

PRIMA INDUSTRIES LIMITED



20th ANNUAL REPORT 2013-2014

BOARD OF DIRECTORS

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

AUDITORS

M/s G. Joseph & Associates
Chartered Accountants
Ernakulam

BANKERS

ICICI Bank Ltd
Indian Overseas Bank

REGISTERED OFFICE

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

SHARE TRANSFER AGENT

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

PLANT LOCATION:

New Industrial Development Area
Menon para road ,Kanjikode,
Palakkad -678 621

NOTICE

NOTICE is hereby given that the 20th 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 **Saturday the 16th August, 2014 at 11.00.a.m.** for transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts of the Company for the year ended 31st March, 2014 together with the Reports of the Directors and Auditors thereon.
2. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the said Act, Mr. Rajyawardhan Agarwal (DIN : 02381865), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company.
3. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.
The retiring Auditors, M/s G. Joseph & Associates Chartered Accountants are eligible for re-appointment and have given a written certificate as per Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 and to consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:
“RESOLVED that the retiring Auditors, M/s G. Joseph & Associates Chartered Accountants being eligible for reappointment, be and are hereby appointed as Auditors of the Company for the financial year ending 31st March, 2015, who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors.”

SPECIAL BUSINESS

4. To ratify the appointment of Cost Auditors for the year 2014-15 for Compliance Report & Cost Audit as per MCA Notification No G.S.R.429(E) DT 3-6-2011 by passing the following resolution as an Ordinary Resolution:
“Resolved that, subject to such guidelines and approval as may be required from the Central Government the reappointment of M/s. Ajeesh & Associates, South Kalamasserry, Cochin - 682 033 as Cost Auditors to audit the cost records maintained by the Company for the Financial Year 2014-15 on a remuneration fixed by the Board of Directors be and is hereby ratified.”

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

Monday, 14th August, 2014 to 16th August, 2014(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: 26-6-2014

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, Tel : 040 23818475, Fax : 040 23868024, Email: info@vccilindia.com.
2. Sending notices and documents to shareholders through email:

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

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

EXPLANATORY STATEMENT AS PER SECTION 102 OF COMPANIES ACT

Item No -4

Ratification of appointment of Cost Auditor:

A proposal for appointment of Cost Auditor for 2014-15 was recommended by the Audit Committee to the Board. It was proposed to re-appoint M/s. Ajeesh & Associates, South Kalamasserry , Cochin - 682 033 as Cost Auditors. Certificate dated 29-5-2014 issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 11.00 A.M to 1.00 P.M and shall also available at the meeting.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put up for the consideration of the shareholders. None of the Directors and Key Managerial personnel or relatives of them are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

DIRECTORS' REPORT

To
The Members of Prima Industries Limited

Your Directors have pleasure in presenting the 20th Annual Report together with the Audited Balance Sheet and Profit and Loss Accounts for the year ended 31st March 2014.

1.PERFORMANCE

During the year, the Company achieved gross revenue of ₹ 2455.53 Lacks and had made a profit of ₹ 61.92 Lacks(Previous loss of Rs.80.84 Lacks).

2.Financial Results

Particulars	Current Year 31/03/2014 (₹ in Lacks)	Previous Year 31/03/2013 (₹ in Lacks)
Turnover	2234.28	1157.06
Processing Income	221.25	191.66
Profit Before depreciation	160.49	-45.24
Depreciation	98.57	105.49
Profit (Loss) after Depreciation & Taxes	61.92	-80.84

3.MANAGEMENT DISCUSSION AND ANALYSIS

We present below a composite summary of performance of the Company for the FY 2013-14.

a) ECONOMY AND MARKETS

The year witnessed divergent growth globally and in the domestic market the year saw steep decline in industrial activity and consumption demand continued to weaken. With sluggish growth across the larger economy, further compounded by high consumer inflation and weak sentiment, market growth moderated throughout the year in both volume and value terms.

Your Company's performance for the year 2013-14 has to be viewed in the context of aforesaid economic and market environment.

In a highly competitive scenario, where new brands and offerings are entering the market almost every quarter, your Company delivered competitive growth, driven by innovation, sharper in-market execution, and competitive marketing.

b) FUTURE PROSPECTS

With great pleasure we may report that with the enduring and dedicated effort of Directors your Company had come out of its financial difficulty it had faced in the past and again started showing positive results . At present your Company is not having any borrowings from any Financial Institutions and had settled all dues of financial institutions. It is highly encouraging that your Company had come out of financial difficulties.

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

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

During the reporting year Its Animal Feed Division had modified the old Animal Feed Plant and installed a fully automated plant in which hygienically prepared and packed Cattle Feed in pellets form is being produced with modern technology and skill. This plant has a capacity of 250MT production per day. This unit, as presently structured, is poised to produce a variety of Animal Feeds. The Company has installed the most modern plant with computerized controls. By adopting sophisticated techniques and evolving recipes with appropriate ingredients to meet the nutritional and energy requirements of cattle, poultry and goats, Prima has been able to supply cattle feeds of high quality to the domestic market. This plant is now manufacturing Animal Feed for M/s Kerala Feed Ltd.

a) Capital Expenditure

During the year Your Company had added Rs 256.33 Lakhs to Fixed Assets by way of P&M, Building etc for Renovating the Cattle Feed Plant, Boiler and Solvent Extraction Plant and thereby the utilization of Prima's manufacturing facilities reached a level of around 80 to 85% of the installed capacities. Bulk of the capacity utilization is for conversion contracts for well established companies like Kerala Feeds, KSE, KERAFED etc. Their products are manufactured according to their own specifications.

Your Company is proposing to Install Wind Mills of about 2 MW with a Capital Outlay of Rs 1300 Lakhs in its site at Kanjikode for which initial feasibility study had already started. Your Company also had plans to start a fully sophisticated Dairy Farm at a Cost of ₹ 850 Lakhs with 300 HF Cows (imported) and to directly market milk in its own Brand.

DIRECTORS

During the reporting year Mr.Rajyawardhan Agarwal, the director of the Company had to be retired by rotation and since he is eligible for reappointment the same is being proposed in the forthcoming Annual General Meeting of the Company. He is an independent director of the Company who meets the criteria as per the provisions of section 149(6) of the Companies Act, 2013.

AUDITORS

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

COMMENTS ON THE AUDITORS' REPORT

The Auditors had presented their report without any special comments for the FY 2013-14.

(Audit Report is attached to this Annual Report for reference)

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 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 134(3)(e) of the Companies Act, 2013, is required to be annexed.

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

As required under Section 134(3)(m) of the Companies Act, 2013 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 (as per section 134(5) of the Companies Act, 2013)

The Directors confirm:

- ❖ That the applicable accounting standards have been followed along with proper explanation wherever required in the preparation of Annual Accounts.
- ❖ That the Company has adopted prudent accounting policies.
- ❖ That proper care has been taken for maintenance of accounting records in accordance with the provisions of the Act and
- ❖ That the Annual Accounts of the Company have been prepared on a going concern basis.
- ❖ That the Company had laid down sufficient internal financial controls in the operations of the Company.
- ❖ That the Company had devised proper systems to ensure Compliance with the provisions of all applicable laws.

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, M/s Kerafed Ltd and other business clients for the extended support to the Company. The Board of Directors wishes to place on record their sincere gratitude to all Govt. depts., employees and share holders for their active support and co-operation.

