

# PRIMA AGRO LIMITED



25th ANNUAL REPORT 2011-2012

## **BOARD OF DIRECTORS**

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

## **AUDITORS**

M/s Vijayakumar & Easwaran  
Chartered Accountants  
Ernakulam

## **BANKERS**

ICICI Bank  
Indian Overseas Bank

## **REGISTERED OFFICE**

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

## **SHARE TRANSFER AGENTS**

M/s. Venture Capital and Corporate Investmet Pvt Ltd.  
(Catergory - 1, Registrars) 12-10-167, Bharatnagar  
Hydrabad - 500 018  
Tel: 040-23818475  
Fax: 040-2386024  
E-mail: [infro@vccilindia.com](mailto:infro@vccilindia.com)

## NOTICE

NOTICE is hereby given that the 25<sup>th</sup> Annual General Meeting of the Company will be held at its Registered Office at "Door No: V/679-C, Industrial Development Area, Muppathadam P O, Edayar, Cochin – 683 110 on the Thursday the 27<sup>th</sup> September, 2012 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, 2012 together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Rajyawardhan Agarwal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to authorize the board of directors to fix their remuneration.

### 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 Tuesday, 25th September, 2012 to Thursday, 27<sup>th</sup> September, 2012 (both days inclusive).
4. Members/Proxies are requested to bring the Attendance Slip duly filled in for attending the Meeting. No duplicate will be issued at the venue of the Meeting.
5. Share Holders are requested to inform the Company any changes in their mailing address and also to quote folio number in all their correspondence with the Company.
6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.

By Order of the Board  
Sd/-  
*Sanjay Gupta*  
Managing Director

Place: Kochi  
Date:31.07.2012

**FOR THE ATTENTION OF THE MEMBERS:**

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

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

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

**DIRECTORS' REPORT**

To,  
The Members of  
Prima Agro Limited

Your Directors have pleasure in presenting the 25th Annual Report together with the Audited Balance Sheet and Profit and Loss Accounts for the year ended 31st March 2012.

**PERFORMANCE**

During the year, the Company achieved a Turnover of ₹ 691.10 Lakhs and incurred a loss of ₹ (113.56) Lakhs. The Net Profit for the year is ₹ 238.11 Lakhs after adjusting an exceptional item of ₹ 396.97 Lakhs.

**Financial Results**

Particulars	Current Year	Previous Year
	31/03/2012	31/03/2011
	(₹ Lacs)	(₹ Lacs)
Turnover	691.10	688.26
Profit (Loss) Before depreciation	(113.56)	(153.74)
Depreciation	19.01	17.38
Profit (Loss) after Depreciation & Taxes	238.11	(182.40)

**FUTURE PROSPECTS**

Your Company had settled all the dues to financial institutions under One Time Settlement Schemes approved, with the fund arranged by the promoters. This helped the Company to settle the heavy dues at reduced amount. The net worth of your Company will become positive in the next financial year.

Your Company has decided to convert the existing Flour Mill at Trivandrum in to a Cattle Feed manufacturing unit since the Processing Contract with Kerala Civil Supplies Corporation for converting wheat in to fortified Atta was over.

Directors have finalised contract for manufacture of Animal Feeds for KSE Ltd at Trivandrum Unit for 5 years.

Your Edayar Plant is modernized by changing the Boiler and other loading and unloading facility there by production capacity increased from 200 MT per day to 250 MT per day. Production targets for nonstop production activity for 330 days in a year were fixed to utilize at least 90 to 95% of practical capacities. The increase in level of operations will result in economies of scale and improve the revenue of the Company substantially.

Your Company management is fully confident of achieving the maximum utilization of both the plants for job works.

Share holders may please take note that demat facility for the shares of the company is now available through NSDL and CDSL. All share holders are requested to demat the shares held by them.

## DIRECTORS

Mr. Rajyawardhan Agarwal retires by rotation at the forthcoming Annual General Meeting of the company, who being eligible, offer himself for reappointment as also indicated their willingness to be reappointed.

## AUDITORS

M/s. Vijayakumar and Easwaran, Chartered Accountants, Kochi, Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

## COMMENTS ON THE AUDITORS' REPORT

1. Non-Current Investments as per Note 10 consist of investment in shares of Prima Industries Ltd valued at cost amounting to ₹ 1,01,95,280/-. As on 31st March, 2012, it has been identified that there is a decline in the value of investment which is not temporary in nature. The standards laid down by AS -13 on 'Accounting for Investments' provides that where the decline in the value of investment is not temporary in nature, then the carrying amount of investments should be reduced by the amount of such decline and the resultant reduction should be charged to the Profit & Loss A/c. The company has not charged such decline to the Profit and Loss A/c.

2. Secured loans shown in Note 3 of the Balance sheet includes a Cash Credit of ₹11,88,93,444/- lying with State Bank of India. It is also disclosed that this cash credit is secured by first charge on the fixed assets of AFD & by hypothecation of inventories and book debts and a second charge on the fixed assets of FMD. The value of stock as certified by the management is ₹ 5,27,277/- and the value of Sundry Debtors given in Note 14 which is considered good is nil. The secured value of current assets on which the loan is shown as secured comes to only ₹ 5,27,277/-, which does not cover the loan outstanding. The realizable value of security under which this loan has been disclosed is subject to the point discussed above.

## PERSONNEL AND INDUSTRIAL RELATIONS

Industrial relations of the Company continued to be cordial during the year. Your Directors take this opportunity of according appreciation of the services rendered by the employees.

## STATUTORY DISCLOSURES

During the year, Your Company has not accepted any Fixed Deposits under the provisions of the Companies (Acceptance of Deposits) Rules 1975.

## AUDIT COMMITTEE

Audit Committee consists of two Non-Executive Directors viz. Mr. Charley Rodrigues, Mr. Rajyawardhan Agarwal with Mr. Charley Rodrigues as its Chairman. The constitution of Audit Committee also meets the requirements under Sec 292A of the Companies Act, 1956.

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

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

## DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors confirm:

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

## CORPORATE GOVERNANCE

Corporate governance in terms of the Listing Agreement is not yet mandatory to the Company. However your Company is taking necessary steps for implementing the same as soon as possible before it becomes mandatory.

## ACKNOWLEDGEMENT

The Directors thank State Bank of India and Bank of India for their continued support and cooperation. Your Directors thank all the employees and share holders for their active support and co-operation.

By Order of the Board  
Sd/-  
Sanjay Gupta  
Managing Director

Place: Kochi  
Date: 31.07.2012

**ANNEXURE TO THE BOARD OF DIRECTORS' REPORT  
INFORMATION AS PER SECTION 217(1)(E) AND FORMING PART OF THE DIRECTORS' REPORT**

**I. Energy Conservation**

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

Total energy consumption and energy consumption per unit for production as prescribed in Form A- is not applicable, as the Company is not covered in the list of specified industries.

**Form B (See Rule 2)**

**1. Form of disclosure of particulars with respect to absorption of Research and Development (R&D)**

- |   |   |  |
|---|---|--|
| 1. Specified areas in which R&D carried out                   | : | Quality Control by the Company.                            |
| 2. Benefits derived as a result of the above R & D            | : | The qualitative aspects of the products are well accepted. |
| 3. Future plan of action                                      | : | To develop the R & D setup further                         |
| 4. Expenditure on R & D                                       | : | Nil  |
| a. Capital  | : | Nil  |
| b. Recurring  | : | Nil  |
| c. Total  | : | Nil  |
| d. Total R&D Expenditure as a percentage<br>of total turnover | : | Nil  |

**II. Technology Absorption, Adaptation and Innovation**

- |  |   |  |
|--|---|--|
| 1. Efforts in brief made towards technology<br>absorption and innovation | : | State of the art technology has been implemented for the manufacture of various Products.  |
| 2. Benefits recorded as a results of the above                           | : | The quality of the final products has met the stringent quality requirements of the Animal Feed Industry and more customers are switching over to "Prima Feeds". |



## 3. Particulars of Technology imported during the last 5 years

- |  |   |     |
|--|---|-----|
| a. Technology imported   | : | Nil |
| b. Year of import  | : | N A |
| c. Has technology been fully absorbed  | : | N A |
| d. If not fully absorbed areas where this has not taken place, reasons therefore and future plans of action. | : | N A |

## III. Foreign Exchange earnings and Outgo

- a. Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and exports plans.

