	1,914,214	2006-07	Assistant Commissioner (Appeals)
KGST Act	KGST	5,149,818	2007-08	High Court
KGST Act	KGST	215,211	2008-09	Penalty
CST Act	Central Sales Tax	5,856,104	2004-05	Assistant Commissioner (Assessment)

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

For **G Joseph & Associates**
Chartered Accountants

Firm Reg. No. 006310S
Place: Cochin -20
Date : 31 May, 2012

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, 2012

Particulars	Note	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
I. EQUITY & LIABILITIES			
1 Shareholder's Funds			
a. Share Capital	3	169,601,030	167,494,530
b. Reserves and Surplus	4	(158,971,407)	(157,217,530)
2 Non-Current Liabilities			
a. Long Term Borrowings	5	24,923,363	28,248,144
b. Long Term Provisions	6	293,172	730,106
3 Current Liabilities			
a. Trade Payables	7	22,694,899	4,147,614
b. Other Current Liabilities	8	94,567,981	108,800,213
c. Short Term Provisions	6	62,251	407,111
TOTAL		153,171,288	152,610,188
II. ASSETS			
1 Non-current assets			
a. Fixed Assets	9		
(i) Tangible Assets		99,080,271	106,328,399
(iii) Capital Work-In-Progress		4,958,250	576,029
b. Long-Term Loans and Advances	10	678,891	656,106
c. Other Non-Current Assets	11	-	-
2 Current Assets			
a. Inventories	12	22,030,379	5,823,984
b. Trade Receivables	13	22,061,589	19,906,790
c. Cash & Bank Balances	14	230,283	31,079
d. Short-Term Loans and Advances	10	2,637,600	17,709,375
e. Other Current Assets	11	1,494,025	1,578,426
TOTAL		153,171,288	152,610,188
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/-
Charley Rodrigues
Director

Place: Cochin
Date : 31/05/2012

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, 2012

Particulars	Note	For year ended March 31, 2012 (₹)	For year ended March 31, 2011 (₹)
I Income			
Revenue from operations	15	68,907,934	96,012,497
Other income	16	730,433	239,885
Total Revenue		69,638,367	96,252,382
II Expenses			
1 Cost of materials consumed	17	53,746,127	82,044,432
2 (Increase)/ Decrease in inventories	18	(2,658,281)	5,547,233
3 Employee benefits expense	19	3,039,222	2,753,879
4 Finance costs	20	5,209,849	4,318,625
5 Depreciation and amortization expense	9	10,078,589	10,493,950
6 Other expenses	21	20,157,869	13,841,256
Total expenses		89,573,374	118,999,375
III Profit before exceptional and extraordinary items and tax (III-IV)		(19,935,007)	(22,746,993)
IV Exceptional items & Extraordinary items	22	18,181,130	-
III Profit before tax (I-II)		(1,753,877)	(22,746,993)
IV Tax expense:	23		
1 Current tax		-	-
2 Less: MAT credit		-	-
3 Net current tax		-	-
4 Deferred tax		-	-
V Profit (Loss) for the period (III - IV)		(1,753,877)	(22,746,993)
VI Earnings per equity share:	24		
1 Basic		(0.15)	(1.97)
2 Diluted		(0.15)	(1.97)
Number of shares used in computing Earnings per share			
1 Basic		11,654,438	11,552,050
2 Diluted		11,654,438	11,552,050
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/-
Charley Rodrigues
Director

Place: Cochin
Date : 31/05/2012

Notes to financial statements for the year ended March 31, 2012

3 Share Capital

Particulars	31/03/2012 (₹)	31/03/2011 (₹)
a.) Authorised Shares		
13,500,000 (As at 31st march 2011: 13,500,000) equity shares of 10/- each	<u>135,000,000</u>	<u>1,35,000,000</u>
5,500,000 (As at 31st march 2011: 5,500,000) preference shares of 10/- each	<u>55,000,000</u>	<u>55,000,000</u>

b.) Issued, Subscribed and Paid up shares

10,717,400 (As at 31st march 2011: 10,296,100) equity shares of 10/- each fully paid up	107,174,000	102,961,000
2,090,600 (As at 31st march 2011: 2,511,900) equity shares of 10/- each 5/- paid up	10,453,000	12,559,500
5,197,403 (As at 31st march 2011: 5,197,403) Cumulative Preference shares of 10/- each	<u>51,974,030</u>	<u>51,974,030</u>
	<u>169,601,030</u>	<u>167,494,530</u>

c.) Reconciliation of the shares outstanding at the beginning and at the end of the reported period