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

Place: Cochin
Date: 26.06.2014

**ANNEXURE TO THE DIRECTORS' REPORT
INFORMATION AS PER SECTION 134(3)(m) 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.

The Company is proposing to Install Wind Mills of about 2 MW at a Capital Outlay of ₹1300 Lakhs in its site at Kanjikode for which initial feasibility study had already started.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Research and Development:

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

Technology, Absorption, Adoption and Innovation

- | | | | |
|----|---|---|---|
| 1. | Efforts, in brief, made towards | : | Latest technology has been adapted absorption and innovation fully implemented. |
| 2. | Benefits recorded as a result | : | Production of quality products acceptable to the user Industry. |
| 3. | Particulars of Technology imported during the last 5 years | : | Nil |
| | a. Technology imported | : | NA |
| | b. Year of import | : | NA |
| | c. Has technology been fully absorbed | : | NA |
| | d. If not fully absorbed, area where this has not taken place, reasons therefore and future plans of action | : | NA |

III FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and Services and export plan

: The Company has not yet entered the export market. Marketing efforts are being 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
sd/-

Sanjay Gupta
Managing Director

Place : Cochin
Date : 26-6-2014

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

CORPORATE GOVERNANCE

Transparency and accountability are the two basic tenets of Corporate Governance. At Prima , we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business

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. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles is an extension of our values and reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

2. BOARD OF DIRECTORS

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

The Board of Directors comprises of Executive Non-executive and Independent Directors as required under applicable legislation. . Except for the Managing Director, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 1956/2013. As on date of this Report, the Company's Board consists of three Directors comprising one Non-Executive Chairman, One Independent Directors and Managing Director. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

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 share held in the Company as on 31.03.2014	Attendance at		Directorships and Chairmanship / Membership of Board Committees in Other Companies as on 31.03.2014		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
1. Shri.Sanjay Gupta	P,MD	1409866	5	Yes	8	None	None
2. Shri. S.K. Gupta	P,C	41101	5	Yes	8	1	1
3.Shri.Rajyawardhan Agarwal	NED & I	-	4	Yes	4	1	None

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

Other Directorships do not include Alternate Directorships, Directorships of Private Limited Companies which are neither a subsidiary nor a holding company of a Public Company, Companies under Section 8 of the Companies Act, 2013 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 8 of the Companies Act, 2013 are excluded for the purpose.

Reappointment of Directors

The Director, Mr. Rajyawardhan Agarwal 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 are	: More than 15 years Experience in Manufacturing Industry

Details of other Directorships:

Name of the Company	Position held	Committee type	Membership status
Prima Agro Limited	Director	Audit	Nil
Ayyappa Roller Flour mills Ltd	Director	Nil	Nil
Prima Credits Ltd	Director	Nil	Nil
PAPL Exim India Ltd	Director	Nil	Nil

3. AUDIT COMMITTEE

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

During the year ended 31st March 2014, the Committee met 4 times on 29/5/2013, 29/7/2013, 28/10/2013 and 27/1/2014.

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

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

4. REMUNERATION COMMITTEE

Composition, name of Members, Chairperson and attendance

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

Brief description of terms of reference

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

Remuneration to Directors

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

Details of remuneration paid to Managing Director for the year

The aggregate of salary, perquisites and commission paid/payable for the year ended 31st March, 2014 to Managing Director, is as follows:

Shri Sanjay Gupta, Managing Director : NIL

Remuneration paid to Non-Executive Directors : No Remuneration is paid to Non-Executive Directors.

The details of sitting fees paid during the period : No Sitting Fees is paid during the year.

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

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

Name of the member	Category
Shri. S K Gupta Shri. Rajayawardhan Agarwala	Chairman Independent Director

Given below is the position of investor queries / complaints and other correspondences received and attended to during 2013-2014:

Nature of complaint / queries	No. of complaints
For non-receipt of dividend, shares lodged for transfer, issue of duplicate share certificates.	-
Queries / Complaints redressed	-
Pending queries / complaints as on 31.03.2014	-
Other letters received from shareholders and replied	4

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 as well as in de-mat form. A table showing the requests Received for dematerialization / transfer during 2013-2014 is given below –

	Transfers	
	No. of requests	No. of shares
Lodged	65	46400
Processed	65	46400
Objections	-	-
Pending as on 31.03.2014	-	-

6. Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Kochi. The Agenda of the Board / Committee meetings is set by the Company Secretary in consultation with the Chairman and the Chief Executive Officer of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year ended 31st March, 2014, Five Board meetings were held on 31/5/2013,24/6/2013,31/7/2013,30/10/2013 and 30/1/2014.

The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

7. 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
2010-11	Door No.V/679C,IDA, Muppathadam P.O. Edayar	28.09.2011	4.00 p.m.	None
2011-12	Door No.V/679C,IDA, Muppathadam P.O. Edayar	27.09.2012	4.00 p.m.	4
2012-13	Door No.V/679C,IDA, Muppathadam P.O. Edayar	30.08.2013	11.a.m	1

At the forthcoming Annual General Meeting there is no item on the agenda that needs approval by Postal Ballot, as required under the provisions of Section 110 A of the Companies Act, 2013.

8. 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.

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 and as per Sch IV of the Companies Act, 2013.

CEO / CFO Certification:

Mr. Sanjay Gupta, Managing Director and Mr. V R Sadasivan Pillai, General Manager (Finance) have given CEO/CFO Certificate to the Board. The Board noted the said CEO/ CFO certificate, as per the format given under clause 49(v), at its meeting held on 31st May, 2014.

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

i) Annual General Meeting

Date and time : 16th August, 2014 11.a.m.
Venue : Door No, V-679/C, Industrial Development Area, Muppathadam P.O., Edayar, Cochin - 683110.

ii) Financial Calendar 2013-14

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

iii) 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.

iv) 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:

- a) Protection and conservation of resources of the Company.
- b) Compliance with statutory requirements.
- c) Maximum utilization of resources.

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.

v) 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.

- vi) **Dates of book closure** : Monday, 14th August, 2014 to 16th August, 2014.
(Both days inclusive).
- vii) **Dividend payment date** : N.A.
- viii) **Listing on Stock Exchange** : BSE-Mumbai,
- ix) **Stock Code** : 531246
- x) **Demat ISIN Number** : INE-723N01012
- xi) **Market price data** : Companies shares traded during the period.