Marketing efforts are being made for developing export market for the products of the company.

## b. Foreign Exchange used

- |                      |   |     |
|----------------------|---|-----|
| Foreign Travel       | : | Nil |
| Capital Goods Import | : | Nil |
| Raw Materials Import | : | Nil |
| Trading Goods        | : | Nil |

## c. Foreign Exchange earned : Nil

By Order of the Board  
Sd/-  
Sanjay Gupta  
Managing Director

Place: Kochi  
Date: 31.07.2012

**CORPORATE GOVERNANCE REPORT**

(Pursuant to Clause 49 of the Listing Agreement)

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The basic philosophy of Corporate Governance at "Prima" is to achieve business excellence and to create and enhance the value for its Stakeholders, Customers, Employees and Business Associates and thereby to make a significant contribution to the Economy. The Company endeavours to achieve the highest levels of transparency, accountability, integrity and responsibility by following the best practices in Corporate Governance.

**2. BOARD OF DIRECTORS**

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

During the year ended 31<sup>st</sup> March 2011, 11 Board Meetings were held on 14.03.11, 18.04.11, 30.05.11, 29.06.11, 30.06.11, 30.07.11, 29.09.11, 31.10.11, 09.01.12, 31.01.12 and 28.03.12.

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

Name of Director	Category	Number of shares held in the Company as on 31.03.2012	Attendance at		Directorships and Chairmanship / Membership of Board Committees in Other Companies as on 31.03.2012		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
1. Shri. Sanjay Gupta	P, MD	391600	11	Yes	3	None	None
2. Shri. Rajyawardhan Agarwal	NED & I	-	11	Yes	2	1	None
3. Shri Charley Rodrigues	NED & I	-	11	Yes	1	1	1

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

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

Chairmanship / Membership of Board Committees include Chairmanship/Membership of Audit Committee and Shareholders' / Investors' Grievance Committee only as clarified by SEBI. The Membership / Chairmanship of Board Committees of Private Limited Companies,

Foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded for the purpose.

### Reappointment of Directors

The Director, Mr. Rajyawardhan 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 area	More than 15 years Experience in Manufacturing industry.

Details of other Directorships:

Name of the Company	Position held	Committee type	Membership status
NIL	NIL	NIL	NIL

### 3. AUDIT COMMITTEE

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

During the year ended 31<sup>st</sup> March 2012, the Committee met 5 times on 27.05.11, 27.06.11, 28.07.11, 28.10.11 and 28.01.12.

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

Name of Members of Audit Committee	Designation	No. of meeting attended
Shri.Charley Rodrigues	Chairman, Non – Executive & Independent Director	5
Shri. Rajyawardhan Agarwal	Member & Non – Executive Director	5

#### 4. REMUNERATION COMMITTEE

##### a. Composition, Name of Members, Chairperson and attendance

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

##### b. Brief description of terms of reference

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

##### c. Remuneration to Directors

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

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

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

Shri. Sanjay Gupta, Managing Director: ₹ 4,80,000/-

Besides this, Managing Director is also entitled to Company's contribution to Provident Fund, Superannuation or Annuity Fund and Gratuity and encashment of leave at the end of tenure, as per the Rules of the Company.

##### e. Remuneration paid to Non-Executive Directors:

No Remunerations is paid to Non-Executive Directors except sitting fees as under.

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

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

## 5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

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

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

Given below is the position of investor queries / complaints and other correspondences received and attended to during 2011-12:

Nature of complaint / queries	No. of complaints
For non-receipt of dividend, shares lodged for transfer, issue of duplicate share certificates.	Nil
Queries / Complaints redressed	1
Pending queries / complaints as on 31.03.2012	Nil
Other letters received from shareholders and replied	1

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

The shares of the Company are traded in physical form. A table showing the requests received for dematerialisation / transfer during 2011-12 is given below –

	Transfers	
	No. of requests	No. of shares
Lodged	24	21900
Processed	24	21900
Objections	Nil	Nil
Pending as on 31.03.2012	Nil	Nil

## 6. GENERAL BODY MEETINGS

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

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2008-09	Prima House, 31/536, South Kalamassery	29.09.2009	2.30 p.m.	None
2009-10	Prima House, 31/536, South Kalamassery	29.09.2010	2.30 p.m.	None
2010-11	Door No.: V/679-C, IDA, Edayar, Cochin	28.09.2011	2.30 p.m.	None

No Extra- Ordinary General Meeting was held during the year 2011-12.

At the forthcoming Annual General Meeting there is no item on the agenda that needs approval by Postal Ballot, as required under the provisions of Section 192 A of the Companies Act, 1956.

## 7. DISCLOSURES

During the year there were no transactions of material nature with the Directors or the Managing Directors, relatives that had potential conflict with the interest of the Company. No penalties or strictures were imposed by Stock Exchanges or SEBI or any other statutory authority on the company in any matter related to capital markets during the last three years.

Non-mandatory disclosures are not being complied with for the time being.

### Code of Conduct:

The Company has complied with the Code of Conduct for Directors and Senior Management approved by the Board.

### CEO / CFO Certification:

Mr. Sanjay Gupta, Managing Director and Mr. V R Sadasivan Pillai, General Manager (Finance) & Company Secretary have given CEO/CFO Certificate to the Board. The Board noted the said CEO/CFO certificate, as per the format given under clause 49(v), at its meeting held on 31st July , 2012.

## 8. MEANS OF COMMUNICATION

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

## 9. GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date and time : 27th September, 2012 at 11.00 a.m.  
 Venue : "Door No: V/679-C, Industrial Development Area  
 Muppathadam P O , Edayar, Cochin – 683 110

## Financial Calendar 2011-12

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

## Code of Insider Trading

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

Dates of book closure	:	25 <sup>th</sup> September, 2012 to 27 <sup>th</sup> September, 2012 (both days inclusive).
Dividend payment date	:	N.A.
Listing on Stock Exchange	:	Mumbai, Kochi, Ahmedabad, Delhi and Hyderabad. Listing fees paid only to Bombay Stock Exchange
Stock Code	:	519262
Demat ISIN Number	:	ISIN-INE297D01018
Market Price data	:	Companies shares are not traded during the period April, 2011 to March, 2012.