Particulars	31/03/2012		31/03/2011	
	No. of shares	Share capital (₹)	No. of shares	Share capital (₹)
Equity Shares				
At the beginning of the period	<u>12,808,000</u>	<u>117,627,000</u>	<u>12,808,000</u>	<u>115,520,500</u>
Issued during the period				
Outstanding at the end of the period	<u>12,808,000</u>	<u>117,627,000</u>	<u>12,808,000</u>	<u>115,520,500</u>
Preference Shares				
At the beginning of the period	5,197,403	51,974,030	5,197,403	51,974,030
Issued during the period				
Outstanding at the end of the period	<u>5,197,403</u>	<u>51,974,030</u>	<u>5,197,403</u>	<u>51,974,030</u>

d.) List of equity shareholders holding more than 5 percent.

Names	No. of shares	Share capital (₹)	No. of shares	Share capital (₹)
Sanjay Gupta	1,409,866	11.01	1,409,866	11.01
Ayyappa Roller Flour	1,353,000	10.56	1,353,000	10.56
Prima Credits Limited	1,269,000	9.91	1,269,000	9.91
Kerala State Industrial Development Corporation	1,100,000	8.59	1,100,000	8.59
Prima Agro Limited	1,019,528	7.96	1,019,528	7.96

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

IDBI Bank	5,197,403	100	5,197,403	100
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4 Reserves and Surplus

Particulars	31/03/2012 (₹)	31/03/2011 (₹)
a. Capital Reserves ;		
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	31/03/2012 (₹)		31/03/2011 (₹)	
b. Other Reserves - Loan Waiver on One Time Settlement				
At the beginning of the accounting period	132,474,030		132,474,030	
Additions during the year	-		-	
At the end of the accounting period	132,474,030		132,474,030	
c. Surplus/ (deficit) in the statement of profit and loss				
At the beginning of the accounting period	(291,191,560)		(268,444,567)	
Add : Profit for the year	(1,753,877)		(22,746,993)	
Net Surplus in the statement of profit & loss	<u>(292,945,437)</u>		<u>(291,191,560)</u>	
Total reserves and surplus (a) + (b) +(c)	<u><u>(158,971,407)</u></u>		<u><u>(157,217,530)</u></u>	
5 Long Term Borrowings				
	Non - Current Portion		Current maturities	
Particulars	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	(₹)	(₹)	(₹)	(₹)
1 Secured Borrowings				
(a)Term loans (Refer Note (i) & (ii) below)				
- from banks.	-	-	-	2,925,970
(b)Working Capital Loans				
- from banks.	-	-	14,700,000	31,500,000
A	<u>-</u>	<u>-</u>	<u>14,700,000</u>	<u>34,425,970</u>
Notes:				
i Term Loans from:				
Industrial Development Bank of Indio	-	-	-	2,925,970
	-	-	-	2,925,970
ii Working Capital Loan from:				
State Bank of India	-	-	14,700,000	18,000,000
Bank Of India	-	-	-	13,500,000
	-	-	14,700,000	31,500,000
2 Unsecured Borrowings				
(a) Loans repayable on demand				
Bank Overdraft	-	-	437,816	400,967
(b) Loans from Directors	24,923,363	28,248,144	-	-
B	<u>24,923,363</u>	<u>28,248,144</u>	<u>437,816</u>	<u>400,967</u>
A + B	<u><u>24,923,363</u></u>	<u><u>28,248,144</u></u>	<u><u>15,137,816</u></u>	<u><u>34,826,937</u></u>

- (a) The term loan from the Industrial Development Bank of Indio are secured by way of first charge on movable and immovable properties of the company and further guaranteed by the Managing Director of the Company.
- (b) The Working Capital Loans are secured by hypothecation of present and future goods, book debts and oil 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, Bank of India waived the loan amount of ₹ 9,500,000.00 and interest of ₹ 5,293,250.00 and IDBI waived an interest of ₹ 3,387,880.00.
- iii Amount of current maturities disclosed under the head "Other Current Liabilities". (Refer Note 8)

iv The Company has defaulted in repayment of loans and interest in respect of the following

Particulars	Period of Default	31/03/2012 (₹)	31/03/2011 (₹)
Loan repayable on demand from banks (One Time Settlement Scheme)			
Principal			
Industrial Development Bank of India		-	2,925,970
State Bank of India		14,700,000	18,000,000
Bank of India		-	13,500,000
Interest			
Industrial Development Bank of India		-	17,019,500
State Bank of India		9,689,000	7,259,000
Bank of India		-	5,293,250
		<u>24,389,000.00</u>	<u>63,997,720.00</u>