Month	Bombay Stock Exchange (BSE)	
	Month's High Price	Month's Low Price
April-2013	22.10	22.10
Feb-2014	21.00	21.00
March-2014	19.05	19.05

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

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

Share Transfer System:

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

Distribution of the shareholding on the basis of categories of shareholders as on 31.03.2014 is as under:

Category Code	Category of shareholder	No. of share holders	Total no.of shares	Number of shares held in dematerialized form	Percentage to total shares
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
(a)	Individuals	56	1589172	1503470	14.73
(b)	Central Government/State Government(s)	1	1100000	0	10.19
(c)	Bodies Corporate	6	4972528	2457528	46.08
	Sub-Total (A)(1)	63	7661700	3960998	70.99
(2)	Foreign				
(a)	Bodies Corporate				
(b)	Individuals (Non-Residents Individuals / Foreign Individuals)	33	119000		1.10
	Sub-Total (A)(2)	33	119000	3960998	1.10
	Total shareholding of Promoter and Promoter Group (A) =(A)(1)+(A)(2)	96	7780700	3960998	72.10
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Funds				
(b)	Foreign Institutional Investors	1	2509	2509	0.02
	Sub-Total (B)(1)	1	2509	2509	0.02
(2)	Non-Institutions				
(a)	Bodies Corporate	8	52000	0	0.48
(b)	Individuals				
i.	Individual shareholders holding nominal share capital upto Rs.1 Lakh.	768	710491	110691	6.58
ii.	Individual shareholders holding nominal share capital in excess of Rs.1 Lakh.	10	2242400	15000	20.78
(c)	Trust				
(d)	Directors & their relatives				
(e)	Non resident Indians				
(f)	Overseas Corporate Bodies				
(g)	Clearing members				
(h)	Hindu undivided families				
(l)	Any Other (specify)	1	3800	3800	0.04
	Sub-Total (B)(2)	787	3008691	129491	27.88
	Total Public Shareholding (B)=(B)(1)+(B)(2)	788	3011200	132000	27.90
	TOTAL (A) +(B)	884	10791900	4092998	100.00

Distribution of shareholding as on 31.03.2014, pursuant to clause 35 of the Listing Agreement is as under:

Shareholding of nominal value of ₹	No. of Shareholders	% of Shareholders	Amount of Share Capital in ₹	% of Shareholding
Upto5,000	399	45.14	1775390	1.65
5,001 –10,000	307	34.73	2684750	2.49
10,001 –20,000	74	8.37	1284930	1.19
20,001 –30,000	34	3.85	906090	0.84
30,001 –40,000	10	1.13	374850	0.35
40,001 –50,000	21	2.38	1032000	0.96
50,001 – 1,00,000	15	1.70	1210010	1.12
1,00,001 and above	24	2.71	98650980	91.41
Total	884	100.00	107919000	100.00

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

Liquidity of shares

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

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

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

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

DECLARATION ON CODE OF CONDUCT

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

Place: Cochin
Date: 26-6-2014

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, 2014 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/-

Sanjay Gupta
Managing Director

sd/-

V R Sadasivan Pillai,
General Manager (Finance)

Place: Cochin
Date: 26-6-2014

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, 2014, 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
FRN- 006310S

Sd/

P.Rajagopal
Partner
Membership No.202134

Place : Cochin
Date : 31.05.2014

INDEPENDENT AUDITORS' REPORT

To

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

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Prima Industries Limited ("the company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss and the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013 and in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and other regulatory requirements

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

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

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013
- e) On the basis of written representation received from directors and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For G Joseph & Associates
Chartered Accountants**

Firm Reg. No. 006310S

Place : Cochin
Date: 31.05.2014

Sd/-
P Rajagopal
Partner

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

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

- (i) a) The company has maintained records showing particulars including quantitative details and situation of fixed assets, but the same required to be updated.
- b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals ; no material discrepancies were noticed on such verification.
- c) The company has not disposed off substantial part of its fixed assets during the year.
- (ii) a) Physical verification of inventory has been conducted by the management at reasonable intervals during the year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and on the basis of examination of the records, the company is generally maintaining proper records of its inventory. No material discrepancies were noticed on physical verification of inventory by the management as compared to the book records.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans, secured or unsecured to companies, firms, or other parties listed in the register maintained section 301 of the Companies Act 1956. Consequently, the provisions of clauses (iii)(b), (iii)(c) & (iii)(d) of the Order are not applicable to the company.
- e) The company has taken unsecured loans from 6 parties. At the year end, the outstanding balance of such loans taken aggregated to ₹ 3,05,02,924 and the maximum amount involved during the year was ₹ 74,413,311.
- f) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the company.
- g) The terms of repayment for the above loans have not been stipulated, but the same are stated to be repayable on demand. Since the company is stated to have received no demand for repayment of the above loans, there has been no default on the part of the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for sale of goods and services.
- (v) In our opinion and according to the information and explanations given to us, there are no contracts and arrangements referred to in section 301 of the Companies Act, 1956 during the year that need to be entered in the register maintained under that section. Accordingly, Clause (v) (b) of the paragraph 4 of the Order is not applicable to the company for the current year.
- (vi) The company has not accepted any deposit from the public covered under section 58A and 58AA of the Companies Act, 1956.

(vii) The Company does not have an internal audit system.

- (viii) As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor education and protection fund, Employees' state insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.
- b) As per the information given to us, the following statutory dues have not been deposited on account of any disputes:-

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

- (ix) The accumulated losses of the Company at the end of the financial year are more than fifty percent of the net worth; and it has not incurred cash loss in the immediately preceding financial year and current financial year.
- (x) As per the information and explanations given to us, the Company has not availed any loans from banks or financial institutions or through debentures.
- (xi) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) The Company is not a Chit Fund or Nidhi/ Mutual Benefit Fund/Society. Therefore, the provisions of this clause of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the explanations given to us, the Company is not a dealer or trader in securities.
- (xiv) According to the information & explanations given to us, the Company has, not given any guarantee for loans taken by others from a bank or financial institution.
- (xv) Based on our audit procedures and on the information given by the management, we report that the Company has not raised any term loans during the year.
- (xvi) Based on the information & explanations given to us and on an overall examination of the balance sheet of the Company as at 31st March, 2014, we report that no funds raised on short term basis have been used for long term investment by the Company.
- (xvii) Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year
- (xviii) Based on the audit procedures performed and the information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

Place : Cochin
 Date: 31.05.2014

Sd/-
P Rajagopal
 Partner

Prima Industries Limited
No. V-679/C, Industrial Development Area, Muppathadam, Edayar, Cochin-683110
Balance Sheet as at 31st March, 2014

Particulars	Note	As at March 31, 2014 (In ₹)	As at March 31, 2013 (In ₹)
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	3	229,973,530	229,973,530
b. Reserves and Surplus	4	(145,628,692)	(151,835,698)
2. Non-Current Liabilities			
a. Long Term Provisions	7	367,511	340,694
3. Current Liabilities			
a. Trade Payables	8	1,361,477	10,396,077
b. Other Current Liabilities	9	46,299,761	43,199,724
TOTAL		132,373,587	132,074,327
II. ASSETS			
1. Non-current assets			
a. Fixed Assets	10		
(i) Tangible Assets		108,013,775	90,524,545
(ii) Capital Work-In-Progress		-	16,323,473
b. Deferred Tax Asset (Net)		14,565	-
c. Long-Term Loans and Advances	11	1,015,061	638,891
2. Current Assets			
a. Inventories	13	987,991	8,557,208
b. Trade Receivables	14	11,899,333	8,960,658
c. Cash & Bank Balances	15	557,028	323,664
d. Short-Term Loans and Advances	11	9,385,833	5,091,224
e. Other Current Assets	12	500,000	1,654,664
TOTAL		132,373,587	132,074,327
Summary of significant accounting policies	2.3		

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

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

Sd/-
P. Rajagopal
Partner
Membership No. 202134

Sd/-
Sanjay Gupta
Managing Director

Sd/-
S K Gupta
Director

Place: Cochin
Date : 31.05.2014

Prima Industries Limited
No. V-679/C, Industrial Development Area, Muppathadam, Edayar, Cochin-683110
Statement of Profit and loss for the year ended March 31, 2014