Month	Bombay Stock Exchange (BSE)			
01	Month's	High Price	Month's	Low Price
	02/12/2011	2.59	02/12/2011	2.59

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 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 31.03.2012 is as under:

Category Code	Category of shareholder	No. of share holders	Total no. of shares	Percentage to total shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
<b>(1)</b>	<b>Indian</b>	7	855300	16.46
(a)	Individuals			
(b)	Bodies Corporate	6	845700	16.28
	<b>Sub-Total (A)(1)</b>			
<b>(2)</b>	<b>Foreign</b>			
(a)	Bodies Corporate			
	<b>Sub-Total (A)(2)</b>	<b>13</b>	<b>1701000</b>	<b>32.74</b>
	<b>Total shareholding of Promoter and Promoter Group</b>			
	<b>(A) = (A)(1) + (A)(2)</b>			
<b>(B)</b>	<b>Public Shareholding</b>			
<b>(1)</b>	<b>Institutions</b>			
(a)	Mutual Funds			
(b)	Foreign Institutional Investors			
	<b>Sub-Total (B)(1)</b>			
<b>(2)</b>	<b>Non-Institutions</b>			
(a)	Bodies Corporate	18	89900	1.73
(b)	Individuals			
	i. Individual shareholders holding nominal share capital upto Rs.1 Lakh.	13526	3055800	58.82
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh.	7	348200	6.70
(c)	Trust			
(d)	Directors & their relatives			
(e)	Non resident Indians			
(f)	Overseas Corporate Bodies			
(g)	Clearing members			
(h)	Hindu undivided families			
	<b>Sub-Total (B)(2)</b>	<b>13551</b>	<b>3493900</b>	<b>67.26</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>13551</b>	<b>3493900</b>	<b>67.26</b>
	<b>TOTAL (A) + (B)</b>	<b>13564</b>	<b>5194900</b>	<b>100</b>



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

Shareholding of nominal value of Rs.	No. of Shareholders	% of Shareholders	Amount of Share Capital in ₹	% of Shareholding
Upto - 5,000	12654	93.312	1949700	37.531
5,001 - 10,000	560	4.129	466800	8.986
10,001 - 20,000	207	1.526	300600	5.786
20,001 - 30,000	70	0.516	161600	3.111
30,001 - 40,000	18	0.133	53600	1.032
40,001 - 50,000	19	0.140	78900	1.519
50,001 - 1,00,000	16	0.118	98200	1.890
1,00,001 and above	20	0.147	2085500	40.145
<b>Total</b>	<b>13564</b>	<b>100.000</b>	<b>51949000</b>	<b>100.000</b>

Dematerialisation of shares and Liquidity:

The share of the company is having the demat connectivity with NSDL & CDSL

Liquidity of shares:

During the last year, trading took place in the company shares in BSE.

Plant Location : Prima Agro Limited  
Industrial Development Area,  
Muppathadam P.O.,  
Edayar – 683 110

Prima Agro Limited  
Industrial Development Area,  
Plot No.71, Kochuveli  
Trivandrum – 695 021

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

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

#### DECLARATION ON CODE OF CONDUCT

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

Place: Kochi  
Date : 31.07.2012

Sd/-  
Sanjay Gupta  
Managing Director

**CEO/CFO Certificate under Clause 49 of the Listing Agreement**

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

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

sd/-

sd/-

Sanjay Gupta  
Managing Director

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

Place: Cochin  
Date : 31.07.2012

**AUDITORS' CERTIFICATE**

TO THE MEMBERS OF  
PRIMA AGRO LIMITED

We have examined the compliance of conditions of corporate governance by **Prima Agro Limited** for the year ended on 31<sup>st</sup> March, 2012, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

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

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

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

For **Vijayakumar & Easwaran**  
Chartered Accountant

Place: Kochi  
Date : 31.072012

Sd/-  
**K.Easwaran Pillai**  
Partner  
Membership No.22062

## MANAGEMENT DISCUSSION AND ANALYSIS

### A) INDUSTRY STRUCTURE AND DEVELOPMENTS

#### **Animal Feed**

The animal feed industry in India is closely linked to primary agricultural production and its composition is determined by different criteria like price of the available raw materials, the nutritional value and specific requirement of the live stock in question and Government/ State rules and regulations. There is a discernible change in the market situation where customers are moving fast from the low quality feed to good quality feed.

#### **Flour Milling**

Imported wheat is creeping fast into the Indian wheat market & global market. Buyers in Indonesia is considering the replacement by Chinese wheat, which is offered cheaper, than the Indian Wheat. Under the present scenario if properly priced, Indian wheat products may find an easy market in Bangladesh, Egypt, East Africa and South East Asian markets subject to sustained supplies of wheat stocks at the internationally competitive price to the millers.

### B) OPPORTUNITIES, THREATS, RISKS AND CONCERNS

#### **Animal Feed**

There are two major factors, which determine demand for Animal Feed Industry in India. Firstly size of livestock population and secondly feed consumption per animal. The animal feed consumption depend upon human population, economic growth, urbanization, consumer preferences, political regulations, Import and Export of live stock products, fertile land availability for agriculture, on farm mixing, feed conversion and climate.

#### **Flour Milling**

There is a good prospect for export of wheat products, which can be further, brightened with the reformation in the export policy. Export policy of the Government should aim at facilitating better realization of revenue and economically viable operations for domestic milling industry. Potential of wheat production has not been properly explored. There is lack of promotion for export of wheat products.

### C) OUTLOOK

#### **Animal Feed.**

India stands first with regard to the bovine population and stands first in the milk production in the world. It has been seen through nutritional studies that the milk production and meat production can be increased by 20% to 30% by improved feeding of the animals. Hence outlook of this industry is good.

**Flour Milling**

Well directed policies by government with a long-term perspective will steer the industry.

**D) INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

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

- i) Protection and conservation of resources of the Company.
- ii) Statutory Compliance
- iii) Optimum utilisation of finances.
- iv) The management structure is defined with adequate responsibility and authority given 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 therewith.

**E) FINANCIAL AND OPERATIONAL PERFORMANCE****PERFORMANCE**

During the year, the Company achieved a Turnover of ₹ 691.10 Lakhs and incurred a loss of ₹ (113.56) Lakhs. The Net Profit for the year is ₹ 238.11 Lakhs after adjusting an exceptional item of ₹ 396.97 Lakhs.

**Financial Results**

Particulars	Current Year	Previous Year
	31/03/2012	31/03/2011
	(₹ Lacs)	(₹ Lacs)
Turnover	691.10	688.26
Profit (Loss) Before depreciation	(113.56)	(153.74)
Depreciation	19.01	17.38
Profit (Loss) after Depreciation & Taxes	238.11	(182.40)

**F) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Company gives utmost importance to the Human Resource Development and high priority is given to keep the individual relations healthy. The Industrial relations are cordial and satisfactory.

**CAUTIONARY STATEMENT**

Company's projections and estimates will vary from actual results, which depend on variety of factors like quality of raw material, price, and changes in Government policies, economic conditions over which the company does not have control.

Place: Kochi  
Date: 31.07.2012

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

**VIJAYAKUMAR & EASWARAN**

CHARTERED ACCOUNTANTS

AMRITA TRADE TOWERS, 6<sup>TH</sup> FLOOR

S.A. ROAD, PALLIMUKKU, KOCHI – 682 016

Phone No: 0484 – 2354694. Fax: 2373610

E mail: [keaswaran@gmail.com](mailto:keaswaran@gmail.com), [vkande@gmail.com](mailto:vkande@gmail.com)**AUDITOR'S REPORT****The Members****PRIMA AGRO LIMITED.**

We have audited the attached Balance Sheet of M/s. **PRIMA AGRO LIMITED**, as at 31st March, 2012 the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

*Non-Current Investments as per Note 10 consist of investment in shares of Prima Industries Ltd valued at cost amounting to ₹ 1,01,95,280/-. As on 31<sup>st</sup> March, 2012, it has been identified that there is a decline in the value of investment which is not temporary in nature. The standards laid down by AS -13 on 'Accounting for Investments' provides that where the decline in the value of investment is not temporary in nature, then the carrying amount of investments should be reduced by the amount of such decline and the resultant reduction should be charged to the Profit & Loss A/c. The company has not charged such decline to the Profit and Loss A/c.*

*Secured loans shown in Note 3 of the Balance sheet includes a Cash Credit of ₹ 11,88,93,444/- lying with State Bank of India. It is also disclosed that this cash credit is secured by first charge on the fixed assets of AFD & by hypothecation of inventories and book debts and a second charge on the fixed assets of FMD. The value of stock as certified by the management is ₹ 5,27,277/- and the value of Sundry Debtors given in Note 14 which is considered good is nil. The secured value of current assets on which the loan is shown as secured comes to only ₹ 5,27,277/-, which does not cover the loan outstanding. The realizable value of security under which this loan has been disclosed is subject to the point discussed above.*

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and

(b) in the case of the Profit and Loss Account, of the profit for the year ended that date.