6 Provisions

Particulars	Long - term		Short - term	
	31/03/2012 (₹)	31/03/2011 (₹)	31/03/2012 (₹)	31/03/2011 (₹)
1 Provision for employee benefits.				
a) Provision for gratuity (Refer note 25)	293,172	730,106		
2 Others (specify nature).				
a) Provision for income tax (net) (Refer note below)			62,251	407,111
	<u>293,172</u>	<u>730,106</u>	<u>62,251</u>	<u>407,111</u>

Notes:

a. Provision for Income tax (Current Year)	-	-	-	-
Provision for Income tax relating to prior years			423,409	423,409
Less: Income tax advance paid : Tax deducted at source (Current year)			361,158	16,298
Provision for Income tax (net)-	<u>-</u>	<u>-</u>	<u>62,251</u>	<u>407,111</u>
b. Provision for Gratuity not provided during the year due to excess provision made in the previous years.				

7 Trade Payables

Particulars	31/03/2012 (₹)	31/03/2011 (₹)
Creditors for purchases	22,694,899	4,147,614
	<u>22,694,899</u>	<u>4,147,614</u>

8 Other Current Liabilities

Particulars	31/03/2012 (₹)	31/03/2011 (₹)
1 Current maturities of long term debt (Refer note 5)	15,137,816	34,826,937
2 Interest accrued and due on borrowings;	9,689,000	29,571,750
3 Statutory dues (Refer note below)	6,036,992	105,161
4 Creditors for expenses	2,437,319	3,169,865
5 Creditors for others	4,682,333	8,201,331
6 Expenses payable	834,501	1,596,459
7 Other Current Liabilities	55,750,020	31,328,710
	94,567,981	108,800,213

Notes:

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

Ayyappa Roller Flour Mill	6,320,937
PAPL Exim India Ltd.	605,750
Prima Beverages Pvt Ltd	1,759,443
Prima Agro Ltd-Edayar	33,587,215
Prima Agro Ltd, Tvm	4,708,825
Prima Credits Ltd	8,767,850
	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 **Statutory dues includes:-**

	31/03/2012 (₹)	31/03/2011 (₹)
ESI damages Payable	92,917	92,917
Central Sales Tax Payable	3,182,665	-
Interest on Central Sales Tax Payable	2,673,439	-
Sales Tax Payable (KGST)	13,207	-
Interest on Sales Tax Payable	60,165	-
EPF Payable	9,883	8,228
ESI Payable	4,716	4,016
	6,036,992	105,161

9 Fixed Assets

Particulars	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As at Beginning	Additions	Deletions	As at Reporting Date	As at Beginning	For the Year	Deletions for the period	As at Reporting Date	As at Reporting Date	As at Beginning
A. Tangible Assets										
1 Land and Development	8,575,215	-		8,575,215	-	-		-	8,575,215	8,575,215
2 Building	52,444,897	610,486		53,055,383	24,077,205	1,757,500		25,834,705	27,220,678	28,367,692
3 Plant and Machinery	150,288,232	2,211,610		152,499,842	84,237,948	7,184,668		91,422,616	61,077,226	66,050,284
4 Electrical Installation	20,546,988			20,546,988	18,270,809	975,982		19,246,791	1,300,197	2,276,179
5 Office Equipments	975,803	4,200		980,003	617,596	46,384		663,980	316,023	358,207
6 Computers	407,382			407,382	378,057	29,325		407,382	-	29,325
7 Printers	28,000			28,000	1,421	1,330		2,751	25,249	26,579
8 Furniture and Fixtures	902,958			902,958	895,003	7,955		902,958	-	7,955
9 Lab Equipments	795,289	4,165		799,454	491,447	37,785		529,232	270,222	303,842
10 Vehicles	41,276			41,276	13,793	1,961		15,754	25,522	27,483
11 Weighing Machines	751,557			751,557	445,919	35,699		481,618	269,939	305,638
Total	235,757,597	2,830,461	-	238,588,058	129,429,198	10,078,589	-	139,507,787	99,080,271	106,328,399
Previous Year	234,755,207	1,002,390	-	235,757,597	118,935,248	10,493,950		129,429,198	106,328,399	115,819,959
Total (A+B)	235,757,597	2,830,461	-	238,588,058	129,429,198	10,078,589	-	139,507,787	99,080,271	106,328,399
Previous year	234,755,207	1,002,390	-	235,757,597	118,935,248	10,493,950		129,429,198	106,328,399	115,819,959