Particulars	Note	For the year ended March 31, 2014 (In ₹)	For the year ended March 31, 2013 (In ₹)
I Income			
Revenue from operations	16	245,553,261	134,872,390
Other income	17	1,746,389	2,924,949
Total Revenue		247,299,650	137,797,338
II Expenses			
1 Cost of materials consumed	18	201,564,497	111,380,297
2 (Increase)/ Decrease in inventories	19	50,177	2,858,127
3 Employee benefits expense	20	6,230,217	4,126,990
4 Finance costs	21	36,836	25,390
5 Depreciation and amortization expense	10	9,857,316	10,549,332
6 Other expenses	22	23,368,166	23,930,495
Total expenses		241,107,209	152,870,630
III Profit before exceptional and extraordinary items and tax (III-IV)		6,192,441	(15,073,291)
IV Exceptional items & Extraordinary items	23	-	6,989,000
III Profit before tax (I-II)		6,192,441	(8,084,291)
IV Tax expense:	24		
1 Current tax		-	-
2 Deferred tax		(14,565)	-
Tax expense		(14,565)	
V Profit (Loss) for the period (III - IV)		6,207,006	(8,084,291)
VI Earnings per equity share:	25		
1 Basic		0.58	(0.75)
2 Diluted		0.58	(0.75)
Number of shares used in computing Earnings per share			
1 Basic		10,791,900	10,764,025
2 Diluted		10,791,900	10,764,025
Summary of significant accounting policies	2.3		

As per our report of even date attached

For G Joseph & Associates**Chartered Accountants**

(Firm Reg. No.006310S)

Sd/-

P. Rajagopal

Partner

Membership No. 202134

For and on behalf of the board of directors

Prima Industries Limited

Sd/-

Sanjay Gupta

Managing Director

Sd/-

S K Gupta

Director

Notes to financial statements for the year ended March 31, 2014

3. Share Capital

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
a.) Authorised Shares		
13,500,000 (As at 31st march 2013: 13,500,000) equity shares of ₹10/- each	<u>135,000,000</u>	<u>135,000,000</u>
11,500,000 (As at 31st march 2013: 11,500,000) preference shares of ₹10/- each	<u>115,000,000</u>	<u>115,000,000</u>
b.) Issued, Subscribed and Paid up shares		
10,791,900 (As at 31st march 2013: 10,717,400) equity shares of ₹10/- each fully paid up	107,919,000	107,919,000
11,197,403 (As at 31st march 2013: 11,197,403) Cumulative Redeemable Preference shares of ₹10/- each	111,974,030	111,974,030
	<u>219,893,030</u>	<u>219,893,030</u>
c.) Forfeited Shares Account	<u>10,080,500</u>	<u>10,080,500</u>
d.) Reconciliation of the shares outstanding at the beginning and at the end of the reported period		

Equity Shares	31/03/2014		31/03/2013	
	No. of shares	Share capital (₹)	No. of shares	Share capital (₹)
At the beginning of the period	10,791,900	107,919,000	12,808,000	128,080,000
Issued during the period	-	-	-	-
Forfeiture of Shares	-	-	(2,016,100)	(20,161,000)
Outstanding at the end of the period	<u>10,791,900</u>	<u>107,919,000</u>	<u>10,791,900</u>	<u>107,919,000</u>

Preference Shares	31/03/2014		31/03/2013	
	No. of shares	Share capital (₹)	No. of shares	Share capital (₹)
At the beginning of the period	11,197,403	111,974,030	5,197,403	51,974,030
Issued during the period	-	-	6,000,000	60,000,000
Outstanding at the end of the period	<u>11,197,403</u>	<u>111,974,030</u>	<u>11,197,403</u>	<u>111,974,030</u>

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

Names	31/03/2014		31/03/2013	
	No. of shares	% of shares held	No. of shares	% of shares held
Sanjay Gupta	1,409,866	13.06	1,409,866	13.06
Ayyappa Roller Flour Mills Ltd	2,134,000	19.77	2,093,000	19.39
Prima Credits Limited	1,269,000	11.76	1,269,000	11.76
Kerala State Industrial Development Corporation	1,100,000	10.19	1,100,000	10.19
Prima Agro Limited	1,019,528	9.45	1,019,528	9.45

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

Names	31/03/2014		31/03/2013	
	No. of shares	% of shares held	No. of shares	% of shares held
Ayyappa Roller Flour Mills Ltd	11,197,403	100	11,197,403	100

4. Reserves and Surplus

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
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>
b. Other Reserves – Loan Waiver on One Time Settlement		
At the beginning of the accounting period	147,694,030	132,474,030
Additions during the year	-	15,220,000
At the end of the accounting period	<u>147,694,030</u>	<u>147,694,030</u>
c. Surplus/ (deficit) in the statement of profit and loss		
At the beginning of the accounting period	(301,029,728)	(292,945,437)
Add : Profit for the year	6,207,006	(8,084,291)
Net Surplus in the statement of profit & loss	<u>(294,822,722)</u>	<u>(301,029,728)</u>
Total reserves and surplus (a) + (b) + (c)	<u>(145,628,692)</u>	<u>(151,835,698)</u>

5 Long Term Borrowings

Particulars	Non - Current Portion		Current maturities	
	31/03/2014 (₹)	31/03/2013 (₹)	31/03/2014 (₹)	31/03/2013 (₹)
1. Secured Borrowings				
(a) Working Capital Loans - from banks.	-	-	-	-
A	-	-	-	-
2. Unsecured Borrowings				
(a) Loans repayable on demand				
(b) Bank overdraft	-	-	179,011	328,929
(c) Loans from Directors			100,000	-
B	-	-	279,011	328,929
A + B	-	-	279,011	328,929

6. Deferred Tax Asset (Liabilities)

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
Deferred Tax Asset		
a) Related to Fixed Assets	-	-
b) Other timing difference	14,565	-
Gross Deferred tax assets		
Deferred Tax Liabilities		
a) Related to Fixed Assets	-	-
b) Other timing difference	-	-
Gross Deferred Tax Liabilities		
Deferred Tax Assets (Net)	14,565	-

Note:

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

7 Provisions

Particulars	Long - term		Short - term	
	31/03/2014 (₹)	31/03/2013 (₹)	31/03/2014 (₹)	31/03/2013 (₹)
1. Provision for employee benefits.				
a) Provision for gratuity	367,511	340,694	-	-
2 Others (specify nature).				
a) Provision for income tax (Refer note)	-	-	-	-
	<u>367,511</u>	<u>340,694</u>	<u>-</u>	<u>-</u>

Notes:

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
a. Provision for Income tax (Current Year)		
Provision for Income tax relating to prior years	-	-
Provision for Income tax (net)	-	-

8. Trade Payable

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
Creditors for purchases	1,361,477	10,396,077
	<u>1,361,477</u>	<u>10,396,077</u>

9. Other Current Liabilities

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
1. Current maturities of long term debt	279,011	328,929
3. Statutory dues (Refer note iv below)	87,788	3,608,180
4. Creditors for expenses	2,310,362	2,110,205
5. Creditors for others	5,609,565	4,721,471
6. Expenses payable	1,222,339	802,487
7. Other Current Liabilities	36,790,695	31,628,453
	<u>46,299,761</u>	<u>43,199,724</u>

Notes:

I. Other Current Liabilities include balances to Related parties

	Current year	Previous year
Ayyappa Roller Flour Mills Ltd	35,523,008	27,974,294
Prima Beverage Pvt Ltd	-	1,754,543
Prima Agro Ltd	1,267,688	1,899,616
	<u>36,790,695</u>	<u>31,628,453</u>

iv Statutory dues includes:-

	31/03/2014	31/03/2013
	(₹)	(₹)
ESI damages Payable	50,125	62,917
Central Sales Tax Payable	-	3,182,665
Interest on Central Sales Tax Payable	-	325,404
KVAT Payable	10,134	10,960
EPF Payable	13,365	20,927
ESI Payable	14,164	5,307
	<u>87,788</u>	<u>3,608,180</u>

FIXED ASSETS AND DEPRECIATION FOR THE YEAR 2013-14

SCHEDULE - 10

FIXED ASSETS & DEPRECIATION

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01.04.13	ADDITIONS/ (DELETION)	AS AT 31.03.14	UPTO 01.04.13	FOR THE YEAR	UPTO 31.03.14	AS AT 31.03.14	AS AT 31.03.13
Land and Development	8,575,215	-	8,575,215	-	--	--	8,575,215	8,575,215
Building	54,313,226	2,562,234	56,875,460	27,634,762	1,841,223	29,475,984	27,399,476	26,678,464
Plant and Machinery	152,755,841	23,395,444	176,151,285	98,660,807	7,825,754	106,486,561	69,664,724	54,095,033
Air Condition		104,350	104,350		2,954	2,954	101,396	
Electrical Installation	20,566,019	1,192,279	21,758,298	20,566,018	22,238	20,588,256	1,170,042	-
Office Equipments	1,103,530		1,103,530	715,761	52,418	768,178	335,352	387,769
Computers	411,182	26,500	437,682	411,182	3,860	415,042	22,640	-
Printers	46,600	5,900	52,500	5,097	3,645	8,743	43,757	41,503
Furniture and Fixtures	956,018	10,300	966,318	956,018	255	956,273	10,045	-
Lab Equipments	803,200		803,200	567,343	38,152	605,495	197,705	235,857
Vehicles	299,276	34,538	333,814	22,814	30,903	53,717	280,097	276,462
Weighing Machines	751,557	15,000	766,557	517,317	35,914	553,231	213,326	234,240
TOTAL	240,581,664	27,346,545	267,928,209	150,057,118	9,857,316	159,914,434	108,013,775	90,524,544
Previous Year	238,588,058	2,661,864	240,581,664	139,507,787	10,549,332	150,057,118	90,524,545	99,080,272

11. Loans and Advances

Particulars	Non - Current		Current	
	31/03/2014 (₹)	31/03/2013 (₹)	31/03/2014 (₹)	31/03/2013 (₹)
. Security Deposits;				
a.) Secured, considered good	1,015,061	638,891	250,000	250,000
Unsecured, considered good;	-	-	-	1,500,000
Doubtful	-	-	-	-
	<u>1,015,061</u>	<u>638,891</u>	<u>250,000</u>	<u>1,750,000</u>
Provision for doubtful security deposit -		-	-	-
	<u>1,015,061</u>	<u>638,891</u>	<u>250,000</u>	<u>1,750,000</u>
2. Loans and advances to related parties				
Unsecured, considered good;	-	-	-	-
	-	-	-	-
3. Other loans and advances				
a.) Prepaid Expenses	-	-	308,895	309,806
b.) Advances to Employees (note I)	-	-	86,846	124,623
c.) Advance for expenses and other advances (note ii)	-	-	6,563,337	937,693
d.) Advance tax and Tax Deducted at Source (note iv)	-	-	2,169,554	1,718,187
e.) Balances with statutory/ government authorities (refer note iii)	-	-	7,201	250,914
	-	-	<u>9,135,833</u>	<u>3,341,224</u>
Total	<u>1,015,061</u>	<u>638,891</u>	<u>9,385,833</u>	<u>5,091,224</u>

Note:

Particulars	Current	
	31/03/2014 (₹)	31/03/2013 (₹)
I Advance to employees include		
- dues from staff	86,846	124,623
ii Advances for expenses and other advances include		
- Dues from staff	114,062	50,188
- Advance for expense	<u>6,449,275</u>	<u>887,505</u>
	<u>6,563,337</u>	<u>937,693</u>

iii Balances with statutory/ government authorities (refer note iii)

- KVAT	-	-
- Excise Duty	7,201	250,914
	<u>7,201</u>	<u>250,914</u>

iv Advance tax and Tax Deducted at Source

- Tax Deducted at Source	2,169,554	435,470
Less : Provision for taxation	-	-
Tax Deducted at Source previous years	-	1,282,717
	<u>2,169,554</u>	<u>1,718,187</u>

12. Other Assets

Particulars	Non - Current		Current	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	(₹)	(₹)	(₹)	(₹)
1. Other Current Assets				
Interest accrued on fixed deposits	-	-	-	29,136
Other Current Assets	-	-	500,000	1,625,528
	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>1,654,664</u>

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

Particulars	31/03/2014	31/03/2013
	(₹)	(₹)
a. Raw Materials (Refer note i below)	7,814	7,700,291
b. Finished Goods (Refer note ii)	15,451	65,628
c. Consumables, Stocks and Spares (Refer note I)	964,725	791,289
	<u>987,991</u>	<u>8,557,208</u>

Notes:

- Inventories are valued at lower of cost and net realizable value using First in First Out method.
- 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).

14. Trade Receivables

Particulars	31/03/2014	31/03/2013
	(₹)	(₹)
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	3,617,488	8,520,156
Doubtful	-	-
	<u>3,617,488</u>	<u>8,520,156</u>
Provision for doubtful receivables	-	-
	<u>(A) 3,617,488</u>	<u>8,520,156</u>

2 Other Receivable

a) Secured, considered good	-	-
Unsecured, considered good	8,281,845	440,502
Doubtful	-	-
Provision for doubtful receivables	-	-
	<u>8,281,845</u>	<u>440,502</u>
(B)	8,281,845	440,502
	<u><u>11,899,333</u></u>	<u><u>8,960,658</u></u>
Total (A+B)	11,899,333	8,960,658

15. Cash & Bank Balances

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
a.) Balances with banks		
(i) In current accounts	536,640	313,579
b.) Cash on hand	20,388	10,085
	<u>557,028</u>	<u>323,664</u>

Notes:

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

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
In Current Accounts		
Canara Bank	5,784	-
ICICI	15,236	20,264
ICICI kalamassery	465,302	282,593
State Bank of India	47,910	8,528
State Bank of Travancore	2,408	2,194
	<u>536,640</u>	<u>313,579</u>

16. Revenue from operations

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
a. Sale of products (Refer Note (i) below)		
Finished goods	223,428,091	115,706,361
b. Sale of services (Refer Note (ii) below)	22,125,170	19,166,029
	<u>245,553,261</u>	<u>134,872,390</u>
Less: Excise duty	-	-
	<u>245,553,261</u>	<u>134,872,390</u>

Notes:

i	Sale of products comprises		
	<u>Finished goods</u>		
	Coconut Oil - Refined	219,648,317	113,386,340
	Other Products	3,779,775	2,320,021
		<u>223,428,091</u>	<u>115,706,361</u>
ii	Sale of Services comprises		
	Processing Charges	22,125,170	19,166,029
		<u>22,125,170</u>	<u>19,166,029</u>
	Total - Sale of services	22,125,170	19,166,029