(c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For VIJAYAKUMAR & EASWARAN,  
CHARTERED ACCOUNTANTS,  
FRN 004703S

CA K. EASWARAN PILLAI, F.C.A.  
PARTNER

Membership No: 022062

Place : COCHIN  
Date : 28/06/2012

**VIJAYAKUMAR & EASWARAN****CHARTERED ACCOUNTANTS**AMRITA TRADE TOWERS, 6<sup>TH</sup> FLOOR

S.A. ROAD, PALLIMUKKU, KOCHI – 682 016

Phone No: 0484 – 2354694. Fax: 2373610

E mail: [keaswaran@gmail.com](mailto:keaswaran@gmail.com), [vkande@gmail.com](mailto:vkande@gmail.com)**ANNEXURE TO AUDITOR'S REPORT**

(Referred to in paragraph 3 of our report of even date)

- i.
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) During the year, the company has not disposed off a major part of the plant and machinery. Accordingly the provisions of clause 4(i)(c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- ii.
- a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The company is maintaining proper records of inventory and the stock as disclosed in the financial statements are valued and certified by the management. The discrepancies noticed on verification between the physical stocks and book records were not material.
- iii.
- a) The Company has granted the following loans to companies, firms and other parties covered in the register maintained u/s.301 under the Companies Act, 1956.

Sl. No	Name of the Company /Firm orOther Parties	Relationship	Year end Balance
1.	Prima Industries Ltd	Associate	3,82,95,900
2.	Prima Beverages (P) Ltd.	Associate	30,87,778



- b) The following are the particulars of loans taken by the company from companies, and other parties covered in the register maintained u/s.301 under the Companies Act, 1956

Sl. No	Name of the Party	Relationship with the Company	Yearend Balance
1.	Sanjay Gupta	Managing Director	45,12,717
2.	Swati Gupta	Relative of Managing Director	2,53,709

- c) In our opinion, the rate of interest and the terms and conditions on which loans have been taken from/ granted to companies, other parties listed in register maintained u/s. 301 of the Companies Act, 1956 are not able to report, prima facie, prejudicial to the interest of the Company, since the terms are not defined.
- d) The Company is not receiving/paying any interest on such loans and there is no stipulation as to repayment of principal in respect of loans granted to/taken from parties listed in the register maintained under Section 301 of the Companies Act, 1956, hence we are unable to comment on the regularity of repayment of principal in respect of the said loans.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system of the company.
- v.
- a) In our opinion and according to the information and explanations given to us, the particulars of all contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The company has not accepted any deposit from the public hence the directions issued by the Reserve Bank of India and provisions of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Rules formed thereunder are not applicable to this company.

- vii. The company does not have adequate internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the products of the Company.
- ix.
- a) According to the information and explanations furnished to us, during the year, undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues applicable to it have been deposited with appropriate authorities and there has been no serious delays.

Further, since the Central Government has till date not prescribed the amount of cess payable u/s 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- b) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- x. In our opinion, the company has accumulated losses to the extent of ₹ 19,75,95,483/-. The accumulated losses of the company are more than fifty per cent of its paid up capital and free reserves.
- xi. In our opinion and according to the information and explanations given to us, the company during the year has defaulted in repayment of dues to the following banks and financial institutions:

Bank/ Financial Institution	Balance Outstanding as at 31 <sup>st</sup> March 2011
1. State Bank of India	11,88,93,444

- xii. According to the information and explanations furnished to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiii. In our opinion, the company is not a chit fund or a Nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- xiv. In our opinion the company is not dealing in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv. In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi. In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The company has not made any preferential allotment of shares to parties & companies covered in the Register maintained u/s. 301 of the Act. Accordingly the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xix. The company has not issued any debentures and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xx. The company has not raised any money from public issues during the year. Accordingly the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For VIJAYAKUMAR & EASWARAN  
CHARTERED ACCOUNTANTS  
FRN 004703S

CA K. EASWARAN PILLAI, F.C.A.  
PARTNER Membership No: 022062

Place: COCHIN  
Date: 28/06/2012

**Prima Agro Limited**  
**Balance Sheet as at 3<sup>1st</sup> March 2012**

(₹ in Lacs)

Particulars	Note No.	3 <sup>1st</sup> March 2012	3 <sup>1st</sup> March 2011
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	519.49	519.49
(b) Reserves & surplus	2	(1,923.40)	(2,161.50)
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	3	1,752.33	1,910.13
(c) Other long term liabilities	4	-	0.96
(d) Long-term provisions	5	16.14	14.17
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	6	3.60	9.60
(b) Trade payables		683.49	654.20
(c) Other current liabilities	7	5.94	1.15
(d) Short-term provisions	8	8.35	6.85
<b>TOTAL</b>		<b>1,065.95</b>	<b>955.05</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		266.12	258.36
(ii) Capital work-in-progress		-	9.87
(b) Non-current investments	10	102.24	102.20
(c) Deferred tax assets (Net)		7.56	32.36
(d) Long-term loans & advances	11	103.11	104.66
(e) Other non-current assets	12	506.82	371.99
<b>(2) Current assets</b>			
(a) Current investments			
(b) Inventories	13	5.25	4.11
(c) Trade Receivables	14	33.08	40.32
(d) Cash & bank balances	15	19.79	15.28
(e) Short-term loans & advances	16	21.97	15.89
(f) Other current assets		-	-
<b>TOTAL</b>		<b>1,065.95</b>	<b>955.05</b>

For PRIMA AGRO LTD

For VIJAYAKUMAR & EASWARAN  
CHARTERED ACCOUNTANTS  
FRN: 004703S

SANJAY GUPTA  
MANAGING DIRECTOR

CHARLEY RODRIGUES  
DIRECTOR

K. EASWARAN PILLAI, F.C.A  
PARTNER  
Membership No: 022062

Place : Cochin  
Date : 28/06/2012

Prima Agro Limited  
Profit and loss statement for the year ended 31st March 2012

Particulars	Note No.	(₹ in Lacs)	
		3 <sup>1st</sup> March 2012	3 <sup>1st</sup> March 2011
I. Revenue from operations	17	683.89	685.16
II. Other income	18	7.22	3.10
<b>III. Total Revenue (I + II)</b>		<b>691.10</b>	<b>688.26</b>
IV. Expenses:			
Cost of materials consumed	19	85.44	97.68
Purchases of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(1.14)	1.32
Employee benefits expense	21	90.81	53.64
Finance costs	22	140.10	270.64
Depreciation and amortization expense		19.01	17.38
Other expenses	23	489.45	418.72
Total expenses		823.67	859.37
<b>V. Profit before exceptional items and tax (III-IV)</b>		<b>(132.57)</b>	<b>(171.12)</b>
VI. Add: Exceptional items		396.97	-
<b>VII. Profit before tax (V - VI)</b>		<b>264.40</b>	<b>(171.12)</b>
X Tax expense:			
(1) Current tax		1.50	6.85
Add/(Less): Short/(Excess) provision of tax		-	3.73
(2) Deferred tax		24.79	0.71
<b>XI Profit (Loss) for the period (VII-VIII)</b>		<b>238.11</b>	<b>(182.40)</b>
XII Earnings per equity share:			
(1) Basic		4.58	(3.51)
(2) Diluted		4.58	(3.51)