10 Loans and Advances

Particulars	Non - Current		Current	
	31/03/2012 (₹)	31/03/2011 (₹)	31/03/2012 (₹)	31/03/2011 (₹)
1. Security Deposits;				
a.) Secured, considered good	678,891	656,106	200,000	-
Unsecured, considered good;				
Doubtful	678,891	656,106	200,000	-
Provision for doubtful security deposit	678,891	656,106	200,000	-
2. Loans and advances to related parties				
Unsecured, considered good;	-	-	-	-
3 Other loans and advances				
a.) Prepaid Expenses			271,678	14,538
b.) Advances to Employees			189,754	151,567
c.) Advance for expenses and other advances			1,052,384	205,904
d.) Advance to IDBI against One Time Settlement			-	16,420,000
e.) Balances with statutory/ government authorities			923,784	917,366
			2,437,600	17,709,375
Total	678,891	656,106	2,637,600	17,709,375

Note:

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

Particulars	Non - Current		Current	
	31/03/2012 (₹)	31/03/2011 (₹)	31/03/2012 (₹)	31/03/2011 (₹)
Advance to employees include				
- Dues from staff			189,754.00	151,567.00
Advances for expenses and other advances include				
- Dues from staff			26,362	5,550
- Advance for expense			1,026,022	200,354
			1,052,384	205,904

11 Other Assets

Particulars	31/03/2012		31/03/2011	
	(₹)	(₹)	(₹)	(₹)
1 Other Current Assets				
Interest accrued on fixed deposits			11,905	11,905
Tender Money - TNCSC			500,000	500,000
Other Current Assets			982,120	1,066,521
			1,494,025	1,578,426

Note:

i) Other Current Assets includes advances to related parties ₹ 982,120 (PY ₹ 1,066,521)

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

Particulars	31/03/2012		31/03/2011	
	(₹)	(₹)	(₹)	(₹)
a. Raw Materials (Refer note i below)	17,935,186	5,369,853		
b. Finished Goods (Refer note iii)	2,923,754	265,473		
c. Consumables, Stocks and Spares (Refer note ii)	1,171,439	188,658		
	22,030,379	5,823,984		

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

Particulars	31/03/2012 (₹)	31/03/2011 (₹)
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	2,208,887	997,582
Doubtful	-	-
	<u>2,208,887</u>	<u>997,582</u>
Provision for doubtful receivables	-	-
	<u>(A) 2,208,887</u>	<u>997,582</u>

Particulars	31/03/2012	31/03/2011
2 Other Receivable		
a) Secured, considered good	-	-
Unsecured, considered good	19,852,702	18,909,208
Doubtful	-	-
	<u>19,852,702</u>	<u>18,909,208</u>
Provision for doubtful receivables	-	-
	<u>(B) 19,852,702</u>	<u>18,909,208</u>
	<u>22,061,589</u>	<u>19,906,790</u>

14 Cash & Bank Balances

Particulars	31/03/2012 (₹)	31/03/2011 (₹)
a.) Balances with banks		
(i) In current accounts	208,639	23,179
b.) Cash on hand	21,644	7,900
	<u>230,283</u>	<u>31,079</u>

Notes:

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

Particulars	31/03/2012 (₹)	31/03/2011 (₹)
<u>In Current Accounts</u>		
Canara Bank	50,145	4,474
ICICI	29,603	13,599
ICICI kalamassery	76,390	-
State Bank of India	51,733	4,465
State Bank of Travancore	768	641
	<u>208,639</u>	<u>23,179</u>

15 Revenue from operations

Particulars	31/03/2012 (₹)	31/03/2011 (₹)
a. Sale of products (Refer Note (i) below)		
Finished goods	49,041,293	85,196,742
b. Sale of services (Refer Note (ii) below)	19,866,641	10,815,755
	<u>68,907,934</u>	<u>96,012,497</u>
Less: Excise duty	-	-
	<u>68,907,934</u>	<u>96,012,497</u>

Notes:

Particulars	31/03/2012 (₹)	31/03/2011 (₹)	
i Sale of products comprises			
<u>Finished goods</u>			
Cattle Feed	-	307,786	
Coconut Oil - Refined	47,129,244	82,134,370	
Other Products	1,912,049	2,754,586	
Total sale of Products	49,041,293	85,196,742	
ii <u>Sale of Services comprises</u>			
Processing Charges	19,866,641	10,815,755	
Total - Sale of services	19,866,641	10,815,755	
16 Other income			
a. Other non-operating income. (Refer Note (i) below)	730,433	239,885	
	730,433	239,885	
i <u>Other non operating income comprises</u>			
Lab Analysis	100,725	36,825	
Weigh Bridge receipt	9,100	8,700	
Insurance Reimbursement	-	1,545	
Interest income (KSEB)	21,539	-	
Excess provision written back for gratuity	426,934	-	
Miscellaneous Income	172,135	192,815	
	730,433	239,885	
17 Cost of material consumed			
a.) <u>Raw Materials</u>			
Opening stock	5,369,853	64,890	
Add: purchases	66,311,460	87,349,395	
	71,681,313	87,414,285	
Less: Closing stock	17,935,186	5,369,853	
	53,746,127	82,044,432	
18 (Increase)/ Decrease in inventories			
Particulars	31/03/2012 (₹)	31/03/2011 (₹)	(Increase)/ Decrease
a.) <u>Inventories at the end of the year</u>			
- Finished goods	2,923,754	265,473	(2,658,281)
- Work-in- progress	-	-	-
- Stock in trade	-	-	-
	2,923,754	265,473	(2,658,281)
b.) <u>Inventories at the beginning of the year</u>			
- Finished goods	265,473	5,812,706	5,547,233
- Work-in- progress	-	-	-
- Stock in trade	-	-	-
	265,473	5,812,706	5,547,233
Net (increase) /decrease	(2,658,281)	5,547,233	
19 Employee benefits expense			
Particulars	31/03/2012 (₹)	31/03/2011 (₹)	
a.) Salaries, Wages & Bonus	1,313,758	1,375,086	
b.) Contribution to provident and other funds	421,665	57,974	
c.) Gratuity Expense (Refer note i)	-	439,437	
d.) Post employment medical benefits	27,342	13,506	
e.) Staff welfare	1,276,457	867,876	
	3,039,222	2,753,879	

20 Finance costs

Particulars	31/03/2012 (₹)	31/03/2011 (₹)
a.) Interest expense on:		
(i) Borrowings	2,430,000	4,252,500
(ii) Others		
- Interest on Others (Includes interest on Sales Tax ₹60,165/-)	73,504	2,814
- Interest on CST	2,673,439	-
- Bank charges	32,906	63,311
	5,209,849	4,318,625

21 Other expenses

Particulars	31/03/2012 (₹)	31/03/2011 (₹)
a. Manufacturing Expenses:		
Consumables	1,228,820	641,767
Gunny Marking & Stitching Expenses	461,231	208,879
Electricity Charges	5,358,190	3,969,675
Freight Inwards	11,900	178,875
Lab Expenses	84,969.00	51,413
Loading & Unloading Charges	5,695	277,363
Diesel Charges	9,126	56,930
Machinery Maintenance	2,284,817	2,635,903
Production Expenses	19,964	4,376
	(A) 9,464,712	8,025,181
b. Administrative Expenses:		
Administration Expenses	16,200	11,150
Advertisement Expenses	92,680	63,234
Auditor's Remuneration	63,474	55,000
Sales / Business Promotion Expenses	349,755	85,491
Commission	-	26,000
Credit Card Expense	-	14,000
Travelling & Conveyance		
-Director's	155,364	133,838
- Others	1,543,701	806,176
Donation	2,376	150
Electrical Expenses	-	11,975
Fees & Taxes	1,818,194	367,438
Festival Expense	57,845	3,000
Vehicle running expenses	143,758	179,576
General Office Expenses	2,062,532	683,447
Legal & Professional Charges	622,255	155,766
Miscellaneous Expense	41,328	163,729
Postage & Telegram	19,822	1,217
Printing & Stationery	39,737	57,218
Rent	-	4,400
Repairs & Maintenance - Others	211,700	327,368
ROC filing fees	-	459,823
Insurance	24,698	-
Rates & Taxes	-	670
Water Charges	-	4,500
Telephone Charges	80,185	80,644
Transportation Charges	140,521	48,455
	B) 7,486,124	3,744,265