17. Other income

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
a. Other non-operating income.(Refer Note (I) below)	1,746,389	2,924,949
	<u>1,746,389</u>	<u>2,924,949</u>
i Other non operating income comprises		
Lab Analysis	32,400	27,675
Creditors written back	857,494	1,881,061
Discount received	3,446	58,790
Fuel charges recovery	-	469,491
Weigh Bridge receipt	8,860	11,430
Insurance Reimbursement	55,492	171,536
Interest income	87,002	19,385
Profit on sale of assets	-	231,761
Miscellaneous Income	701,695	53,819
	<u>1,746,389</u>	<u>2,924,949</u>

18. Cost of material consumed

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
a.) Raw Materials		
Opening stock	7,700,291	17,935,186
Add: purchases	193,872,021	101,145,403
	<u>201,572,312</u>	<u>119,080,588</u>
Less: Closing stock	7,814	7,700,291
	<u>201,564,497</u>	<u>111,380,297</u>

19. (Increase)/ Decrease in inventories

Particulars	31/03/2014 (₹)	31/03/2013 (₹)	(Increase) / Decrease
a.) Inventories at the end of the year			
- Finished goods	15,451	65,628	50,177
	<u>15,451</u>	<u>65,628</u>	<u>50,177</u>
b.) Inventories at the beginning of the year			
- Finished goods	65,628	2,923,754	2,858,127
	<u>65,628</u>	<u>2,923,754</u>	<u>2,858,127</u>
Net (increase) /decrease	<u>50,177</u>	<u>2,858,127</u>	

20. Employee benefits expense

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
a.) Salaries, Wages & Bonus	3,494,572	2,024,774
b.) Contribution to provident and other funds	214,022	188,032
c.) Gratuity Expense	47,137	47,522
d.) Ex Gratia	284,320	130,106
e.) Post employment medical benefits	130,783	38,657
f.) Staff welfare	2,059,383	1,697,899
	<u>6,230,217</u>	<u>4,126,990</u>

21. Finance costs

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
a.) Interest expense on:		
(i) Borrowings	12,342	-
(ii) Others	-	-
Bank charges	24,494	25,390
	<u>36,836</u>	<u>25,390</u>

22. Other expenses

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
a. Manufacturing Expenses:		
Consumables	8,733,316	9,570,800
Gunny Marking & Stitching Expenses	339,131	313,322
Electricity Charges	6,845,069	6,062,426
Freight Inwards	-	3,781
Lab Expenses	(2,271)	8,107
Loading & Unloading Charges	-	6,976
Diesel Charges	224,887	144,226
Machinery Maintenance	1,435,941	2,667,120
Production Expenses	29,396	18,211
	<u>(A) 17,605,469</u>	<u>18,794,969</u>
b. Administrative Expenses:		
Advertisement Expenses	92,251	92,994
Auditor's Remuneration	88,485	83,090
Debtors written off	295,418	300,618
Sales / Business Promotion Expenses	126,520	69,580
Travelling & Conveyance		
-Director's	515,363	-
- Others	174,504	636,299
Donation	31,401	702
Electrical Expenses	34,748	1,716
Fees & Taxes	330,146	741,699
Festival Expense	68,725	40,896
Vehicle running expenses	212,468	106,091

General Office Expenses	1,105,281	1,252,064
Legal & Professional Charges	895,921	662,145
Discount allowed	54,231	-
Miscellaneous Expense	168,034	-
Postage & Telegram	15,507	67,325
Printing & Stationery	44,787	46,242
Repairs & Maintenance - Others	650,573	90,874
ROC filing fees	2,500	228,663
Security charges	29,500	32,500
Insurance	344,115	302,045
Interest on Sales tax and TDS	60	179,540
Rates, taxes, penalty	180	-
Telephone Charges	120,784	95,354
Transportation Charges	361,196	105,090

(B)	5,762,697	5,135,526
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C) Selling Expenses:

(C)	-	-
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(A) + (B) + (C)	23,368,166	23,930,495
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Notes:

Consumables, Stocks and Spares

Opening stock	791,289	1,171,439
Add: purchases	8,906,752	9,190,650
	9,698,041	10,362,089
Less: Closing stock	964,725	791,289
	8,733,316	9,570,800

i) Payments to the auditors comprises (net of service tax input credit, where applicable):

a.) As auditors - statutory audit	65,000	60,000
b.) For taxation matters	10,000	13,483
c.) Others	13,485	9,607
	88,485	83,090

23. Exceptional and extraordinary items

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
1. Extraordinary items		
Interest written back on One Time Settlement of Loan	-	6,989,000
	-	6,989,000

24. Tax expense:

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
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	14,565	-

25. Earnings per equity share:

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
1. Basic Earnings per Share		
Net profit / (loss) for the year	6,207,006	(8,084,291)
Weighted average number of equity shares	10,791,900	10,764,025
Earnings per share - Basic (of ₹ 10/- each)	0.58	(0.75)
2. Diluted Earnings per share		
Net profit / (loss) for the year	6,207,006	(8,084,291)
Weighted average number of equity shares for Basic EPS	10,791,900	10,764,025
Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS	10,791,900	10,764,025
Earnings per share - Diluted (of ₹10/- each)	0.58	(0.75)

(0.75)

26. 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.

27. Related party transactions

Description of relationship	Names of related parties
a.) Key Management Personnel	1. Mr. Sanjay Gupta (Managing Director) 2. Mr. S.K. Gupta (Director)
b.) Associates	1. Prima Agro Limited 2. Ayyappa Roller Flour Mills Limited 3. Prima Beverage Pvt Limited 4. Prima Credits Limited

2 . Details of related party transactions during the year ended 31 March, 2014 and balances outstanding for the year ended 31 March, 2014:

Transactions	31/03/2014 (₹)	31/03/2013 (₹)
a.) Transactions during the year		
<u>Purchase of fixed assets</u>		
Prima Agro Limited	-	766,500.00
<u>Loans taken</u>		
Prima Agro Limited	(14,820,000.00)	26,658,216.00
Ayyappa Roller Flour Mills Ltd	(13,515,000.00)	110,176,848.00
Prima Beverage Pvt Ltd	(690,000.00)	120,000.00
<u>Loans Repaid</u>		
Prima Agro Limited	14,565,000.00	64,907,499.00
Prima Beverage Pvt Ltd	2,444,552.00	8,887,850.00
Ayyappa Roller Flour Mills Ltd	6,050,000.00	28,185,447.00
S K Gupta	500,000.00	3,825,883.00
Sanjay Gupta	300,000.00	20,883,441.00
<u>Loans (taken from) / given to directors</u>		
S K Gupta	(500,000.00)	-
Sanjay Gupta	(400,000.00)	(5,430,000.00)
<u>Cash (received)/Paid</u>		
Prima Agro Limited	430,435.00	153895.00
Prima Beverage Pvt Ltd	-	4,400.00
Ayyappa Roller Flour Mills Ltd	-	550,000.00
Sanjay Gupta	-	(10,283.00)
<u>Issue of Preference Shares</u>		
Ayyappa Roller Flour Mills Ltd	-	60,000,000.00
<u>Other expenses met/(paid)</u>		
Prima Agro Limited	(669,035.00)	(114,726.00)
Ayyappa Roller Flour Mills Ltd	(83,714.00)	(211,956.00)
Prima Beverage Pvt Ltd	-	500.00
b.) Balances outstanding at the end of the year		
<u>Other Current Liabilities</u>		
Prima Agro Limited	1,267,688.00	774,088.00
Ayyappa Roller Flour Mills Limited	35,523,008.00	27,974,293.82
Prima Beverage Pvt. Limited	-	1,754,543.00
<u>Unsecured Loans</u>		
Sanjay Gupta	100,000.00	-