For PRIMA AGRO LTD

For VIJAYAKUMAR & EASWARAN  
CHARTERED ACCOUNTANTS  
FRN: 004703S

SANJAY GUPTA  
MANAGING DIRECTOR

CHARLEY RODRIGUES  
DIRECTOR

K. EASWARAN PILLAI, F.C.A  
PARTNER  
Membership No: 022062

Place : Cochin  
Date : 28/06/2012

## Note 1

Disclosure pursuant to note no. 6(A) (a, b &amp; c) of Part I of Schedule VI

Share Capital	As at 3 <sup>1st</sup> March 2012		As at 3 <sup>1st</sup> March 2011	
	No.	(₹)	No.	(₹)
<b>Authorised</b>				
70,00,000 Equity Shares of Rs. 10 each	7,000,000	70,000,000	7,000,000	70,000,000
<b>Issued</b>				
51,94,900 Equity Shares of Rs. 10 each	5,194,900	51,949,000	5,194,900	51,949,000
<b>Subscribed &amp; Paid up</b>				
51,94,900 Equity Shares of Rs. 10 each	5,194,900	51,949,000	5,194,900	51,949,000
<b>Subscribed but not fully Paid up</b>	-	-	-	-

Disclosure pursuant to note no. 6(A) (d) of Part I of Schedule VI

Particulars	No.	Amount (₹)
Shares outstanding at the beginning of the year	5,194,900	51,949,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	5,194,900	51,949,000

Disclosure pursuant to note no. 6(A) (f) of Part I of Schedule VI

Not Applicable

Disclosure pursuant to note no. 6(A) (g) of Part I of Schedule VI

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sanjay Gupta	391,600	7.50	391,600	7.50
Ayyappa Real Estate (P) Ltd	274,300	5.28	274,300	5.28

Disclosure pursuant to note no. 6(A) (h) of Part I of Schedule VI

Details of shares reserved for issue under options & contracts for sale of shares/disinvestment	
*Terms of the contract	Nil
*Amount of Shares	

## Note 2

Disclosure pursuant to note no. 6(B) of Part I of Schedule VI

Reserves & Surplus	As at 3 <sup>1st</sup> March 2012 (₹)	As at 3 <sup>1st</sup> March 2011 (₹)
<b>a. Capital Reserves</b>		
Opening Balance	137,500.00	137,500.00
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>137,500.00</u>	<u>137,500.00</u>
<b>b. Other Reserves - Capital Subsidy</b>		
Opening Balance	3,268,350.00	3,268,350.00
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>3,268,350.00</u>	<u>3,268,350.00</u>
<b>c. Other Reserves - Investment Allowance Reserve</b>		
Opening Balance	1,850,000.00	1,850,000.00
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>1,850,000.00</u>	<u>1,850,000.00</u>
<b>d. Surplus</b>		
Opening balance	(221,406,155.34)	(203,165,933.78)
(+) Net Profit/(Net Loss) For the current year	<u>23,810,672.03</u>	<u>(18,240,221.56)</u>
Closing Balance	<u>(197,595,483.31)</u>	<u>(221,406,155.34)</u>
<b>Total</b>	<u>(192,339,633.31)</u>	<u>(216,150,305.34)</u>

## Note 3

Disclosure pursuant to note no. 6(C) of Part I of Schedule VI

Long-Term Borrowings	As at 3 <sup>1st</sup> March 2012 (₹)	As at 3 <sup>1st</sup> March 2011 (₹)
<b>A. SECURED</b>		
<b>a. Term Loans</b>		
from banks	114,393,444	118,893,444
1. State Bank of India (Secured by first charge on the Land (4.93 Acres), Building, Plant and Machinery of Animal Feed Unit, second charge on Land (1 Acre), Building, Plant & Machinery of Flour Unit Mill and Charge by SBI on Flat in Chennai, Mylapore)		
2. Bank of India (Secured by first charge on the fixed assets of AFD & by hyp. of Inventories and book debts and a second charge on the fixed assets of FMD)	-	54,116,115
<b>g. Other loans &amp; advances</b>	177,621	277,621
<b>Total</b>	<u>114,571,065</u>	<u>173,287,180</u>
<b>B. UNSECURED</b>		
<b>a. Deposits</b>	631,015	631,015
<b>b. Loans and advances from related parties</b>	60,031,119	17,095,234
<b>Total</b>	<u>60,662,134</u>	<u>17,726,249</u>

**Note 4**

Disclosure pursuant to note no. 6(D) of Part I of Schedule VI

**Other long-term liabilities**

	As at 3 <sup>1st</sup> March 2012 (₹)	As at 3 <sup>1st</sup> March 2011 (₹)
a. Trade payables		
b. Others	-	95,979.50
<b>Total</b>	<u>                    </u>	<u>95,979.50</u>

**Note 5**

Disclosure pursuant to note no. 6(E) of Part I of Schedule VI

**Long-term provisions****a. Provision for employee benefits**

Gratuity	574,169.00	574,169.00
Ex gratia	423,514.00	102,584.00

**b. Others**

Provision for freight	-	10,740.00
Provision for Fringe Benefit Tax	467,632.00	580,512.00
Other Provisions	149,075.00	149,075.00
<b>Total</b>	<u>1,614,390.00</u>	<u>1,417,080.00</u>

**Note 6**

Disclosure pursuant to note no. 6(F) of Part I of Schedule VI

**Short-term borrowings****UNSECURED****a. Loans repayable on demand**

from banks	359,907	959,549
<b>Total</b>	<u>359,907</u>	<u>959,549</u>

Incase of continuing default as on balance sheet

date in repayment of loans &amp; interest w.r.t (a)

Period of default	-	-
Amount	-	-

**Note 7**

Disclosure pursuant to note no. 6(G) of Part I of Schedule VI

**Other current liabilities**

a. Other payables (Advance from customers)	593,908.00	115,114.75
<b>Total</b>	<u>593,908.00</u>	<u>115,114.75</u>

**Note 8**

Disclosure pursuant to note no. 6(H) of Part I of Schedule VI

**Short-term provisions****Others**

Provision for taxes	685,000.00	685,000.00
Provision for taxes 2011-12	150,000.00	-
<b>Total</b>	<u>835,000.00</u>	<u>685,000.00</u>



## 9 Fixed Assets

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount			
	Balance as at 01/04/2011	Additions (Disposals)	Acquired through business combinations	Revaluation/ (Impairments)	Balance as at 31/03/2012	Balance as at 01/04/2011	Depr. charges for the year	Adjust due to revaluation	On disposals	Balance as at 31/03/2012	Balance as at 01/04/2011	Balance as at 31/03/2012
Fixex Assets												
A. Tangible Assets												
Land	4,202,195.00	-			4,202,195.00	-				-	4,202,195.00	4,202,195.00
Buildings	30,198,419.50	1,422,542.36			31,620,961.86	15,906,499.11	1,044,552.22			16,951,051.33	14,291,920.39	14,669,910.53
Plant and Equipment	82,446,195.11	1,139,129.00			83,585,324.11	76,778,652.38	492,989.51			77,271,641.89	5,667,542.73	6,313,682.22
Furniture and Fixtures	913,020.00	-			913,020.00	900,460.17				900,460.17	12,559.83	12,559.83
Vehicles	3,205,307.00	-			3,205,307.00	2,231,584.07	304,504.17			2,536,088.24	973,722.93	669,218.76
Office equipment	1,120,560.00	54,360.00			1,174,920.00	561,973.27	54,740.96			616,714.23	558,586.73	558,205.77
Others i) Livestock	42,780.00	-			42,780.00	-				-	42,780.00	42,780.00
ii) Cycle	2,130.00	-			2,130.00	1,204.18	150.59			1,354.77	925.82	775.23
iii) Computer	3,429,793.00	61,000.00			3,490,793.00	3,343,945.32	3,901.06			3,347,846.38	85,847.68	142,946.62
Total	125,560,399.61	2,677,031.36	-		128,237,430.97	99,724,318.50	1,900,838.51		-	101,625,157.01	25,836,081.11	26,612,273.96
B. Capital Work In Progress												
Total	987,136.00	(987,136.00)	-		-	-	-			-	987,136.00	-
Total	987,136.00	(987,136.00)	-		-	-	-			-	987,136.00	-