Particulars	31/03/2012 (₹)	31/03/2011 (₹)
c. Selling Expenses:		
Freight Outward & Marketing Expenses	6,987	13,988
Sales Tax	17,380	2,057,822
Central Sales Tax	3,182,665	-
	(C)	
	3,207,032	2,071,810
	(A) + (B) + (C)	13,841,256
Notes:		
<u>Consumables, Stocks and Spares</u>		
Opening stock	188,658	139,209
Add: purchases	2,211,601	691,216
	2,400,259	830,425
Less: Closing stock	1,171,439	188,658
	1,228,820	641,767
i Payments to the auditors comprises (net of service tax input credit, where applicable):		
a.) As auditors - statutory audit	55,000	55,000
b.) For taxation matters	8,474	-
	63,474	55,000
22 Exceptional and extraordinary items		
1 Extraordinary items		
Interest written back on One Time Settlement of Loan	18,181,130	-
	18,181,130	-
23 Tax expense:		
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	-	-
24 Earnings per equity share:		
1. Basic Earnings per Share		
Net profit / (loss) for the year	(1,753,877)	(22,746,993)
Weighted average number of equity shares	11,654,438	11,552,050
Earnings per share - Basic (of ₹10/- each)	(0.15)	(1.97)
2. Diluted Earnings per share		
Net profit / (loss) for the year	(1,753,877)	(22,746,993)
Weighted average number of equity shares for Basic EPS	11,654,438	11,552,050
Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS	11,654,438	11,552,050
Earnings per share - Diluted (of ₹10/- each)	(0.15)	(1.97)

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****Names of related parties**

a.) Key Management Personnel

1. Mr. Sanjay Gupta (Managing Director)
2. Mr. S.K. Gupta (Chairman)

b.) Associates

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, 2012 and balances outstanding for the year ended 31 March, 2012:**

Transactions	31/03/2012 (₹)	31/03/2011 (₹)
a.) Transactions during the year		
<u>Sales</u>		
Prima Agro Limited	91,524	-
<u>Purchase of raw materials or finished goods</u>		
Ayyappa Roller Flour Mills Ltd	420,946	-
<u>Loans taken</u>		
Prima Agro Limited	8,953,383	5,182,766
Ayyappa Roller Flour Mills Ltd	2,461,000	8,600,370
Prima Credits Ltd	-	15,991,500
<u>Loans Repaid</u>		
Prima Agro Limited	-	4,442,562
Ayyappa Roller Flour Mills Ltd	-	14,392,805
Prima Credits Ltd	-	7,223,650
<u>Loans (taken from) / given to directors</u>		
S K Gupta	2,136,005	(22,663)
Sanjay Gupta	(237,781)	467,000
<u>Cash (received)/Paid</u>		
Prima Agro Limited	27,787	2503505
Prima Beverages Pvt Ltd	50,000	-
Sanjay Gupta	(390,868)	-
<u>Other expenses met</u>		
Prima Agro Limited	(9,316,301)	(4,723,839)
Ayyappa Roller Flour Mills Ltd	(3,540,392)	-
b.) Balances outstanding at the end of the year		
<u>Other Current Liabilities</u>		
Prima Agro Limited	38,296,040	20,145,667
Ayyappa Roller Flour Mills Limited	6,320,937	-
Prima Beverages Pvt Limited	1,759,443	1,809,443
Prima Credits Limited	8,767,850	8,767,850
<u>Other Current Assets</u>		
Ayyappa Roller Flour Mills Limited	-	101,401
<u>Unsecured Loans</u>		
S K Gupta	3,825,883	5,961,888
Sanjay Gupta	15,443,158	14,814,509

27 Employee benefit plans

1 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	31/03/2012 (₹)	31/03/2011 (₹)
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	147,557,419
- Central Sales Tax demand disputed by the Company	Nil	7,165,039
- Penalty disputed by the Company	Nil	2,994,080

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 (specify nature).	Nil	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

32 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For G Joseph & Associates

Chartered Accountants
(Firm Reg. No.006310S)