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	31/03/2014 (₹)	31/03/2013 (₹)
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)

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
1. Contingent Liabilities		
(a) Claims against the company not acknowledged as debt;	Nil	Nil
(b) Guarantees;		
- Guarantees issued by the bank	Nil	Nil
(c) Other money for which the company is contingently liable		
- Sales Tax demand disputed by the Company	Nil	Nil
- Central Sales Tax demand disputed by the Company	Nil	Nil
- KGST demand disputed by the Company	5,365,029	5,365,029
- Penalty disputed by the Company	Nil	Nil
2. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	Nil	Nil
(b) Uncalled liability on shares and other investments partly paid	Nil	Nil
(c) Other commitments - Dividend on Cumulative Redeemable Preference Shares.	11,197,403	5,197,000

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

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
(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

Particulars	31/03/2014 (₹)	31/03/2013 (₹)
a) Earnings in Foreign Exchange	Nil	Nil
b) CIF Value of Imports	Nil	Nil
c) Expenditure in Foreign Currency	Nil	Nil
d) Dividends remitted in foreign currencies	Nil	Nil

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

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

Sd/-
P. Rajagopal
 Partner
 Membership No. 202134

Sd/-
Sanjay Gupta
 Managing Director

Sd/-
S K Gupta
 Director

Place : Cochin
 Date :31.05.2014

Prima Industries Limited

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

Notes to financial statements for the year ended March 31, 2014

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 recognized in the year in which they become known or materialize.

2.2. Use of estimates

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

2.3. Summary of Significant accounting policies

a. Inventories

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

Cost Formula

Inventories are valued by using First in First Out method.

Net realisable value is the estimated selling price in the ordinary course of busines.
(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 dispatch to the customers, net of sales returns. Income from processing is recognised on accrual basis.

e. Fixed assets

Fixed Assets are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses relating to the acquisition and installation of the concerned assets less accumulated depreciation.

f. Employees Benefits

Retirement Benefits

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

g. Borrowing Costs

Borrowing Cost that are directly attributable to the acquisition and construction of the qualifying asset are capitalised. A qualifying asset is an asset that necessarily takes substantial

period of time to get ready for its intended use. Other borrowing cost are recognised in the period in which they are incurred.

h. Earnings per share

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

i. Taxes on Income

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

j. Impairment Loss

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

k. Segment Reporting

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

l. Cash Flow Statement

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

m. Provisions and contingencies

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

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

- 3 The Working Capital Loans are secured by hypothecation of present and future goods, book debts and all other movable assets of the company and second charge on the fixed assets

and further guaranteed by the Managing Director.

One Time Settlement with Banks

The interest waiver obtained on one time settlement with banks during the year 2011 - 12 and 2012 - 13 have been credited to profit & loss account. The interest waiver obtained in earlier years has been reduced from the brought forward losses and the principal amount waived was 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 up to 31/03/2012 and converting the outstanding Principal amount and converting the present value of savings on account of reduction in rate on a restructuring. The OTS amount net of the value of the Cumulative Preference shares is considered to be principal amount waiver and the entire interest outstanding as per books is considered to be waived and has been reduced from the brought forward losses.

- 4 In the opinion of the management, current assets, loans and advances will realise the values as stated in the Balance Sheet, if realised in the normal course of business.
- 5 The amount of borrowing costs capitalized during the year is Rs. Nil.
- 6 As the company carries inventory of finished goods of various grade / quality, and the net realisable value of all such grade / quality are not available, the valuation is done based on the rates as certified by the Managing Director.

26 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	-	-	223,428,091	115,706,361	223,428,091	115,706,361
Processing Charges	22,125,170	19,166,029			22,125,170	19,166,029
Others	768,256	933,943	111,779	98,515	880,035	1,032,458
Unallocated income					866,354	1,892,491
Total Segment Revenue	22,893,426	20,099,972	223,539,870	115,804,875	247,299,650	137,797,338
B. Result						
Stock Differential			50,177	2,858,126.5	50,177	2,858,127
Raw material consumed			201,564,497	111,380,297	201,564,497	111,380,297
Packing Mat consumed					-	-
Consumables	786,901	1,360,058	7,946,415	8,210,742	8,733,316	9,570,800
Freight Inwards	-	537	-	3,244	-	3,781
Gunny Sticking	339,131	313,322			339,131	313,322
Electricity	616,764	861,501	6,228,305	5,200,925	6,845,069	6,062,426
Other overheads	-		254,283	162,437	254,283	162,437
Repairs and Maintenance	916,573	1,399,184	1,127,070	1,298,806	2,043,643	2,697,990
Depreciation on segment assets					-	-
Other Repairs					-	-
Advertisement Expenses	8,312	13,215	83,939	79,779	92,251	92,994
Employee benefits expense	561,363	586,466	5,668,854	3,540,524	6,230,217	4,126,990
Loading and Unloading expense	-	991	-	5,985	-	6,976
Lab expenses	(205)	1,152	(2,067)	6,955	(2,271)	8,107
Insurance	31,006	42,922	313,109	259,123	344,115	302,045
Selling Expenses	11,400	9,888	115,120	59,692	126,520	69,580
Finance cost	3,319	3,608	33,517	21,782	36,836	25,390
Allocated segment expenses	3,274,565	4,592,843	223,383,220	130,230,292	226,657,785	134,823,135
Un-allocated expenses	-	-	-	-	4,592,109	4,640,037

	Operating Profit/(Loss)	19,618,862	15,507,130	106,473	(17,283,543)	16,049,756	(4,523,960)
	Less: Interest Expense	-	-	-	-	-	-
	Less: Fringe Benefit Tax	-	-	-	-	-	-
	Less: Deferred Tax					(14,565)	
	Profit from ordinary activities	19,618,862	15,507,130	106,473	(17,283,543)	16,035,191	-
	Less : Extra-ordinary loss	-	-	-	-	-	6,989,000
	Net Profit/(Loss)	19,618,862	15,507,130	106,473	(17,283,543)	16,035,191	(6,989,000)
C.	<u>OTHER INFORMATION:</u>					-	
	<u>Assets</u>						
	Segment Assets	32,292,695	20,628,368	68,428,424	84,272,468	100,721,119	132,074,327
	Fixed Assets	28,140,232	3,668,097	55,637,834	60,843,812	83,778,065	64,511,909
	Capital Work in Progress	-	10,127,577	-	6,195,896	-	16,323,473
	Current Assets, Loans & Advances	4,152,463	6,832,694	12,790,590	17,232,760	16,943,053	24,065,454
	Un-allocated assets	-	-	-	-	31,652,469	27,173,491
	Total Assets	32,292,695	20,628,368	68,428,424	84,272,468	132,373,587	132,074,327
D.	<u>Liabilities</u>					-	
	Segment Liabilities	1,407,176	4,916,359	2,909,514	13,424,011	4,316,691	18,340,370
	Un-allocated liabilities		-	-	-	43,702,059	35,596,125
	Total Liabilities	1,407,176	4,916,359	2,909,514	13,424,011	48,018,749	53,936,495
E.	<u>Depreciation</u>					-	-
	Segment Depreciation	958,195	316,411	6,215,217	7,163,573	7,174,310	7,479,984
	Unallocated Depreciation	-	-	-	-	2,683,006	35,596,125
	Total Depreciation	958,195	316,411	6,215,217	7,163,573	9,857,316	43,076,109

Related Party Transactions

Annexure 1

Parties	Prima Agro Ltd	Ayyappa Roller Flour Mills Ltd	Prima Beverage Pvt Ltd	S K Gupta	Sanjay Gupta
Balance outstanding at the beginning of the year	(774,088)	(27,974,294)	(1,754,543)		
Sales	-				
Purchase of raw materials or finished goods	-	-	-		-
Provision/ (Receipt) of management services	-	-	-		-
Loans (Taken)	(14,820,000)	(13,515,000)	(690,000)	(500,000)	(400,000)
Loans Repaid	14,565,000	6,050,000	2,444,552	500,000	300,000
(Sale)/Purchase of Fixed Asset			-		-
Issue of CRPS					
Loans (taken from) / given to directors				-	-
Cash (received)/Paid	430,435			-	
Rent (Expense) / Income	-	-	-		-
(Other expenses) met	(669,035)	(83,714)			
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	-	-	(9)		-
Balance outstanding at the year end	(1,267,688)	(35,523,008)	-	-	(100,000)

Prima Industries Limited

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

Cash flow Statement for the year ended March 31, 2014

Particulars	Note	For year ended March 31, 2014 (In ₹)	For year ended March 31, 2013 (In ₹)
Schedules to Cash flow statements			
I Cash flows from operating activities			
Profit before tax and exceptional item		6,192,441	(8,084,291)
Non- cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortization expense		9,857,316	10,549,332
Finance charges		36,836	25,390
Interest received (net of TDS)		(87,002)	-
Operating profit before working capital changes		15,999,590	2,490,430
Movements in working capital:			
Increase/(decrease) in other liabilities		3,149,955	(51,368,257)
Increase/(decrease) in provisions		26,817	(14,729)
Increase/(decrease) in trade payables		(9,034,600)	(12,298,822)
Decrease/(increase) in loans and advances		(4,670,779)	(2,413,623)
Decrease/(increase) in other assets		1,154,664	(160,639)
Decrease/(increase) in inventories		7,569,217	13,473,171
Decrease/(increase) in trade receivables		(2,938,675)	13,100,930
Cash generated from/(used in) operations		11,256,189	(37,191,539)
Direct tax paid (net of refunds)			-
Gratuity paid			-
Net cash flow from/(used in) operating activities (I)		11,256,189	(37,191,539)
II Cash flows from investing activities			
Capital Work in progress		16,323,473	(11,365,222)
Purchase of fixed assets		(27,346,545)	(2,661,864)
Proceeds from sale of assets			668,258
Proceeds from non- current investments			-
Purchase of non- current investments			-
Purchase of current investments			-
Proceeds from current investments			-
Interest received (net of TDS)		87,002	-
Dividend received			-
Net cash flow from/(used in) investing activities (II)		(10,936,071)	(13,358,828)
III Cash flows from financing activities			
Increase/(decrease) in secured loans		-	(9,265,547)
Receipts from shares issue		-	60,372,500
Unsecured Loans from directors		100,000	-
Finance charges		(36,836)	(25,390)
Dividend paid on equity shares			-
Net cash flow from/(used in) financing activities (III)		63,164	51,081,563

Net increase /(decrease) in cash and cash equivalents (I+II+III)	383,282	531,197
Effect of exchange differences on cash & cash equivalents held on foreign currency		-
Cash and cash equivalents at the beginning of the year	(5,265)	(207,533)
Cash and cash equivalents at the end of the year	378,017	(5,265)

Summary of significant accounting policies 2.3

As per our report of even date attached
For G Joseph & Associates
Chartered Accountants

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

(Firm Reg. No.006310S)

Sd/-
P. Rajagopal
Partner
Membership No. 202134

Sd/-
Sanjay Gupta
Managing Director

Sd/-
S K Gupta
Director

Place: Cochin
Date : 31.05.2014

FORMAT FOR REGISTERING EMAIL ID

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

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 Sh r i
..... of
.....of.....in the district ofas my/our proxy to vote for
me/us, on my/our behalf at the 20th Annual General Meeting of the members of the Company to be held on
Saturday the 16th August, 2014 at 11.00 a.m. at its Regd.Office: "Door No: V/679-C , Industrial Development Area ,
Muppathadam P O , Edayar, Cochin – 683 110 on Kerala, India and at any adjournment thereof.

Signed atthis.....day of.....2014

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)

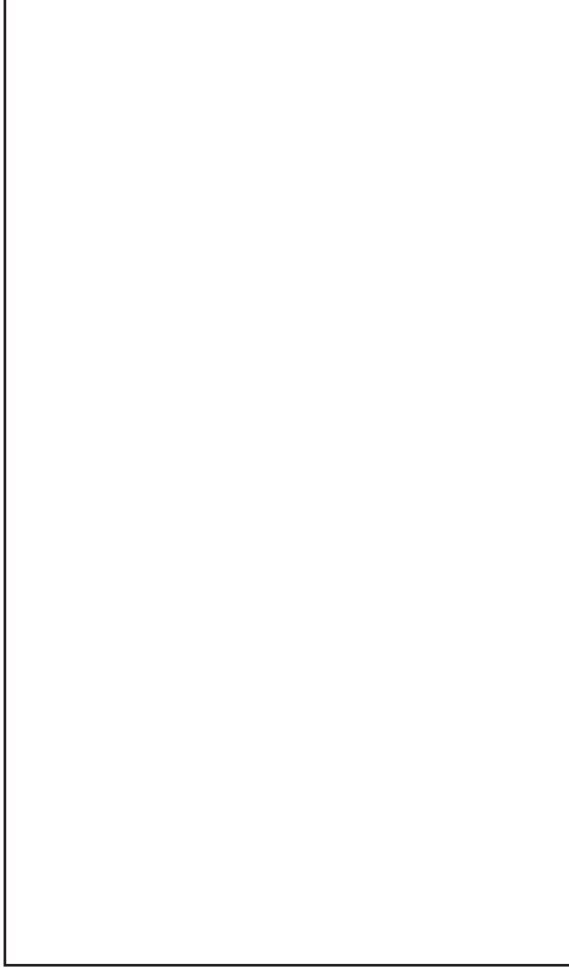
I hereby record my presence at the 20thAnnual General Meeting of the Members of the Company being held on
Saturday the 16th August, 2014 at 11.00 a.m. at Regd.Office: "Door No: V/679-C, Industrial Development Area,
Muppathadam P O, Edayar, Cochin – 683 110, Kerala, India

Regd. Folio No:
No.of shares held:

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

PRINTED BOOK

To

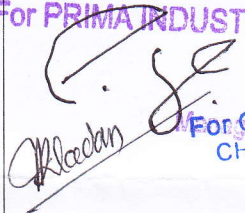




If Undelivered, please return to :

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

**ANNEXURE
FORM A**

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

1.	Name of the Company	PRIMA INDUSTRIES LTD
2.	Annual financial statements for the year ended	31 ST March,2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	NA
5.	To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	<p>For PRIMA INDUSTRIES LTD.</p>  <p>For G. JOSEPH & ASSOCIATES CHARTERED ACCOUNTANTS Firm Regn No: 0063109</p>  <p>P. RAJAGOPAL PARTNER (M. No. 202134)</p> 

FORM B

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

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