**Note 10**

Disclosure pursuant to Note no. K of Part I of Schedule VI

Particulars	As at 31st March 2012 ₹	As at 31st March 2011 ₹
Other Investments		
(d) Investments in Government or Trust securities	19,100.00	15,100.00
(h) Other non-current investments	10,205,380.00	10,205,380.00
Total (B)	10,224,480.00	10,220,480.00
Grand Total (A + B)	10,224,480.00	10,220,480.00
Less : Provision for diminution in the value of Investments	-	-
Total	10,224,480.00	10,220,480.00

Particulars	2012 ₹	2011 ₹
Aggregate amount of quoted investments and Market value	-	-
Aggregate amount of unquoted investments	10,224,480.00	10,220,480.00

**Note 11**

Disclosure pursuant to Note no. L (i),(ii) and (iii) of Part I of Schedule VI

Long Term Loans and Advances	As at 31 March 2012 ₹	As at 31 March 2011 ₹
<b>a. Security Deposits</b>		
Unsecured, considered good	2,941,941	2,940,941
Doubtful	2,941,941	2,940,941
<b>b. Loans and advances to related parties</b>		
Unsecured, considered good	1,459,962	1,922,684
Doubtful	1,459,962	1,922,684
<b>c. Other loans and advances (Advances to suppliers)</b>		
Unsecured, considered good	5,909,278	5,601,926
Doubtful	5,909,278	5,601,926
	10,311,181	10,465,551

**Note 12**

Disclosure pursuant to Note no.M (i),(ii) and (iii) of Part I of Schedule VI

Other non-current assets	As at 31 March 2012 ₹	As at 31 March 2011 ₹
<b>a. Long term trade receivables (including trade receivables on deferred credit terms)</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful debts	-	-

Long Term Loans and Advances	As at 31 March 2012	As at 31 March 2011
	₹	₹
<b>b. Others</b>		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for _____		
<b>c. Debts due by related parties</b>		
Secured, considered good		
Unsecured, considered good	50,681,741.78	33,779,879.20
Doubtful		
Less: Provision for doubtful debts	<u>50,681,741.78</u>	<u>33,779,879.20</u>
<b>d. Unamortised expenditure</b>	-	3,419,344.00
	<u>50,681,741.78</u>	<u>37,199,223.20</u>

Disclosure pursuant to Note no. M (iii) (iii) of Part I of Schedule VI

Particulars	As at 31 March 2012	As at 31 March 2011
	₹	₹
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

\*Either severally or jointly

**Note 13**

Disclosure pursuant to Note no.O (i), (ii) and (ii) of Part I of Schedule VI

Inventories	As at 31 March 2012	As at 31 March 2011
	₹	₹
<b>a. Raw Materials and components (Valued at_____)</b>		
Goods-in transit	-	-
<b>b. Work-in-progress (Valued at _____)</b>		
Goods-in transit	-	-
<b>c. Finished goods (Valued at _____)</b>		
Goods-in transit	-	-
<b>d. Stock-in-trade (Valued at _____)</b>		
Goods-in transit	-	-

Inventories	As at 31 March 2012 ₹	As at 31 March 2011 ₹
e. Stores and spares (Valued at _____)		
Goods-in transit	-	-
f. Loose Tools (Valued at _____)		
Goods-in transit	-	-
g. Others (Packing Materials)	525,277	411,172
<b>Total</b>	<u>525,277</u>	<u>411,172</u>

**Note 14**

Disclosure pursuant to Note no.P (i), (ii), (iii) and (iv) of Part I of Schedule VI

Trade Receivables	As at 31 March 2012 ₹	As at 31 March 2011 ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
Unsecured, considered doubtful	3,307,779.79	4,032,218.46
Less: Provision for doubtful debts	3,307,779.79	4,032,218.46
<b>Total</b>	<u>3,307,779.79</u>	<u>4,032,218.46</u>

**Note 15**

Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI

Cash and bank balances	As at 31 March 2012 ₹	As at 31 March 2011 ₹
I. Cash & cash equivalents		
a. Balances with banks*	447,421	28,912
b. Bank deposits with more than 12 months maturity)	485,704	485,704
c. Cheques, drafts on hand	-	-
d. Cash on hand	45,725	13,847
e. Others	<u>-</u>	<u>-</u>
	978,850	528,463
II. Other bank balances		
a. Earmarked Balances (eg/- unpaid dividend accounts)	-	-
b. Margin money	1,000,000	1,000,000
c. Other Commitments	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,978,850</u>	<u>1,528,463</u>

Balance with Banks	31st March 2011 ₹	31st March 2012 ₹
State Bank of India - EKM	409,677	18,908
State Bank of India - CA - Thumba	1,393	-
Federal Bank Ltd.	6,421	-
ICICI - Kalamassery	20,031	6,517
IOB - TVM	2,047	2,047
State Bank of Travancore - TVM	5,634	-
Bank of India	779	-
HDFC	1,440	1,440
<b>Total</b>	<b>447,421</b>	<b>28,912</b>

**Note 16**

Disclosure pursuant to Note no.R (i), (ii) and (iii) of Part I of Schedule VI

Short-term loans and advances	As at 31 March 2012 ₹	As at 31 March 2011 ₹
<b>a. Others (Advance to suppliers)</b>		
Secured, considered good	-	-
Unsecured, considered good	2,196,890.80	1,588,896.00
Doubtful	-	-
<b>Total</b>	<b>2,196,890.80</b>	<b>1,588,896.00</b>

**Note 17**

Disclosure pursuant to Note no. 2 of Part II of Schedule VI

Particulars	For the year ended 31 March 2012 ₹	For the year ended 31 March 2011 ₹
	Sale of products	5,870,814.60
Sale of services	62,199,024.35	64,817,700.30
Other operating revenues	318,689.00	248,325.00
<b>Total</b>	<b>68,388,527.95</b>	<b>68,515,915.60</b>

**Note 18**

Disclosure pursuant to Note no. 4 of Part II of Schedule VI

Particulars	For the year ended 31	For the year ended 31
	March 2012	March 2011
	₹	₹
Interest Income (in case of a company other than a finance company)	-	-
Dividend Income	-	-
Net gain/loss on sale of investments	-	-
Other non-operating income (net of expenses directly attributable to such income)	721,664.46	309,753.32
<b>Total</b>	<b>721,664.46</b>	<b>309,753.32</b>

**Note 19**

Disclosure pursuant to note 5 (ii) (a) to general

instructions for preparation of statement of profit &amp; loss

Cost of materials consumed	For the year ended 31	For the year ended 31
	March 2012	March 2011
	₹	₹
Packing materials	5,846,319.00	9,749,659.50
Wheat	2,676,559.00	-
Minerals & vitamins	21,578.00	18,810.00
<b>Total</b>	<b>8,544,456.00</b>	<b>9,768,469.50</b>

**Note 20**

Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Particulars	For the year ended 31	For the year ended 31
	March 2012	March 2011
	₹	₹
Packing Materials:		
Opening stock	411,172.34	543,016.75
Closing stock	525,271.84	411,172.34
Change	<b>(114,099.50)</b>	<b>131,844.41</b>

**Note 21**

Disclosure pursuant to Note 5 (i) (a) to General

Instructions to preparation of Statement of profit and loss

Particulars	For the year ended 31	For the year ended 31
	March 2012	March 2011
	₹	₹
Salaries & wages	8,008,922.00	4,409,604.00
Contribution to Provident fund and other funds	450,376.00	249,419.00
Staff welfare expenses	621,759.25	704,490.81
<b>Total</b>	<b>9,081,057.25</b>	<b>5,363,513.81</b>

**Note 22**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI

Particulars	For the year ended 31	For the year ended 31
	March 2012	March 2011
	₹	₹
Interest expense	13,840,015.28	26,116,924.00
Other borrowing costs	169,796.90	946,996.12
Net gain/loss on foreign currency transactions and translations	-	-
<b>Total</b>	<b>14,009,812.18</b>	<b>27,063,920.12</b>

**Note 23**

Disclosure pursuant to Note no. 5 (i) (c) to (l)

of Part II of Schedule VI 5(i)(c) Items of income &amp; expenditure exceeding 1% of turnover of Rs.1,00,000/- whichever is higher

Particulars	For the year ended 31	For the year ended 31
	March 2012	March 2011
	₹	₹
Job work expenses	24,344,932.80	24,130,813.81
Freight charges - outwards	873,415.00	1,408,640.00
General expenses	2,855,910.00	4,178,006.39
Vehicle running expenses	840,237.40	704,356.00
Traveling & conveyance	1,015,591.00	1,767,739.40
<b>Total</b>	<b>29,930,086.20</b>	<b>32,189,555.60</b>

Particulars	For the year ended 31	For the year ended 31
	March 2012	March 2011
	₹	₹
<b>5(i)(h, i, l)</b>		
Adjustments to carrying amount of investments	-	-
Prior period items	-	23,051.00
Net loss from foreign currency transactions and translations other than those considered as finance costs	-	-

**5(i)(j) Payments to auditors**

Particulars	For the year ended 31	For the year ended 31
	March 2012	March 2011
	₹	₹
As Auditors	112,300.00	68,938.00
Taxation matters		
	112,300.00	68,938.00

**5 (vi) Other expenses**

Particulars	For the year ended 31	For the year ended 31
	March 2012	March 2011
	₹	₹
i) Rent	101,133.00	34,100.00
ii) Repairs to buildings	1,308,757.05	595,505.00
iii) Repairs to plant & machinery	3,699,849.00	4,727,181.21
iv) Insurance	69,692.00	48,709.00
v) Rates & taxes (excluding taxes on income)	9,545,758.78	2,183,504.00
vi) Miscellaneous expenses	4,177,105.91	2,001,187.06
<b>Total</b>	<b>18,902,295.74</b>	<b>9,590,186.27</b>
<b>Total</b>	<b>48,944,681.94</b>	<b>41,871,730.87</b>



**SIGNIFICANT ACCOUNTING POLICIES****A. Basis for preparation of Financial statements**

The Financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, in accordance with the Accounting Principles generally accepted in India and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable and the relevant provisions of the Companies Act, 1956. Except where otherwise stated, the accounting principles have been consistently applied.

**B. Use of Estimates.**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities of the financial statements and the reported amounts of the revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/ materialised.

**C. Fixed Assets:**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost of fixed assets includes freight and other incidental expenditure related to the acquisition and installation of the respective assets. Borrowing cost directly attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of the assets upto the date the asset is ready for the intended use or sale.

**D. Depreciation**

Depreciation on Fixed Assets is provided on a straight line basis at the rates specified in Schedule XIV of the Companies Act, 1956.

**E. Impairment of Assets:**

The carrying amount of Fixed Assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where the carrying values exceeds the estimated recoverable amounts, and assets are written down to their recoverable amount.

**F. Investments**

Investments (Non-trade) are considered as long term and are stated at cost.

**G. Inventories:**

Inventories are valued at cost or net realizable value, whichever is lower.

**H. Revenue Recognition**

Revenue from sale of goods is recognized at the point of despatch to the customers net of sales returns. Income from job work and processing charges is recognized on accrual basis. Insurance claim is recognized on realization basis.

**I. Employees Retirement and other Benefits**

- i. Provident fund/Pension fund – Contributions to Provident/Pension fund are accounted on Actual basis.
- ii. The scheme of Gratuity covers gratuity liability of the employees including past services. The annual premium has been charged to Profit and Loss Account on accrual basis as per Company's own computation.

**J. Accounting for Taxes on Income**

- i. Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws.
- ii. Deferred tax is recognized on all timing differences between accounting income and taxable income for the year, and quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date.
- iii. The deferred tax assets are recognized and carried forward to the extent that there is a reasonable / virtual certainty as the case may be that sufficient taxable income will be available against which such deferred tax assets can be realized.

**K. Earnings per Share**

In accordance with Accounting Standard (AS-20), 'Earnings per share' issued by the Institute of Chartered Accountants of India, basic and diluted earnings per share is computed using the weighted average number of equity shares outstanding during the period.

**L. Accounting for Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes forming parts of accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

**ADDITIONAL NOTES FORMING PART OF THE ACCOUNTS**

1. The loan outstanding with Bank of India is fully settled vide letter dated 29/09/2011 for an amount of ₹ 2,02,00,000. The original loan amount sanctioned was ₹ 4,14,00,000/- which became an NPA in the year 2002-03 on which date the outstanding amount was ₹ 4,77,28,000/-. The first OTS accepted by the bank in 2007 was ₹ 1,63,00,000/- against which an amount of ₹ 36,02,000/- was paid. Subsequently, in the current financial year, a new OTS was finally accepted for ₹ 2,02,00,000/- which was fully repaid.

2. The details of the sales tax dues paid off through Amnesty Scheme are as follows –

Year	Principal Amount	Interest Due	Total
2001-02	30,66,309	4,50,748	35,17,057
2002-03	35,36,479	4,34,987	39,71,466
2002-03	11,937	211	12,148
	66,14,725	8,85,946	75,00,671

3. Information on dues to Small Scale Industrial Units.

- a. No case of suppliers, who are covered under the "interest on delayed payments to Small Scale and Ancillary Industrial Undertaking Act, 1933" has come to the notice of the Company
- b. Amount outstanding for payments to SSI 's ₹ 1,81,108.80.
- c. Name of the SSI units to whom the Company owes any sum which is outstanding for more than 1 year:

(1) MBR Agro Ind.      1,81,108.80

- d. The above information has been compiled to the extent to which the parties could be identified as Small Scale and ancillary undertakings on the basis of the information made available by the Company.

4. Interest @ 12% has been charged by the company during the year on the loan outstanding from State Bank of India. Confirmation from the bank is not received for balance outstanding in respect of the loan.

5. Claims against the company not acknowledged as debt – Nil

	Year ended 31.03.2012 ₹	Year ended 31.03.2011 ₹
6. <u>Managerial Remuneration</u>		
Mr. Sanjay Gupta, Managing Director	4,80,000	4,80,000
7. <u>Remuneration to Auditors(excluding service tax) Statutory Audit</u>	62,500	62,500
8. Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
9. <u>Capacity Utilization</u>		
<u>a. Wheat products viz. Atta, Maida, Sooji etc</u>		
Licensed Capacity TPA	60,000	60,000
Installed Capacity TPA	22,500	22,500
Actual production in MTs (Jobwork)	4413.75	7804.75
<u>b. Animal Feed</u>		
Licensed Capacity TPA	60,000	60,000
Installed Capacity TPA	60,000	60,000
Actual production in MTs. (Sales & Job work )	73871.33	65960.56

10. Consumption of raw materials

	Year ended 31.03.2012		Year ended 31.03.2011	
	Qty MT	Value ₹	Qty MT	Value ₹
Indigenous	Nil	Nil	Nil	Nil

11. Closing stock of packing materials is as valued and certified by the Managing Director.

12. Packing materials consumption is net of recovery.

13. Value of imports calculated on C.I.F. basis during the year

Raw Materials Rs. Nil (Previous Year – Nil)

There were no earnings in foreign currency during the year/previous year.

## 14. Details of Opening &amp; Closing Stock of Goods Produced:

	Opening stock Qty in MT	Closing stock Qty in MT
Wheat Products	Nil	Nil
Animal Feed	Nil	Nil

## 15. Details of principal items purchased

	Year ended 31.03.2012		Year ended 31.03.2011	
	Qty MT	Value ₹	Qty MT	Value ₹
Wheat & wheat products (Indigenous)	Nil	Nil	Nil	Nil
Animal Feed	Nil	Nil	Nil	Nil
	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

16. Balances in the accounts of debtors, creditors and financial institutions are subject to confirmation.

17. Deferred revenue expenditure amounting to ₹ 34,19,344.15 has been fully written off during the year in accordance with the regulations laid down in AS – 26 'Intangible Assets'.

## 18. Earnings per share

	For the year ended 31-03-2012 ₹	For the year ended 31-03-2011 ₹
Profit/(Loss) after Tax	2,38,54,000	(1,82,40,221)
Number of Shares Outstanding	51,94,900	51,94,900
Earnings per Share :-		
Basic	4.59	(3.51)
Diluted	4.59	(3.51)

19. The Company has started job work for KSCSC from January 2002 onwards and for KSE Limited from June 2003 onwards.

## 20. Related Party Transactions

a. List of Related parties with whom transactions have taken place and relationships

Name of Related Party	Relationship
Sanjay Gupta Charlie	Key Managerial Personnel
Ayyappa Roller Flour Mills Ltd. Prima Beverages (P) Ltd. Prima Industries Ltd.	Associates
Swati Gupta	Relative of Key Managerial Personnel

## b. Transaction during the year with related parties:

Nature of Transaction	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel
Purchase of Goods	Nil	Nil	Nil
Managerial Remuneration	Nil	4,80,000	Nil

c. Outstanding Balance as on 31<sup>st</sup> March 2012

Nature of Transaction	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel
Amount Receivable	2,32,02,695	45,12,716	2,53,709
Amount Payable	98,23,448	Nil	NIL

21. Previous year figures have been regrouped or recast wherever necessary to suit current year's layout.

As per our report of even date attached

For PRIMA AGRO LTD

For VIJAYAKUMAR & EASWARAN  
CHARTERED ACCOUNTANTS  
FRN: 004703S

SANJAY GUPTA  
MANAGING DIRECTOR

CHARLEY RODRIGUES  
DIRECTOR

K. EASWARAN PILLAI, F.C.A  
PARTNER  
Membership No: 022062

Place : Cochin  
Date : 28/06/2012

PRIMA AGRO LIMITED  
CASH FLOW STATEMENT

	For the Year ended 31/03/2012		For the Year ended 31/03/2011	
<b>A. Cash Flow from Operating Activities</b>				
<b>Operating Profit/(Loss) before Tax</b>		(132.57)		(174.85)
Adjustments for:				
Depreciation	19.01		17.38	
Interest Paid	2.83		61.24	
Provisions (long term & short term)	1.97		(8.06)	
Exceptional items	396.97	420.77	(0.18)	70.39
Operating Profit/(Loss) before working capital adjustments		288.21		(104.46)
Adjustments for:				
Debtors/Trade receivables	7.24		5.23	
Inventory	(1.14)		1.98	
Loans and Advances (Short term)	(6.08)		172.34	
Current Liability	28.08	28.10	195.88	375.42
<b>Net Cash Flows from Operating Activity</b>		<b>316.31</b>		<b>270.96</b>
<b>B Cash Flow from Investment Activity</b>				
Capital Work-in-Progress		-		(9.87)
Sale/(Purchase) of fixed Assets		(16.90)		(33.18)
Sale of Investments		(0.04)		0.01
Loans and Advances (Long term)		1.54		-
Other loans and advances (Long term)		(134.83)		-
<b>Net Cash Flows from Investment Activity</b>		<b>(150.22)</b>		<b>(43.04)</b>
<b>C Cash Flow from Financing Activity</b>				
Addition/(Repayment) of Secured Loans		(587.16)		(89.38)
Addition/(Repayment) of Unsecured Loans		429.36		(77.21)
Other long term liability		(0.96)		-
Interest paid		(2.83)		(61.24)
<b>Net Cash Flows from Financing Activity</b>		<b>(161.59)</b>		<b>(227.83)</b>
<b>D Net Increase/(Decrease) in cash &amp; Cash Equivalents</b>		<b>4.50</b>		<b>0.09</b>
<b>E Opening Balance of Cash &amp; Cash Equivalents</b>		15.28		15.19
<b>F Closing Balance of Cash &amp; Cash Equivalents</b>		<b>19.79</b>		<b>15.28</b>

**Notes**

- Cash and Cash Equivalents include Cash in Hand, Balance with Banks on Current Accounts and Deposit Accounts
- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard on Cash Flow Statement AS-3) issued by the Institute of chartered Accountants of India.
- Previous year figures have been rearranged/regrouped wherever necessary
- This is the Cashflow Statement referred to in our report of even date.

As per our report of even date attached

For PRIMA AGRO LTD

For VIJAYAKUMAR & EASWARAN  
CHARTERED ACCOUNTANTS  
FRN: 004703S

SANJAY GUPTA  
MANAGING DIRECTOR

CHARLEY RODRIGUES  
DIRECTOR

K. EASWARAN PILLAI, F.C.A  
PARTNER  
Membership No: 022062

Place : Cochin  
Date : 28/06/2012

**PRIMA AGRO LIMITED**

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

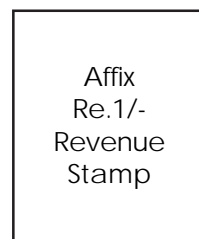
**PROXY FORM**

I/We .....  
.....of.....in the district of.....  
..... being a Member(s) of above named Company, hereby appoint  
Shri..... of.....in the district  
of.....or failing him  
Shri.....of.....  
.....of.....in the district of .....as my/our  
proxy to vote for me/us, on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the members of the  
Company to be held on Thursday the 27th September, 2012 at 11.00. a.m. at its Regd.Office: "Door  
No: V/679-C , Industrial Development Area , Muppathadam P O , Edayar, Cochin – 683 110 on Kerala,  
India and at any adjournment thereof.

Signed at .....this.....day of.....2012

Signature of the Member

Regd. Folio No:  
No of shares held:



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

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

**PRIMA AGRO LIMITED**

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

**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 25th Annual General Meeting of the Members of the Company being  
held on Thursday the 27th September, 2012 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 AGRO LIMITED**

Corporate & Regd. Office

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

**FORMAT FOR REGISTERING EMAIL ID**

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