Sd/-

P. Rajagopal

Partner

Membership No. 202134

Sd/-

Sanjay Gupta

Managing Director

Sd/-

Charley Rodrigues

Director

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

Place: Cochin

Date : 31/05/2012

Prima Industries Limited

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

Notes to financial statements for the year ended March 31, 2012

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

The OTS amount for the Term Loan includes the value of Cumulative Redeemable Preference Shares allotted to the Bank, against overdue interest upto 31/03/2012 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. All bank balances (except BOI, Canara Bank, ICICI-18031, IOB-112, Statebank of Travancore and State Bank of India) are subject to reconciliation and confirmation.
6. The amount of borrowing costs capitalized during the year is Rs. Nil
7. The working capital loans are subject to reconciliation and confirmation. Interest is provided on the outstanding loan amounts as per the OTS scheme.
8. 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
A. Revenue						
External Sale	-	307,786	49,041,293	84,888,956	49,041,293	85,196,742
Processing Charges	19,866,641	10,815,755	-	-	19,866,641	10,815,755
Others	288,751	82,770	441,682	157,115	730,433	239,885
Total Segment Revenue	20,155,392	11,206,311	49,482,975	85,046,044	69,638,367	96,252,382
B. Result						
Stock Differential	-	-	(2,658,281)	5,547,233	(2,658,281)	5,547,233
Raw material consumed	-	-	53,746,127	82,044,432	53,746,127	82,044,432
Packing Mat consumed	-	-	-	-	-	-
Consumables	-	-	1,228,820	641,767	1,228,820	641,767
Freight Inwards	-	-	11,900	178,875	11,900	178,875
Gunny Sticking	461,231	208,879	-	-	461,231	208,879
Electricity	1,553,875	1,587,870	3,804,315	2,381,805	5,358,190	3,969,675
Other overheads	-	-	119,754	390,082	119,754	390,082
Repairs and Maintenance	1,123,327	715,326	1,161,490	1,920,577	2,284,817	2,635,903
Depreciation on segment assets	121,857	121,857	7,025,776	6,973,958	7,147,633	7,095,815
Other Repairs	-	-	211,700	327,368	211,700	327,368
Discount	-	-	-	-	-	-
Freight Outward	-	-	6,900	13,988	6,900	13,988
Selling Expenses	-	-	3,200,132	2,057,822	3,200,132	2,057,822
Bank charges	-	-	106,410	66,125	106,410	66,125
Allocated segment expenses	3,260,291	2,633,932	70,623,324	96,996,799	73,883,614	99,630,731
Un-allocated expenses	-	-	-	-	13,244,602	9,568,911
Operating Profit/(Loss)	16,895,101	8,572,379	(18,482,067)	(17,497,988)	(14,831,568)	(18,494,493)
Less: Interest Expense	-	-	-	-	5,103,439	4,252,500
Less: Fringe Benefit Tax	-	-	-	-	-	-
Profit from ordinary activities	16,895,101	8,572,379	(18,482,067)	(17,497,988)	(19,935,007)	(22,746,993)
Less : Extra-ordinary loss	-	-	-	-	-	-
Net Profit/(Loss)	16,895,101	8,572,379	(18,482,067)	(17,497,988)	(19,935,007)	(22,746,993)
OTHER INFORMATION:						
C. Assets						
Segment Assets	18,085,532	5,084,598	98,149,876	90,302,156	116,235,408	95,386,754
Fixed Assets	2,962,050	2,962,050	67,060,361	64,238,265	70,022,411	67,200,315
Current Assets,						
Loans & Advances	15,123,482	2,122,548	31,089,515	26,063,891	46,212,997	28,186,439
Un-allocated assets	-	-	-	-	36,314,919	56,173,211
Total Assets	18,085,532	5,084,598	98,149,876	90,302,156	152,550,327	151,559,965
D. Liabilities						
Segment Liabilities	14,326,174	517,892	22,266,952	8,100,246	36,593,127	8,618,138
Un-allocated liabilities	-	-	-	-	56,015,214	40,418,963
Total Liabilities	14,326,174	517,892	22,266,952	8,100,246	92,608,340	49,037,101
E. Depreciation						
Segment Depreciation	121,857	121,857	7,025,776	6,973,958	7,147,633	7,095,815
Unallocated Depreciation	-	-	-	-	2,930,956	3,398,135
Total Depreciation	121,857	121,857	7,025,776	6,973,958	10,078,589	10,493,950

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 Gupata
Balance outstanding at the beginning of the year	(20,145,667)	101,401	(1,809,443)	(8,767,850)	(5,961,888)	(14,814,509.00)
Sales	91,524					
Purchase of raw materials or finished goods	-	(420,946)	-	-	-	-
Provision/ (Receipt) of management services	-	-	-	-	-	-
Loans Given	-	-	-	-	-	-
Loans (Taken)	(8,953,383)	(2,461,000)	-	-	-	-
Loans Repaid	-	-	-	-	-	-
(Sale)/Purchase of Fixed Asset	-	-	-	-	-	-
Inventory held as consignee at the year end	-	-	-	-	-	-
Loans (taken from) / given to directors	-	2,136,005	(237,781)	-	-	-
Cash (received)/Paid	27,787	-	50,000	-	-	(390,868)
Rent (Expense) / Income	-	-	-	-	-	-
(Other expenses) met	(9,316,301)	(3,540,392)	-	-	-	-
Assets (leased) / obtained on lease	-	-	-	-	-	-
R&D (Received) / Transferred	-	-	-	-	-	-
Guarantees given / (obtained)	-	-	-	-	-	-
Royalty (Expense) / Income	-	-	-	-	-	-
Provision for bad and doubtful debts	-	-	-	-	-	-
Write (off) /back of amounts due	-	-	-	-	-	-
Balance outstanding at the year end	(38,296,040)	(6,320,937)	(1,759,443)	(8,767,850)	(3,825,883)	(15,443,158)

Prima Industries Limited

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

Cash flow statement for the year ended March 31, 2012

Particulars	Note	For year ended March 31, 2012 (₹)	For year ended March 31, 2011 (₹)
Schedules to Cash flow statements			
Cash flows from operating activities			
Profit before tax and exceptional item		(1,753,877)	(22,746,993)
Non- cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortization expense		10,078,589	10,493,950
Finance charges		106,410	66,125
Interest on working capital loan		2,430,000	4,252,500
Provision for Gratuity		-	439,437
Operating profit before working capital changes		<u>10,861,121</u>	<u>(7,494,981)</u>
Movements in working capital:			
Increase/(decrease) in other liabilities		(14,232,232)	-
increase/(decrease) in provisions	29a.	(344,860)	-
Increase/(decrease) in trade payables		18,547,285	11,979,800
Decrease/(increase) in loans and advances	29b.	15,048,990	(16,316,226)
Decrease/(increase) in other assets		84,401	13,347
Decrease/(increase) in Inventories		(16,206,395)	192,821
Decrease/(increase) in trade receivables		<u>(2,154,799)</u>	<u>14,279,268</u>
Cash generated from/(used in) operations		<u>11,603,511</u>	<u>2,654,029</u>
Direct tax paid (net of refunds)	29c.	-	(196,480)
Gratuity paid		-	(154,280)
Net cash flow from/(used in) operating activities (I)		<u>11,603,511</u>	<u>2,303,269</u>
II Cash flows from investing activities			
Capital Work in progress		(4,382,221)	(576,029)
Purchase of fixed assets		(2,830,461)	(1,002,390)
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		-	-
Net cash flow from/(used in) investing activities (II)		<u>(7,212,682)</u>	<u>(1,578,419)</u>
III Cash flows from financing activities			
Increase/(decrease) in secured loans		(3,798,564)	4,252,500
Receipts from shares issue		2,106,500	-
Unsecured Loans from directors		-	(400,082)
Finance charges		(106,410)	(66,125)
Interest on working capital loan		(2,430,000)	(4,252,500)
Dividend paid on equity shares		-	-
Net cash flow from/(used in) financing activities (III)		<u>(4,228,474)</u>	<u>(466,207)</u>
Net increase /(decrease) in cash and cash equivalents (I+II+III)		<u>162,355</u>	<u>258,643</u>
Effect of exchange differences on cash & cash equivalents held on foreign currency		-	-
Cash and cash equivalents at the beginning of the year		<u>(369,888)</u>	<u>(628,531)</u>
Cash and cash equivalents at the end of the year		<u>(207,533)</u>	<u>(369,888)</u>
Summary of significant accounting policies	2.3		

As per our report of even date attached

For G Joseph & AssociatesChartered Accountants
(Firm Reg. No.006310S)For and on behalf of the board of directors
Prima Industries LimitedSd/-
P. Rajagopal
Partner
Membership No. 202134Sd/-
Sanjay Gupta
Managing DirectorSd/-
Charley Rodrigues
DirectorPlace: Cochin
Date : 31/05/2012

PRIMA INDUSTRIES LIMITED

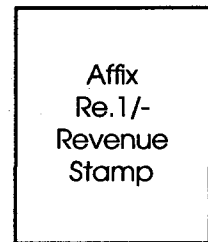
Regd.Office: "Door No: V/679-C , Industrial Development Area , Muppathadam P O ,
Edayar, Cochin - 683 110

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 ofas my/our
proxy to vote for me/us, on my/our behalf at the 18th Annual General Meeting of the members of the
Company to be held on Thursday the 27th September, 2012 at 4.00 p.m. at its Regd.Office: "Door No:
V/679-C , Industrial Development Area , Muppathadam P O , Edayar, Cochin - 683 110 on Kerala, India
and at any adjournment thereof.

Signed atthis.....day of.....2012

Signature of the Member



Regd. Folio No:
No of shares held:

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

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

PRIMA INDUSTRIES LIMITED

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

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Full name of the Member attending (IN BLOCK LETTERS).....

Full Name of the First Holder.....
(To be filled in if First Holder does not attend Meeting)

Name of the Proxy
(To be filled in if the Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 18th Annual General Meeting of the Members of the Company being
held on Thursday the 27th September, 2012 at 4.00 p.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)

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	: