

**PRIMA AGRO LTD**



**30<sup>TH</sup>**  
**ANNUAL REPORT**  
**2016-17**

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## **IMPORTANT COMMUNICATION TO MEMBERS**

Sending notices and documents to shareholders

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.

CIN: L15331KL1987PLC004833

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Shri. S K Gupta : Chairman & Managing Director  
Smt. Swati Gupta : Deputy Managing Director  
Shri. Ladhu Singh : Independent Director  
Miss.Vanshika Agarwala : Independent 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 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**

### **Edayar Unit**

Industrial Development Area  
Muppathadam P.O., Edayar  
Cochin- 683 110

### **Trivandrum Unit**

Industrial Development Area  
Plot No. 71, Kochuveli  
Trivandrum - 695 021

## NOTICE

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting of PRIMA AGRO LIMITED will be held at its Registered Office at “Door No: V/679-C, Industrial Development Area, Muppathadam P O, Edayar, Cochin – 683 110 on Saturday, 16<sup>th</sup> September, 2017 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, 2017 together with the Reports of the Directors and Auditors thereon.
2. To appoint Auditors and to fix their remuneration.

“RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. VBV & Associate, Chartered Accountant, (Firm Registration No. 013524S) be and is hereby appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this 30<sup>th</sup> Annual General Meeting till the conclusion of 35<sup>th</sup> Annual General Meeting of the Company, subject to ratification as to the said appointment at every Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors.”

### SPECIAL BUSINESS.

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution to appoint a Director in place of Mrs. Swati Gupta (DIN: 00249036), who retires by rotation and, being eligible, offers herself for re-appointment.

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and pursuant to Article 107 and any other applicable Article of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mrs. Swati Gupta (DIN: 00249036), a director who is to retire by rotation and being eligible offers herself for reappointment, as a non Executive Director of the Company.”

4. To approve the material related party transactions with Associate Companies.

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

“RESOLVED FURTHER THAT pursuant to the provisions of revised Clause 49 of the Listing Agreement (effective from October 1, 2014), the members of the Company be and is hereby ratify the contracts/arrangements/transactions entered in to by the Board for the FY 2016-17 with the related parties and as decided by the Board of Directors in its meeting held on 31-7-2017.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Fixation of fees for delivery of any document through a particular mode on the request of a member.

To consider and if deemed fit to pass with or without modification the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provision of Section 20 of Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (‘the Act’), (whereby a document may be served on any member of the Company by sending it to him by post or registered post or by speed post or by courier or by electronic or other mode as may be

prescribed), upon receipt of a request from a member for delivery of any document to him/her through a particular mode, the consent of the Company be and is hereby accorded to charge the fee, equivalent to the estimated expenses of delivery of the documents plus additional amount has fixed by the board of directors from time to time to meet the incidental cost to the Company in this regard, in advance from the said member, and the Company may deliver the document to the said member in the particular mode as requested by him/her, provided such request along with requisite fee has been duly received by the Company at least 10 days in advance of the date of dispatch of documents by the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorize to do all such Acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance along with additional amount as fixed by the Board from time to time.”

By order of the Board  
For Prima Agro Limited

Place: Ernakulam  
Date: 31.7.2017

S. K. Gupta,  
Chairman & MD

#### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself/herself. Such a proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. Proxies in order to be effective must be received by the Company at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares will remain closed from 10<sup>th</sup> September 2017 to 16<sup>th</sup> September, 2017 (both days inclusive), for the purpose of AGM.
4. Statement as required under Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
5. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate. In case you are holding Company's shares in physical form, please inform Company's STA 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 by enclosing a photocopy of blank cancelled cheque of your bank account.
6. All communications in respect of share transfers and change in the address of the members may be communicated to the STA of the Company.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company.
8. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. upto the date of the meeting.

10. Members/Proxies are requested to bring the attendance slip filled in for attending the Meeting.

11. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / STA.

13. Electronic copy of the Annual Report for 2016-17 which includes Notice of the 30th Annual General Meeting, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 is being sent in the permitted mode.

## **E-VOTING**

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 30<sup>th</sup> Annual General Meeting. The Company has engaged the services of M/s. NSDL and STA of the Company to provide the e-voting facility. The Members whose names appear in the Register of Members / List of Beneficial Owners as on 08<sup>th</sup> September, 2017 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

The e-voting period will commence on Wednesday, 13<sup>th</sup> September, 2017 (09:00 hrs) and will end on Friday, 15<sup>th</sup> September, 2017 (18:00 hrs). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cutoff date may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.

The Company has appointed Mr. Bipin, Chartered Accountant to act as Scrutinizer to conduct and scrutinize the electronic voting process and poll at the Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure & instructions on e-voting, given in a separate sheet, which forms part of this notice.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No 2.**

Section 139(2) of the Companies Act, 2013 (the Act) has mandated all listed companies and certain categories of unlisted public companies and private companies to mandatorily rotate their auditors (whether such auditor is an individual or a firm) once their auditor has served office as an auditor for a period of 10 or more consecutive years (Rotation Period). In this regard, the third Proviso to Section 139(2) of the Act has provided a moratorium period, wherein companies incorporated prior to 1 April 2014, have been provided a time period of 3 years from such date to comply with the requirement to rotate their auditors. Therefore, beginning 1 April 2017, all companies who are required to rotate their auditors under the Act, will have to rotate their existing auditors (Current

Firm), if the Current Firm has held office as such company's auditor for a period of 10 years or more.

M/s Vijayakumar & Easwaran, Chartered Accountants, (Registration No.004703S) is therefore retires and the Board had recommended the name of M/s VBV & Associates, Chartered Accountants, Ground Floor , Palms Two Chammani Road, Kaloor, Kochi-682017( FRN NO 013524S) as the new auditor of the Company who are eligible for 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 hence the resolution is proposed to consider as an ordinary resolution.

### **ITEM NO. 3**

Mrs. Swati Gupta was appointed as a whole time Director of the Company in the Annual General Meeting dated 22-8-2016 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 103 of Article of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director is holding the post of Deputy Managing Director. Mrs Swati Gupta has to retire by rotation, and being eligible, seek re-appointment. In this regard the Company has received request in writing from a member of the Company proposing her candidature for re-appointment as a Non Executive Director of the Company in accordance with the provisions of Section 149, 152, 162 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mrs. Swati Gupta on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 3 for adoption.

### **Item No. 4**

Material related party transactions with Associate Companies.

As per the provision of section 188(1) of the 2013 Act that govern the Related Party Transactions require a Company to obtain prior of shareholders by way of a special Resolution. Further, third proviso to section 188 (3) also provide that any contract or arrangement entered in u/s 188(1) may be ratified by the Board or, as the case may be, by the shareholders. The company had entered in to some related party transactions for the financial year 2015-16 and therefore the above said resolution for prior approval and ratification are put up for approval of the share holders.

### **Item No.5**

**Fixation of fees for delivery of any document through a particular mode on the request of a member.**

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the member to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. As the cost of providing documents may vary according to the mode of service, weight and its destination etc., it is proposed that actual expense borne by the Company plus additional amount as fixed by the Board of Directors from time to time to meet the incidental cost to the Company for such dispatch shall be paid in advance by the member of the Company.

Since the Companies Act, 2013 requires the fees to be determine in the Annual General Meeting, the board accordingly commend the Ordinary Resolution at Item No.5 of the accompanying notice, for the approval of the members of the Company. None of the directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no.5 of the accompanying notice.

By order of the Board  
For Prima Agro Limited

Place: Ernakulam  
Date: 31.7.2017

S. K. Gupta,  
Chairman & MD



## DIRECTORS' REPORT

To

The Members of Prima Agro Limited

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2017.

### Introduction

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF). According to the Economic Survey, the Indian economy expected to grow more than 7 percent in 2016-17. The Govt. of India has unveiled a range of initiatives over the past year that will have a big impact on economic growth. The two biggest ones have been the passing of the Goods and Service Tax Bill, the biggest reform in India's indirect tax structure, and the more recent demonetization move. The latter, which saw the Govt. scrap the Rs.1000 and Rs.500 notes overnight, is one of the most radical economic moves by any country. Demonetization had generated long-term benefits in terms of reduced corruption, greater digitization of the economy, increased flow of financial savings and greater formalization of the economy, all of which eventually lead to higher GDP growth to Indian economy. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy. This initiative is expected to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. Initiatives like Make in India and Digital India will play a vital role in driving the Indian economy. Hope that Govt. of India's initiatives in labour reforms, anti-corruption move, governance reforms like Aadhar, Unique Identity Number etc will accelerate the development of the economy.

### 1. Financial Highlights (Standalone)

| Particulars                                      | (Rupees in Lakhs)               |                                 |
|--|---------------------------------|---------------------------------|
|  | For the Year Ended<br>31-3-2017 | For the Year Ended<br>31-3-2016 |
| Net Sales /Income from<br>Business Operations    | - 1186.51                       | 1146.94                         |
| Other Income                                     | - 21.76                         | 3.27                            |
| Total Income                                     | - 1208.26                       | 1150.21                         |
| Less Interest                                    | - 7.37                          | 4.13                            |
| Profit before Depreciation                       | - 307.68                        | 191.45                          |
| Less Depreciation                                | - 73.07                         | 85.31                           |
| Profit after depreciation and Interest           | - 234.61                        | 103.06                          |
| Less Current Income Tax                          | - 90.00                         | 55.00                           |
| Less Previous year adjustment<br>of Income Tax , | - 5.31                          | 0.00                            |
| Less Deferred Tax                                | - (22.03)                       | (15.62)                         |
| Net Profit after Tax                             | - 166.65                        | 63.68                           |
| Dividend (including Interim if any and final )   | 0.00                            | 0.00                            |
| Net Profit after dividend and Tax                | - 166.65                        | 63.68                           |
| Amount transferred to General Reserve            | - 0.00                          | 0.00                            |
| Balance carried to Balance Sheet                 | - 166.65                        | 63.68                           |
| Earnings per share (Basic)                       | - 2.05                          | 1.23                            |
| Earnings per Share(Diluted)                      | - 2.05                          | 1.23                            |

### 2. State of Company's Affairs and Future Outlook.

During the reporting period, the two Animal Feed manufacturing plants situated at Kochuveli, Thiruvananthapuram and Edayar, Ernakulam performed well and was able to produce 107850 MT

Animal Feed for KSE LTD. As planned your Company had installed a 100MT weighbridge at its site at Edayar with a Capital Expenditure of Rs.35 Lacs and the same was operative in the month of Sept, 2015. This increased the material handling facility.

Your Company is planning to construct additional godown facility of about 6000 SQFT during the next Financial year. It also has plan to erect one jumbo Pellet Mill to increase the production capacity at Edayar Plant. Your Company also exploring the possibility of installing Solar Panels on the roof of the Factory Building to produce grid base power to save power cost.

### **3. Change in the Nature of Business.**

There is no material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

### **4. Changes in Share Capital**

There were no changes in the share Capital during the year. Also report that:

- a. The Company has not bought back any of its securities during the year under review.
- b. The Company has not issued any Sweat Equity Shares during the year under review.
- c. No Bonus Shares were issued during the year under review.
- d. The Company has not provided any STOCK OPTION Scheme to the employees.
- e. The Company has not issued any Equity shares with Differential Rights.
- f. The Company had extended the redemption period of Preference shares due for redemption from 3 years to 13 years after obtaining the written consent form the Preference shareholder, holding 100% Preference shares of the Company.

### **5. CAPITAL EXPENDITURE**

Your Company had incurred an amount of Rs.104.96 Lakhs Spend on Capital Expenditure and Additions to Fixed Assets during the FY 2016-17 as detailed below.

| <b>Item</b>          |   | <b>Amount in Rs.</b> |
|----------------------|---|----------------------|
| Buildings            | - | 29.09 Lakhs          |
| Plant and Equipments | - | 38.95 Lakhs          |
| Office Equipments    | - | 3.14 Lakhs           |
| Computer             | - | 0.14 Lakhs           |
| Vehicle              | - | 33.63 Lakhs          |

### **6. DEPOSITS**

Your Company has not invited any deposit from public and shareholders in accordance with the provisions of Section 73 and 74 of the Companies Act, 2013.

### **7. DEPOSITORY SYSTEM**

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2017, 34% of the Company's total paid up capital are in dematerialized form. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories.

### **8. TRANSFER TO INVEST OR EDUCATION AND PROTECTION FUND**

This Company has not declared any dividend during the past or during the current period and the provisions related to transfer of unclaimed or unpaid dividend or shares on which dividend remains unpaid or unclaimed to the aforesaid fund is not applicable to this Company.

### **9. SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES**

Your Company has no subsidiaries, joint ventures or associate companies.

### **10.Particulars of Loan, Guarantees and Investments under section 186 of the Companies Act, 2013.**

Your company has not given directly or indirectly any loan to any person or other body corporate or has given any guarantee or provide security in connection with a loan to any other body corporate or person; and has not acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent. of its free reserves and securities premium account, whichever is more during the financial year 2016-17.

#### **11.Particulars of Contracts or Arrangement with Related Parties under section 188(1) of the Companies Act, 2013.**

The Related Party Transactions that were entered during the financial year under review were in the ordinary course of business. There were no materially significant Related Party Transactions entered into by the Company during the year under review other than reported in the accounts. The Company has a process in place to periodically review and monitor Related Party Transactions. All the related party transactions were in the ordinary course of business and at arm's length. The Audit Committee has approved all related party transactions for the FY 2015-16 and estimated transactions for FY 2016-17. There were no material transactions with related parties during the year.

#### **12. Dividend**

With a view to conserve the resources of the Company the Directors are not recommending any dividend for the year under review.

#### **13. Amounts Transferred to Reserves.**

No amount is transferred to General Reserve.

#### **14. Extract of Annual Return**

The extract of the Annual Return as provided under sub-section (3) of Section 92 in Form MGT 9, for the Financial Year 2016-17 has been enclosed with this report.

#### **15.Board Meetings**

During the Financial year 2016-17, 6(Six) times meetings of the Board of Directors of the Company were held. The detail of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

#### **16. Explanation to Auditor's Remarks.**

##### **a) Statutory Audit Report.**

Your Auditors had submitted an unqualified Audit Report for the Financial Year 2016-17 except a mentioning about few related party transactions in the form of loans which are well within the limit specified in section 186 of the Companies Act,2013. The comments/observations of Auditors are explained in the Notes to the Accounts, forming part of the Balance Sheet as at 31<sup>st</sup> March, 2017 which are self explanatory and, therefore; do not call for any further comment under Section 134(5) of the Companies Act, 2013.

##### **b) Secretarial Audit Report**

(i)The Secretarial Auditors also had submitted an unqualified Audit Report for the Financial Year 2016-17. However they pointed out that the Company being a listed Company is required to appoint a Chief Financial Officer as per the Section 203 of the Companies Act, 2013 and the Company has been advised to comply with this provision and your Company is in the process of Complying with the said provisions. Your Company had one Whole Time Director who is designated as Deputy Managing Director, who can be re-designated as the Chief Financial Officer.

(ii)The Secretarial Auditor pointed out that the Company had availed a Vehicle Loan from the ICICI Bank Ltd during the year and no charge had been created and filed with the ROC. In this regard it may be noted that normally creation of charge for Vehicle Loan is being insisted by the Financial Institutions as it is in the nature of Hypothecation on Vehicle itself, the endorsement of which is being made in the Registration Certificate itself through the Motor Vehicle Department.

(iii) It is pointed out that the Company had not comply with the provision of 100% dematerialization of the promoter's share holdings and it is to report that your Company is trying to comply with this provision and requested the Stock Exchange to give some more time to complete this process.

(iv) It was pointed out that the Website of the Company needs to be updated with details of Board Composition and Code of Conduct whenever there is a change. It was reported that the same will be done in time in future.

#### **17. Material Changes Affecting the Financial Position of the Company.**

During the reporting year there were no material changes or events occurred affecting the financial position of the Company.

#### **18. Conservation of energy, technology absorption, foreign exchange earnings and outgo**

The information of Conservation of Energy as required under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is not applicable to the business segments which your Company operates.

During the year, your Company has not earned any Foreign Exchange and there is no outgoings in Foreign Exchange.

#### **19. Development and implementation of a risk management policy**

The Board of Directors has adopted a Risk Management Policy which sets out the framework for the management of risks faced by the Company in the conduct of its business to ensure that all business risks are identified, managed and monitored.

#### **20. Details of Directors and Key Managerial Personnel**

(i) Mr. S.K. Gupta (DIN: 01575160), is the Chairman & Managing Director of the Company .

(ii) During the reporting year Mrs. Swati Gupta (DIN 00249036), Director is retiring by rotation and who being eligible, offered herself for re-appointment and the same is being proposed in the forthcoming Annual General meeting.

(iii) Mr. Ladhu Singh and Miss. Vanshika Agarwala were appointed as Directors of the Company. They are continuing as such in the Board.

(iv) Mr. Janak Vasantlal Kikani, who was appointed as director of the Company during the previous Annual General Meeting, voluntarily resigned from the Board w.e.f 12<sup>th</sup> December, 2016 and ceases to be a Director of the Company.

#### **21. Details of significant & material orders passed by the regulators or courts or tribunal**

No orders were passed by the authorities which impacts the going concern status and company's operations in future.

#### **22. Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements.**

Your Company is having adequate internal financial controls with reference to the Financial Statements. There was no Internal Auditor as there is having adequate internal financial controls. The statutory auditors also suggested appointment of Internal Auditor to comply with the Listing Norms. Your Company is considering appointing one Internal Auditor.

#### **23. Receipt of any commission by MD / WTD from a Company or for receipt of commission / remuneration from it Holding or subsidiary**

Your CMD, or Whole Time Director is not in receipt any commission from any Holding or Subsidiary Company of your Company other than remuneration from your Company.

#### **24. Declaration by Independent Director**

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence as laid out in sub section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### **25. Re-appointment of Independent Auditor.**

Your board proposed to change the present Statutory Auditors of the Company to comply with the provisions of Section 139(2) of the Companies Act, 2013 (the Act). M/s Vijayakumar & Easwaran, Chartered Accountants, (Registration No.004703S) is therefore retires and the Board had recommended the name of M/s VBV & Associates, Chartered Accountants, Ground Floor , Palms Two Chammani Road, Kaloor, Kochi-682017( FRN NO 013524S) as the new auditor of the Company who are eligible for 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 hence a resolution is proposed in the AGM.

#### **26. Secretarial Audit Report**

Your Board had appointed Mr. CS N Balasubramanian, Partner, M/s. BVR Associates, Company Secretaries (ACS/FCS No.F6439, CP. No.4996) to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2016-17. The report of the Secretarial Auditor is annexed to this report.

#### **27. Corporate Social Responsibility (CSR) Policy**

As per the Companies Act, 2013, companies having net worth of 500 crore or more, or turnover of 1000 crore or more or net profit of 5 crore or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising three or more directors, at least one of whom should be an independent director and such company shall spend at least 2% of the average net profits of the company's three immediately preceding financial years.

Any of the above criteria become applicable to your company for the reporting year.

#### **28. Audit Committee**

During the year your Company had reconstituted its Audit Committee with the following independent directors as members.

|                        |   |          |
|------------------------|---|----------|
| Miss Vanshika Agarwala | - | Chairman |
| Mr. Ladhu Singh        | - | Member   |

The Audit Committee had convened its meetings 4(Four) times during the period under report.

#### **29. Statement Indicating the Manner in which Formal Annual Evaluation has been made by the Board of its own Performance, its Directors, and that of its Committees.**

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company. The Board review the various strategies of the Company and accordingly set the performance objectives for directors, consistent with the varying nature and requirements of Company's business. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

#### **30. Selection of new directors and board membership criteria**

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, qualification, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience.

As per the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee has formulated a "Policy on Remuneration of Director, Key Managerial Personnel Personal & Senior Employees".

### **31. Familiarization programme for Independent Directors**

The Company proactively keep its Independent Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the Industry.

### **32. Listing Agreement Compliance**

Your company has complied with the requirements of the Listing Agreement and necessary disclosures have been made in this regard in the Corporate Governance Report.

A certificate from the statutory auditors of the Company confirming the compliance of conditions of corporate governance under clause 49 of the Listing Agreement is also attached to this report.

### **33. Disclosure on Establishment of a Vigil Mechanism**

In terms of the provisions of Sec 177(9) & (10) of the Companies Act, 2013 and pursuant to the provisions of Clause 49 of the Listing Agreement, a Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established by the Company.

### **34. Corporate Governance**

Your company obtained a certificate from Practicing Company Secretary regarding compliance with clause 49 of the Listing Agreement and is annexed the certificate with this Board's Report.

This certificate will also be sent to the Stock Exchanges, where the shares of the Company are listed, along with the annual report to be filed by the company.

Declaration by CEO/CFO that the Board Members and Senior Management Personnel have complied with the Code of Conduct, [Clause 49 II E (2) of LA] as annexed is also forming part of this report.

### **35. Managerial Remuneration**

Your Company does not have any employee in respect of whom information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. None of the employees employed throughout the financial year and in receipt of remuneration of Rs.60 lacs or more, employees employed for part of the year and in receipt of 5 lac or more per month, pursuant to Rule 5(2) The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **36. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.**

Your Company believes in providing a safe and harassment free workplace for every individual working in the company premises through various interventions and practices. The Company endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. In this light, the company has framed a well defined policy on Prevention of Sexual Harassment for an employee.

There were no cases reported in the history of your company till date

### **37. Fraud Reporting (Required by Companies Amendment Bill, 2014)**

There were no cases of fraud reported to the Audit Committee / Board in the company till date.

### **38. Cost Auditors.**

Your Company does not qualify for the eligibility norms of Companies (Cost Records and audit) Rules, 2014 regarding appointment of Cost Auditor for conducting cost audit. Accordingly, Cost Audit was not conducted for the Financial Year 2016-17. However, the company is maintaining adequate cost records as stated under the said rules.

### **39. Management Discussion and Analysis Report**

As required under Clause 49 of the Listing Agreement with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report .

#### **40. Director's Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and of the profit /loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

#### **40. Statutory Disclosures:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review

1. Deposit from the public falling within the ambit of Section 73 of the Act and rules made thereof.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director(s) nor the Whole-Time Director(s) of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

#### **42. Significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and company's operations in future**

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

#### **43. Industrial Relations**

The Company maintained healthy, cordial and harmonious industrial relations at all levels. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the Industry. It has taken various steps to improve productivity across organization.

Your Company continued to receive co-operation and unstinted support from the distributors, retailers, stockiest, suppliers and others associated with the Company as its trading partners. The Directors wish to place on record their appreciation for the same and your Company will continue in its endeavor to build and nurture strong links with trade, based on mutuality, respect and co-operation with each other and consistent with consumer interest.

#### **44. Internal Control Systems and their Adequacy**

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those

transactions are authorised, recorded and reported correctly. The internal control is exercised through documented policies, guidelines and procedures. This is periodically reviewed by the audit committee to ensure effectiveness of the internal control system. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

#### 45. Financial and operational performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles in India. Please refer Directors' Report in this respect

#### 46. Human Resources/Industrial Relations

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity: to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. The Company is giving direct employment to about 200 employees.

#### 47. Appreciation

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. The Board acknowledges with gratitude the co-operation and assistance provided to your company by its bankers, financial institutions, and government as well as Non-Government agencies. The Board wishes to place on record its appreciation to the contribution made by employees of the company during the year under review. The Company has achieved impressive growth through the competence, hard work, solidarity, co-operation and support of employees at all levels. Your Directors thanks the customers, clients, vendors and other business associates for their continued support in the Company's growth.

The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

For and on behalf of the Board  
Sd/-

Place: Cochin  
Date: 31-7-2017

S.K. Gupta  
Chairman & MD

### Annexure to the Directors' Report

#### A. CONSERVATION OF ENERGY

The Company continues its efforts to improve methods for energy conservation and utilization by

- (1) More usage of electricity purchased from KSEB.
- (2) Improved efficiency of own generation by usage of diesel generator only for emergencies and as stand by.
- (3) Intensified vigil on wastage/leakage control.

#### B. CONSUMPTION PER UNIT OF PRODUCTION

The company manufactures only Animal Feed and power and fuel consumption per unit of production was as follows.

| Particulars                  | For the Year 2016-17 | For the Year 2015-16 |
|------------------------------|----------------------|----------------------|
| Actual Production            | 1,07,850 MT          | 1,19,674.04 MT       |
| Total Power and Fuel Charges | Rs.2,32,69,636.00    | Rs.30154734.00       |
| Consumption Per MT           | Rs.215.76            | Rs.251.97            |

#### C. TECHNOLOGY ABSORPTION

Disclosure of particulars with respect to technology absorption:-

#### RESEARCH & DEVELOPMENT



**1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY.**

- a) Quality Up gradation
- b) Productivity enhancement
- c) Quality Control Management

**2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D**

- a) Increase in production and capacity utilization.
- b) Repeat order from customers due to consistency in quality.

**3. FUTURE PLAN OF ACTION**

- a) To acquire Cost-efficiency in manufacturing operations through better methods and techniques of production.
- b) To Increase range of production.
- c) To develop of new markets.

**4. EXPENDITURE IN R&D**

Specific expenditure of recurring or capital nature is not involved in Technology absorption, adoption and innovation.

**5. EFFORTS**

To Develop products of International Quality and Standards and implementation of total Quality Assurance System.

**6. BENEFITS**

- a) Quality of products can be improved.
- b) Scoring high points in evaluation by reputed buyers.

**D. FOREIGN EXCHANGE EARNINGS AND OUTGO**

2016-17 - Nil  
2015-16 - Nil

## Expenditure

2016-17 - NIL  
2015-16 - 100010 USD

For and on behalf of the Board of Directors

Sd/-  
S.K.GUPTA  
Chairman & Managing Director.

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2017**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

|   |  |   |
|---|--|---|
| 1 | CIN  | L1533KL1987PLC004833  |
| 2 | Registration Date                                  | 20.07.1987  |
| 3 | Name of the Company                                | PRIMA AGRO LTD  |
| 4 | Category/Sub-category of the Company               | Public Company<br>Limited by shares   |
| 5 | Address of the Registered office & contact details | Door No.V/679-C, Industrial Development Area, Muppathadam .P.O.,<br>Edayar, Cochin-683110<br>Ph:0484-2551533/2551534. Email:primaedayar@gmail.com |
| 6 | Whether listed company                             | Listed in Bombay Stock Exchange   |
| 7 | Name, Address & contact details of the Registrar & | M/s. Venture Capital and Corporate Investments Pvt Ltd. (Category - 1, Registrars)  |

Transfer Agent, if any.

12-10-167,Bharatnagar, Hyderabad - 500 018,  
Tel: 040-23818475, Fax: 040-2386024,  
E-mail: info@vccilindia.com.**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1      | Cattle Feed                                      | NIC CODE:2171                   | 100                                |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| SN | Name and address of the Company | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|----|---------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1  | Ayyappa Real Estate (P) Ltd     | U70101KL1983PTC015625 | Associate                      | 5.28             | 2 (6)              |
| 2  | Ayyappa Roller Flour Mills Ltd  | U15311KL1988PLC005047 | Associate                      | 5.72             | 2 (6)              |
| 4  | Prima Credits Ltd               | U65923KL1993PLC007502 | Associate                      | 3.01             | 2 (6)              |
| 5  | Prima Alloys Pvt.Ltd            | U27106KL1983PTC015624 | Associate                      | 3.08             | 2 (6)              |

**IV. SHARE HOLDING PATTERN**

(Equity share capital breakup as percentage of total equity)

**(i) Category-wise Share Holding**

| Category of Shareholders      | No. of Shares held at the beginning of the year<br>[As on 31-March-2016] |          |         |                   | No. of Shares held at the end of the year<br>[As on 31-March-2017] |          |         |                   | % Change during the year |
|-------------------------------|--|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
|                               | Demat  | Physical | Total   | % of Total Shares | Demat  | Physical | Total   | % of Total Shares |                          |
| <b>A. Promoters</b>           |  |          |         |                   |  |          |         |                   |                          |
| <b>(1) Indian</b>             |  |          |         |                   |  |          |         |                   |                          |
| a) Individual/ HUF            | 812800   | 855300   | 855300  | 16.46%            | 812800   | 855300   | 855300  | 16.46%            | 0.00%                    |
| b) Central Govt               | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| c) State Govt(s)              | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| d) Bodies Corp.               | 297200   | 887900   | 887900  | 17.09%            | 297200   | 887900   | 887900  | 17.09%            | 0.00%                    |
| e) Banks / FI                 | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| f) Any other                  | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| <b>Sub Total (A) (1)</b>      | 1110000  | 1743200  | 1743200 | 33.56%            | 1110000  | 1743200  | 1743200 | 33.56%            | 0.00%                    |
| <b>(2) Foreign</b>            |  |          |         |                   |  |          |         |                   |                          |
| a) NRI Individuals            | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| b) Other Individuals          | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| c) Bodies Corp.               | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| d) Any other                  | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| <b>Sub Total (A) (2)</b>      | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| <b>TOTAL (A)</b>              | 1110000  | 1743200  | 1743200 | 33.56%            | 1110000  | 1743200  | 1743200 | 33.56%            | 0.00%                    |
| <b>B. Public Shareholding</b> |  |          |         |                   |  |          |         |                   |                          |
| <b>I. Institutions</b>        |  |          |         |                   |  |          |         |                   |                          |
| a) Mutual Funds               | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| b) Banks / FI                 | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| c) Central Govt               | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| d) State Govt(s)              | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| e) Venture Capital Funds      | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |
| f) Insurance Companies        | 0  | 0        | 0       | 0.00%             | 0  | 0        | 0       | 0.00%             | 0.00%                    |

|   |         |         |         |        |         |         |         |         |       |
|---|---------|---------|---------|--------|---------|---------|---------|---------|-------|
| g) FIIs   | 0       | 0       | 0       | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
| h) Foreign Venture Capital Funds  | 0       | 0       | 0       | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
|   | 0       | 0       | 0       |        | 0       | 0       | 0       |         |       |
| i) Others (specify)   | 0       | 0       | 0       | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
| <b>Sub-total (B)(1):-</b>   | 0       | 0       | 0       | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
| Central Gov./State Gov.   | 0       | 0       | 0       | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
| <b>Sub-total (B)(2):-</b>   | 0       | 0       | 0       | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
| <b>2. Non-Institutions</b>  |         |         |         |        |         |         |         |         |       |
| a) Bodies Corp.   | 57553   | 82853   | 82853   | 1.59%  | 56393   | 81693   | 81693   | 1.57    | 0.02% |
| i) Indian   |         |         | -       | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
| ii) Overseas  |         |         | -       | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
| b) Individuals  |         |         |         |        | 0       | 0       | 0       |         |       |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakh        | 488717  | 3195517 | 3195517 | 61.51% | 500757  | 3175557 | 3175557 | 61.13%  | 0.00% |
| i) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 86732   | 167932  | 167932  | 3.23%  | 107814  | 189014  | 189014  | 3.64    | 0.41% |
| c) Others (specify)   |         |         |         |        |         |         |         |         |       |
| Non Resident Indians  | 518     | 518     | 518     | 0.01%  | 518     | 518     | 518 -   | 0.01%   | 0.00% |
| Overseas Corporate Bodies   |         |         | -       | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
| Foreign Nationals   |         |         | -       | 0.00%  |         |         | -       | 0.00%   | 0.00% |
| Clearing Members  | 4880    | 4880    | 4880    | 0.09%  | 4918    | 4918    | 4918    | 0.09    | 0.00% |
| Trusts  |         |         | -       | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
| Foreign Bodies - D R  |         |         | -       | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
| <b>Sub-total (B)(3):-</b>   | 638400  | 3451700 | 3451700 | 66.44% | 670400  | 3451700 | 3451700 | 66.44%  | 0.00% |
| <b>Total Public (B)</b>   | -       | -       | -       | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                          |         |         |         | 0.00%  | 0       | 0       | 0       | 0.00%   | 0.00% |
| <b>Grand Total (A+B+C)</b>  | 1748400 | 5194900 | 5194900 | 0.00%  | 1748400 | 5194900 | 5194900 | 100.00% | 0.00% |

**(ii) Shareholding of Promoter**

| SN | Shareholder's Name             | Shareholding at the beginning of the year |                                  |   | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|----|--------------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|--|--|
|    |                                | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1  | SARITA JINDAL                  | 25000                                     | 0.48                             | 0.00%   | 25000                               | 0.48                             | 0.00%  | 0.00%                                    |
| 2  | R K AGARWAL                    | 17500                                     | 0.34                             | 0.00%   | 17500                               | 0.34                             | 0.00%  | 0.00%                                    |
| 3  | AYYAPPA REAL ESTATES (P) LTD   | 274300                                    | 5.28                             | 0.00%   | 274300                              | 5.28                             | 0.00%  | 0.00%                                    |
| 4  | PRIMA CREDITS LTD              | 156400                                    | 3.01                             | 0.00%   | 156400                              | 3.01                             | 0.00%  | 0.00%                                    |
| 5  | PRIMA ALLOYS PVT LTD           | 160000                                    | 3.08                             | 0.00%   | 160000                              | 3.08                             | 0.00%  | 0.00%                                    |
| 6  | AYYAPPA ROLLER FLOUR MILLS LTD | 297200                                    | 5.72                             | 0.00%   | 297200                              | 5.72                             | 0.00%  | 0.00%                                    |
| 7  | SAJJAN KUMAR GUPTA             | 183000                                    | 3.52                             | 0.00%   | 183000                              | 3.52                             | 0.00%  | 0.00%                                    |

|    |                 |                |               |              |                |               |              |           |
|----|-----------------|----------------|---------------|--------------|----------------|---------------|--------------|-----------|
| 8  | SANJAY GUPTA    | 391600         | 7.54          | 0.00%        | 391600         | 7.54          | 0.00%        | 0.00%     |
| 9  | DIMPLE AGARWALA | 25000          | 0.48          | 0.00%        | 25000          | 0.48          | 0.00%        | 0.00%     |
| 10 | SWATI GUPTA     | 1300           | 0.03          | 0.00%        | 1300           | 0.03          | 0.00%        | 0.00%     |
| 11 | SUSHILA GUPTA   | 211900         | 4.08          | 0.00%        | 211900         | 4.08          | 0.00%        | 0.00%     |
|    | <b>Total</b>    | <b>1743200</b> | <b>33.56%</b> | <b>00.00</b> | <b>1743200</b> | <b>33.56%</b> | <b>00.00</b> | <b>00</b> |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| SN | Particulars                  | Date | Reason | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----|------------------------------|------|--------|---|-------------------|---|-------------------|
|    |                              |      |        | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
|    | At the beginning of the year |      |        | THERE IS NO CHANGE                        |                   |   |                   |
|    | Changes during the year      |      |        |   |                   |   |                   |
|    |                              |      |        |   |                   |   |                   |
|    | At the end of the year       |      |        |   |                   |   |                   |

**(iv) Shareholding Pattern of top ten Shareholders**

*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

| SN | For each of the Top 10 shareholders            | Date | Reason   | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----|--|------|----------|---|-------------------|---|-------------------|
|    |  |      |          | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1  | Name   |      |          |   |                   |   |                   |
| 1  | PANKAJ V KARANI                                |      |          | 60500                                     | 1.16%             | 60500                                   | 1.16%             |
| 2  | RAJBANS MATHUR                                 |      |          | 43200                                     | 0.83%             | 43200                                   | 0.83%             |
| 3  | SANJEEV JAIN                                   |      | Transfer | 22000                                     | 0.42              | 22000                                   | 0.42              |
| 4  | KARAN SUNDEEP KARNA<br>POONAM SUNDEEP<br>KARNA |      |          | 21532                                     | 0.41              | 21532                                   | 0.41              |
| 5  | ABHIPRA CAPITAL LTD                            |      |          | 21300                                     | 0.41              | 21300                                   | 0.41              |
| 6  | SATYA PRAKASH MITTAL<br>(HUF)                  |      |          |   |                   | 21089                                   | 0.41              |
| 7  | GAUTAM BAJORIA                                 |      |          | 20700                                     | 0.4               | 20700                                   | 0.4               |
| 8  | SHRI PARASRAM<br>HOLDINGS PVT.LTD              |      |          | 17100                                     | 0.33              | 17100                                   | 0.33              |
| 9  | SUNDEEP ARJUN KARNA                            |      | Transfer | 16092                                     | 0.31              | 16092                                   | 0.31              |
| 10 | DALCHAND GUPTA                                 |      |          | 15000                                     | 0.29              | 15000                                   | 0.29              |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| SN | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----|--|------|--------|---|-------------------|---|-------------------|
|    |  |      |        | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| 1  | S.K.GUPTA  |      |        |   |                   |   |                   |
|    | At the beginning of the year                                     |      |        | 183000                                    | 3.52%             | 183000                                  | 3.52%             |

|   |                              |  |  |        |       |        |       |
|---|------------------------------|--|--|--------|-------|--------|-------|
|   | Changes during the year      |  |  | Nil    | 0.00% | Nil    | 0.00% |
|   | At the end of the year       |  |  | 183000 | 3.52% | 183000 | 3.52% |
| 2 | SWATI GUPTA                  |  |  |        |       |        |       |
|   | At the beginning of the year |  |  | 1300   | 0.03% | 1300   | 0.03% |
|   | Changes during the year      |  |  | NIL    |       | NIL    |       |
|   | At the end of the year       |  |  | 1300   | 0.03% | 1300   | 0.03% |

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

| Particulars  | Secured Loans excluding deposits | Unsecured Loans | Deposits    | Total Indebtedness |
|--|----------------------------------|-----------------|-------------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |             |                    |
| i) Principal Amount  | 38.80                            | 15.35           | 5.96        | 60.11              |
| ii) Interest due but not paid                              |                                  |                 |             |                    |
| iii) Interest accrued but not due                          |                                  |                 |             |                    |
| <b>Total (i+ii+iii)</b>                                    | <b>38.80</b>                     | <b>15.35</b>    | <b>5.96</b> | <b>60.11</b>       |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |             |                    |
| * Addition   | 12.83                            |                 | 0           | 12.83              |
| * Reduction  |                                  | 1.10            | 0           | 1.10               |
| Net Change   | -                                | -               | -           | 11.73              |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |             |                    |
| i) Principal Amount  | 51.63                            | 14.25           | 5.96        | 71.84              |
| ii) Interest due but not paid                              |                                  |                 |             |                    |
| iii) Interest accrued but not due                          |                                  |                 |             |                    |
| <b>Total (i+ii+iii)</b>                                    | <b>51.63</b>                     | <b>14.25</b>    | <b>5.96</b> | <b>71.84</b>       |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| SN. | Particulars of Remuneration   | Name of MD/WTD/ Manager |              | Total Amount |              |
|-----|---|-------------------------|--------------|--------------|--------------|
|     |   |                         |              | (Rs/Lac)     |              |
|     |   | Name                    | S.K GUPTA    | SWATI GUPTA  |              |
|     |   | Designation             | CMD          | WTD          |              |
| 1   | Gross salary  |                         | 18.25        | 12.08        | 30.33        |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                         | 0            | 0            | 0            |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                         | 0            | 0            | 0            |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                         | 0            | 0            | 0            |
| 2   | Stock Option  |                         | 0            | 0            | 0            |
| 3   | Sweat Equity  |                         | 0            | 0            | 0            |
| 4   | Commission  |                         | 0            | 0            | 0            |
|     | - as % of profit  |                         | 0            | 0            | 0            |
|     | - others, specify   |                         | 0            | 0            | 0            |
| 5   | Others, please specify(Death Benefit)   |                         |              |              |              |
|     | <b>Total (A)</b>  |                         | <b>18.25</b> | <b>12.08</b> | <b>30.33</b> |

Ceiling as per the Act

**B. Remuneration to other Directors**

| SN. | Particulars of Remuneration                | Name of Directors |   |   | Total Amount |
|-----|--|-------------------|---|---|--------------|
|     |  |                   |   |   | (Rs/Lac)     |
| 1   | Independent Directors                      | 0                 | 0 | 0 | 0            |
|     | Fee for attending board committee meetings | 0                 | 0 | 0 | 0            |
|     | Commission                                 | 0                 | 0 | 0 | 0            |
|     | Others, please specify                     | 0                 | 0 | 0 | 0            |
|     | Total (1)                                  | 0                 | 0 | 0 | 0            |
| 2   | Other Non-Executive Directors              | 0                 | 0 | 0 | 0            |
|     | Fee for attending board committee meetings | 0                 | 0 | 0 | 0            |
|     | Commission                                 | 0                 | 0 | 0 | 0            |
|     | Others, please specify                     | 0                 | 0 | 0 | 0            |
|     | Total (2)                                  | 0                 | 0 | 0 | 0            |
|     | Total (B)=(1+2)                            | 0                 | 0 | 0 | 0            |
|     | Total Managerial Remuneration              | 0                 | 0 | 0 | 0            |
|     | Overall Ceiling as per the Act             | 0                 | 0 | 0 | 0            |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

| SN. | Particulars of Remuneration   | Name of Key Managerial Personnel |     |                      | Total Amount |
|-----|---|----------------------------------|-----|----------------------|--------------|
|     |   |                                  |     |                      | (Rs/Lac)     |
|     |   |                                  |     | V.R.Sadasivan Pillai |              |
|     |   | CEO                              | CFO | CS                   |              |
| 1   | Gross salary  |                                  |     |                      |              |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                                  |     | 11.47                | 11.47        |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0                                | 0   | 0                    | 0            |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | 0                                | 0   | 0                    | 0            |
| 2   | Stock Option  | 0                                | 0   | 0                    | 0            |
| 3   | Sweat Equity  | 0                                | 0   | 0                    | 0            |
| 4   | Commission  | 0                                | 0   | 0                    | 0            |
|     | - as % of profit  | 0                                | 0   | 0                    | 0            |
|     | - others, specify   | 0                                | 0   | 0                    | 0            |
| 5   | Others, please specify  | 0                                | 0   | 0                    | 0            |
|     | Total   | 0                                | 0   | 11.47                | 11.47        |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|------|------------------------------|-------------------|---|------------------------------|------------------------------------|
|      |                              |                   |   |                              |                                    |

| <b>A. COMPANY</b>                   |  |  |            |            |            |            |
|-------------------------------------|--|--|------------|------------|------------|------------|
| Penalty                             |  |  | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> |
| Punishment                          |  |  | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> |
| Compounding                         |  |  | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> |
| <b>B. DIRECTORS</b>                 |  |  |            |            |            |            |
| Penalty                             |  |  | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> |
| Punishment                          |  |  | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> |
| Compounding                         |  |  | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |  |  |            |            |            |            |
| Penalty                             |  |  | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> |
| Punishment                          |  |  | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> |
| Compounding                         |  |  | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> | <b>NIL</b> |

## Overview Management Reviews Management Reports Financial Statements

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The company aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, government and also the general public at large. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations. We, Prima Agro Limited, are committed to good corporate governance and its adherence to the best practices of true spirits at all times. Our corporate Governance philosophy rests on five basic tenets viz., Board's accountability, value creation, strategic guidance, transparency and equitable treatment to all stakeholders.

#### (A) BOARD OF DIRECTORS

Composition of the Board and category of Directors

As on 31<sup>st</sup> March, 2017, the Company's Board consists of Four Directors having considerable professional experience in their respective fields. Out of them, two are Independent Directors and two are Non-Executive Directors including one Woman Director and the Chairman and Managing Director of the Company. The Composition of the Board is in Conformity with clause 49 of Listing Agreements with Stock Exchanges and as per Companies Act, 2013 which is effective as on 31st March, 2016.

#### (B) Role of Board of Directors

Your Company's Board of Directors plays primary role in ensuring good governance, smooth functioning of the Company and in the creating of shareholder value. The Board's role, functions, responsibility and accountability are clearly defined. As part of its function, your Board periodically reviews all the relevant information which is required to be placed before it pursuant to Clause 49 of the Listing Agreement and in particular reviews and approves corporate strategies, business plans, annual budgets, projects and capital expenditure. Your Board not only monitors the Company's overall corporate performance it also set standards of corporate behavior, ensures transparency in corporate dealing and compliance with the laws and regulations.

Agenda of the Board Meeting and Notes on Agenda are circulated to the Directors as far as possible well in advance of each Board Meeting. At the Board meeting elaborate presentations are made to the Board. The members discusses each agenda item freely in detail. 6 Numbers of Board Meetings were held, 11.04.2016, 28.04.2016, 30.05.2016, 30.07.2016, 31.10.2016 & 31.01.2017 during the year.

### OTHER COMMITTEES AT BOARD LEVEL

#### (A) Independent Audit Committee

The Audit Committee at the Board level of your Company acts as a link between the Independent Auditors, the Management and the Board of Directors. The Audit committee interacts with the Independent Auditors, Secretarial Auditors and Cost Auditors and reviews and recommends their

appointment and remuneration. The Audit Committee is provided with all necessary assistance and information for enabling them to carry out its function effectively.

In general the Audit Committee reviews the Audit and internal control procedures, accounting policies and the Company's financial reporting process and ensure that the financial statements are correct, sufficient and credible and exercises the powers as recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 2013. Further your Audit Committee also reviews the following information mandatorily:

1. Management discussion and analysis of financial conditions and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Management letters/letters of internal control weaknesses if any issued by the statutory auditors;
4. Internal Audit report relating to internal control weaknesses, if any and implementation of action points arising there from and
5. The appointment, removal and terms of remuneration of the Internal Auditors
6. Quarterly and annual financial statements and
7. Risk assessment and minimization procedures

The Audit Committee comprises of, Mr.Ladhu Singh and Miss.Vanshika Agarwala. All are independent Directors of the Company and are financially literate and having accounting and related Administrative and Financial Management Expertise. Mr. V R Sadasivan Pillai, Company Secretary acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee is Miss.Vanshika Agarwala.

During the year under review the Audit Committee met 4 times on 28.05.2016, 28.07.2016, 29.10.2016 & 28.01.2017 to deliberate on various matters.

#### **(B) Stakeholders Relationship Committee**

In compliance with the provisions of Listing agreement and Section 178 of Companies Act, 2013, your company re-constituted this committee as "Stakeholders Relationship Committee". This committee of the Board of your Company looks into various issues relating to shareholders/investors including transfer and transmission of shares held by shareholders in physical format as well as in demat form and tracks investor complaints and suggest measures for improvement from time to time.

The Committee comprises of Mr. Ladhu Singh and Miss. Vanshika Agarwala as members. During the year under review the committee met on 9 times on 12.04.2016, 18.05.2016, 06.06.2016, 27.08.2016, 08.09.2016, 12.11.2016, 06.12.2016, 08.02.2017 & 08.03.2017 to deal with various matters referred above. Mr V R Sadasivan Pillai, Company Secretary, being Compliance Officer acts as Secretary to the Committee to discharge the function of the Committee and to place a report at each Board meeting on matters dealt by the committee each quarter. During the year no Complaints were received.

As on 31<sup>st</sup> March, 2017 no complaints remained unattended/pending more than thirty days. The company has no share transfers/transmission pending as on 31<sup>st</sup> March, 2017.

#### **(C) Corporate Social Responsibility Committee (CSR Committee)**

The CSR Committee of your Company comprises of Mr. Ladhu Singh and Miss. Vanshika Agarwala as members. The committee was reconstituted on 28.04.2016 with the induction of the above Independent Directors as per requirement of Companies Act, 2013 read with Rules. The Committee met on 31.10.2016 and reviewed the CSR activities undertaken during the year.

#### **(D) Nomination and Remuneration Committee**

In compliance of Section 178 of Companies Act, 2013 the Board renamed the Remuneration committee as "Nomination and Remuneration Committee. Your Board has re-constituted the Nomination and Remuneration Committee which now comprises of Mr. Ladhu Singh and Miss. Vanshika Agarwala as Members.



The terms of reference of the committee inter alia include:

Succession planning for Board of Directors and Senior Management Employees, Identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria's, Identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position. Review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual and group and also maintains a balance between fixed and incentive pay reflecting both short and long term objectives of the company.

The Committee met on 28.05.2016 and reviewed the performance of the Directors both Non-Executive and Executive Directors and also the senior managerial personnel including Key Managerial personnel during the year.

#### **(E) Risk Management Committee**

Evaluation of Business Risk and managing the risk has always been an ongoing process in your Company. The Company has set up a risk management framework to identify, monitor and minimize risk and also to identify business opportunities.

The Audit Committee also functions as the Risk Management Committee.

#### **REMUNERATION OF NON- EXECUTIVE / EXECUTIVE DIRECTORS**

All decisions relating to the remuneration of the Directors were taken by the Board of Directors of the Company and on the recommendations from the Nomination and Remuneration Committee and the Audit Committee and in accordance with the Share holders' approval wherever necessary.

Details for remuneration paid / to be paid to the Directors for the year under review are as under:

Name of the Director: Mr. S.K. Gupta

Salary, benefits, bonus etc paid during the year 2016-17- Rs. 18,25,161.00

Commission Due/paid/payable for 2016-17 - Nil

Sitting fees (for Board and its committees) - Nil

Name of the Director: Mrs. Swati Gupta

Salary, benefits, bonus etc paid during the year 2016-17- Rs. 12,07,742.00

Commission Due/paid/payable for 2016-17 - Nil

Sitting fees (for Board and its committees) - Nil

#### **CODE OF CONDUCT AND CEO/CFO CERTIFICATION**

The Company has adopted a code of conduct for all Board members and senior management of the company. The term senior management means personnel of the company who are members of its core management team excluding Board of Directors. Normally this would comprise all members of management one level below the executive directors, including all functional heads.

The code has been circulated to all members of the Board and senior management and the compliance of the same has been affirmed by them.

Mr. S.K.Gupta, Chairman & Managing Director and Mr. V.R. Sadasivan Pillai, General Manager - Finance & Company Secretary of the Company have certified to the Board that:

(a) They have reviewed the Financial Statements and the Cash Flow statement for the year ended 31<sup>st</sup> March,2017 and that to the best of their knowledge and belief that:

- i. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading; and
- ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of their 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) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company pertaining to the financial report and they have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) They have indicated to the auditors and the Audit Committee:

i) Significant changes in internal control over financial reporting during the year;

ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

We hereby confirm that:

"The company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management in respect of the financial year 2016-17"

**S.K. Gupta**  
**Chairman & M. D**

**V .R. Sadasivan Pillai**  
**General Manager (F) and Company Secretary**

Name and Designation of the Compliance Officer(s): Mr. V .R. Sadasivan Pillai , General Manager-Finance and Company Secretary has taken over as Compliance Officer w.e.from 31.01.2011. He has been appointed under Section 203 of the Companies Act, 2013 as a Key Managerial Personnel and Compliance officer. He takes care of all legal compliance of the company from time to time.

## **7. General Body Meetings**

(i) The Annual General Meetings for the last three years were held as follows:

| <b>Year</b> | <b>Location</b>                                   | <b>Date</b> | <b>Time</b> | <b>No. of special resolutions passed</b> |
|-------------|---|-------------|-------------|--|
| 2013-14     | Door No,V/679-C,IDA,<br>Muppathadadam P.O. Edayar | 16.08.14    | 10. AM      | 1  |
| 2014-15     | Door No,V/679-C,IDA,<br>Muppathadadam P.O. Edayar | 07.09.15    | 10. AM      | 2  |
| 2015-16     | Door No,V/679-C,IDA,<br>Muppathadadam P.O. Edayar | 22-8- 16    | 11.A.M      | 3  |

Whether any Special Resolution passed in the previous 3 AGMs: - Yes

Whether special resolutions were passed through postal ballots: - No

Are votes proposed to be conducted through postal ballots this year:-No

## **8. Disclosures:**

1. Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoter, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large:

All transactions with related parties were in the ordinary course of business and at arm's length. The company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company.

The details of related party transactions are disclosed in Note No. 29 attached to and forming part of the accounts.

2. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years. None

3. Compliance with Accounting Standards In the preparation of financial statements there is no deviation from the prescribed Accounting Standards.

4. Compliance Certificate from the auditors Certificate from the auditors of the company confirming compliance with the mandatory requirements under clause 49 of the listing agreement is annexed to this report. This certificate has also been forwarded to the Stock Exchanges where the shares of company are listed.

5. Adoption of non mandatory requirements under clause 49 and as applicable under Companies Act, 2013

The company complies with the following non-mandatory requirements under clause 49 with reference to Companies Act, 2013 relating to Audit Committee.

#### **(a) Remuneration Committee**

The Board has constituted a remuneration committee consisting of three directors all of whom are non executive directors, the chairman of the committee being an independent director. The remuneration committee recommends/reviews remuneration of the Directors

#### **(b) Whistle blower policy**

The company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons.

The reports received from any employee will be reviewed by the audit committee. It is affirmed that no person has been denied access to the audit committee in this respect.

The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

#### **(c) Risk Management**

Your Company has a comprehensive risk management policy. Your Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls the risks through properly defined framework.

The Audit Committee, has been designated by the Board for reviewing the adequacy of the risk management framework of the Company, the key risks associated with the businesses of the Company and the measures are taken in place to minimize the same and thereafter the details are presented to and discussed at the Board meeting. The risk management issues are discussed in the Management Discussion and Analysis Report.

### **9. Means of Communication**

Quarterly results:

The quarterly results of the company are published in Janayugam, Malayalam daily and in Financial Express, English Daily.

A detailed report on Managerial Discussion and Analysis is enclosed herewith as part of Annual Report.

### **10. General Shareholder Information:**

1. Annual General Meeting Date: 16<sup>th</sup> September, 2017 at 11.00 a.m.

Venue

: Door No.V/679-C, Ind. Development Area,

Muppathadam P.O., Edayar,  
Cochin – 683 110

2. Financial Year : April 2016 to March 2017  
3. Book closure date : 10<sup>th</sup>September, 2017 to 16<sup>th</sup>September,2017  
(both days inclusive),  
4. Dividend recommended for the year: NIL  
5. Listing on stock exchange : Bombay and National Stock Exchanges  
6. Stock Code : BOMBAY:519262  
7. Market price Data (Face value of Rs. 10) (BSE) : High: Rs. 10.64 Low: Rs.  
4.82.

**Total No.of share dealt during the Year 2016-17**

| Month          | Month's High Price | Month's Low Price |
|----------------|--------------------|-------------------|
| April-2016     | 6..30              | 5.45              |
| May-2016       | 5.65               | 5.14              |
| June-2016      | 5.07               | 4.82              |
| July-2016      | 5.25               | 5.00              |
| August-2016    | 6.06               | 5.25              |
| September-2016 | 5.93               | 4.90              |
| October - 2016 | 6.22               | 5.45              |
| November-2016  | 7.80               | 6.30              |
| December-2016  | 8.49               | 6.65              |
| January-2017   | 6.88               | 5.93              |
| February-2017  | 8.53               | 6.22              |
| March-2017     | 10.64              | 8.95              |

Register and transfer Agent: Venture Capital and Corporate Investments Pvt. Ltd  
(Category- I Registrars)  
12-10-167, Bharatnagar,  
Hyderabad – 500 018  
Ph: 040-23818475, Fax:040-23868024  
Email: info@vccilindia.com

**8. Performance in comparison to broad-based indices: NA**

**9. Share transfer system:** During the year the share transfers which were received in physical forms and for which documents were valid and complete in all respects, were processed and the share certificates were returned within the prescribed time from the date of receipt through the Company's RTA.

**10. Distribution of shareholding as on 31<sup>st</sup> March 2017**

| Shareholding Nominal Value | Shareholders |            | Shares          |            |
|----------------------------|--------------|------------|-----------------|------------|
|                            | Number       | %          | Amount (₹)      | %          |
| Upto - 5000                | 12021        | 93.20      | 18729950        | 36.05      |
| 5001 - 10000               | 538          | 4.17       | 4480070         | 8.62       |
| 10001 - 20000              | 195          | 1.51       | 2863560         | 5.51       |
| 20001 - 30000              | 50           | 0.39       | 1267110         | 2.44       |
| 30001 - 40000              | 17           | 0.13       | 597300          | 1.15       |
| 40001 - 50000              | 21           | 0.16       | 982990          | 1.89       |
| 50001 - 100000             | 28           | 0.22       | 2022230         | 3.89       |
| 100001 and above           | 28           | 0.22       | 21005790        | 40.44      |
| <b>Total</b>               | <b>12898</b> | <b>100</b> | <b>51949000</b> | <b>100</b> |

Shareholding Pattern as on 31<sup>st</sup> March, 2017:

| Category Code | Category Shareholder   | No. of shareholders | Total No. of shares | No. of shares held dematerialized form | Percentage to total shares |
|---------------|--|---------------------|---------------------|--|----------------------------|
| (A)           | Promoter and Promoter Group  |                     |                     |  |                            |
| (1)           | Indian   |                     |                     |  |                            |
| (a)           | Individuals/Hindu Undivided Family   | 7                   | 855300              | 812800                                 | 16.46                      |
| (b)           | Bodies Corporate   | 4                   | 887900              | 297200                                 | 17.09                      |
|               | <b>Sub-Total (A) (1)</b>   | <b>11</b>           | <b>1743200</b>      | <b>1110000</b>                         | <b>33.56</b>               |
| (2)           | Foreign  |                     |                     |  |                            |
|               | Bodies Corporate   | 0                   | 0                   | 0                                      | 0                          |
|               | <b>Sub-Total (A) (2)</b>   | <b>0</b>            | <b>0</b>            | <b>0</b>                               | <b>0</b>                   |
|               | <b>Total shareholding of Promoter and Promoter Group A=(A)(1)+ (A)(2)</b>      | <b>11</b>           | <b>1743200</b>      | <b>1110000</b>                         | <b>33.56</b>               |
|               | <b>Public Shareholding</b>   |                     |                     |  |                            |
| (1)           | Institutions   |                     |                     |  |                            |
| (a)           | Mutual Funds   | 0                   | 0                   | 0                                      | 0                          |
| (b)           | Foreign Institutional Investors  | 0                   | 0                   | 0                                      | 0                          |
|               | <b>Sub-Total (B)(1)</b>  | <b>0</b>            | <b>0</b>            | <b>0</b>                               | <b>0</b>                   |
|               | Central Government/State Government(s)   | 0                   | 0                   | 0                                      | 0                          |
|               | <b>Sub-Total(B)(2)</b>   | <b>0</b>            | <b>0</b>            | <b>0</b>                               | <b>0</b>                   |
| (2)           | Non-Institutions   |                     |                     |  |                            |
|               | Bodies Corporate   | <b>37</b>           | <b>81693</b>        | <b>56393</b>                           | <b>1.57</b>                |
| (b)           | Individuals  |                     |                     |  |                            |
|               | i.Individual Shareholders holding nominal sharecapital upto Rs. 2 Lakh         | 12838               | 3175557             | 500757                                 | 61.13                      |
|               | ii.Individual Shareholders holding nominal share capital in excess of Rs.2Lakh | 6                   | 189014              | 107814                                 | 3.64                       |
| (c)           | Corporate  |                     |                     |  |                            |
| (d)           | Clearing Member  | 3                   | 4918                | 4918                                   | 0.09                       |
| (e)           | Trust  | 0                   | 0                   | 0                                      | 0                          |
| (f)           | Non Resident Individuals   | 3                   | 518                 | 518                                    | 0.01                       |
|               | <b>Sub-Total (B) (3)</b>   | <b>12887</b>        | <b>3451700</b>      | <b>670400</b>                          | <b>66.44</b>               |
|               | <b>Total Public Shareholding B=(B)(1)+ (B)(2)+ (B)(3)</b>                      | <b>12887</b>        | <b>3451700</b>      | <b>670400</b>                          | <b>66.44</b>               |
|               | <b>Total (A)+ (B)</b>  | <b>12898</b>        | <b>5194900</b>      | <b>1780400</b>                         | <b>100.00</b>              |

11. **Dematerialisation of shares and liquidity:** The company has arranged agreements with National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) for Dematerialisation of shares through Venture Capital and Corporate Investments Pvt. Ltd. The Company's shares are regularly traded on the Bombay Stock Exchange Ltd, in electronic form. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company Shares is INE297D01018.

12. **Outstanding GDR/ADR/Warrants or any convertible instruments, conversion instruments, conversion date and impact on equity:** NIL

13. **Plant locations:**

**Edayar Unit**

Industrial Development Area  
Muppathadam P.O., Edayar  
Cochin- 683 110

**Trivandrum Unit**

Industrial Development Area  
Plot No. 71, Kochuveli  
Trivandrum - 695 021

14. Address for correspondence:      The Company Secretary  
Prima Agro Ltd  
Door No.V/679-C,  
Industrial Development Area  
Muppathadam .P.O., Edayar,  
Cochin - 683 110  
Ph: 0484-2551533/2551534  
Email:primaedayar@gmail.com  
CIN: L15331KL1987PLC004833

15. Registrar and Share Transfer Agents:

Venture Capital and Corporate Investments Pvt. Ltd  
(Category- I Registrars)  
12-10-167, Bharatnagar,  
Hyderabad - 500 018  
Ph: 040-23818475, Fax: 040-23868024  
Email:info@vccilindia.com

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of Prima Agro Limited

1. We have examined the compliance of conditions of Corporate Governance by Prima Agro Limited for the year ended 31<sup>st</sup> March, 2017 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with 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.

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

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

**For Vijayakumar & Easwaran**

Chartered Accountants

FRN 004703S

Sd/-

K.Easwaran Pillai

Senior Partner

Membership No.22062

Place:Kochi

Date: 30-05-2017

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

I hereby declare that all the Board members and senior management personnel have affirmed compliance with Prima Agro Ltd code of conduct for the year ended 31<sup>st</sup> March 2017.

Place:Kochi

**S.K.Gupta**

**CHIEF EXECUTIVE OFFICER (CEO) AND  
CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

We, S.K.Gupta, Chairman cum Managing Director & CEO and Swati Gupta, Deputy Managing Director (Whole Time Director) & CFO of Prima Agro Ltd, to the best of our knowledge and belief, certify that:

We have reviewed the financial statements and the cash flow statement for the year under review and to the best of our knowledge and belief:

- these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
- these statements together present a true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulations.

To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.

We are responsible for establishing and maintain internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and disclosed to the auditors and audit committee, the deficiencies in the design and operation of such internal controls and the steps taken to rectify these deficiencies.

We have indicated to the auditors and the audit committee that:

- there are no significant changes in internal control over financial reporting during the year.
- there are no significant changes in accounting policies during the year.
- there are no frauds of which we are aware, that involves management or other employees who have a significant role in the company's internal control system.

S.K.Gupta

Chairman cum M.D. & CEO

Swati Gupta

Depy. Managing Director & CFO

Place: Kochi

Date: 31-07-2017

**INDEPENDENT AUDITOR'S REPORT**

**The Members**

**PRIMA AGRO LIMITED,  
V-679/C, INDUSTRIAL DEVELOPMENT AREA  
MUPPATHADAM, EDAYAR  
KOCHI - 683 110**

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. **PRIMA AGRO LIMITED ("the Company")**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the

Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 qualified audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2017;
- b) In the case of the statement of Profit and 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 Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
- 2) As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) 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.



- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The Company has adequate internal financial control over financial reporting and the operating effectiveness of such controls.
- g) With respect to other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company do not have any pending litigations which would impact its financial position.
  - ii) The Company do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv) The Company has provided requisite disclosure in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For VIJAYAKUMAR & EASWARAN  
CHARTERED ACCOUNTANTS  
FRN Regn. No. 004703S  
Sd/-  
CA. K. EASWARAN PILLAI, FCA  
SENIOR PARTNER  
Membership No. 022062

Place : COCHIN - 16  
Date :30/05/2017

**ANNEXURE TO AUDITOR'S REPORT**  
*(Referred to 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 program 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) According to the information's and explanations given to us, the title deeds of the immovable properties are held in the name of 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.189 under the Companies Act.

| SNo | Name of the Company/Firm or Other Parties | Relation-ship  | Loan Granted/ (Repaid) during the year | Year end Balance |
|-----|---|--|--|------------------|
| 1.  | Ayyappa Real Estate (P) Ltd               | Entity in which Key Managerial Person have significant influence | 226.00                                 | 8,478.00         |
| 2.  | PAPL Exim India Ltd                       |  | (20,818.00)                            | 1,16,413.80      |
| 3.  | Prima Alloys (P) Ltd                      |  | (752.00)                               | 7,500.00         |
| 4.  | Prima Credits Ltd                         |  | (1,821.00)                             | 8,600.00         |
| 5.  | Prima Industries Ltd                      |  | 3,41,465.00                            | 40,90,377.00     |
| 6.  | Ayyappa Roller Flour Mills Ltd.           |  | 54,88,480.00                           | 1,27,47,921.08   |
| 7.  | Prima Beverages (P) Ltd.                  |  | 6,80,654.40                            | 6,80,654.40      |

- b) Due to lack of adequate information, we are unable to comment on the rate of interest, term of repayment and other terms and conditions on which loans have been taken from/ granted to companies, firm & other parties listed in the register maintained u/s 189 of the Companies Act, 2013 which are prima facie, prejudicial to the interest of the company since the terms are not defined.
- iv. In our opinion and according to the information and explanations given to us and subject to clause iii above, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public hence the directions issued by the Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed thereunder are not applicable to this company.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act.
- vii. In respect of Statutory Dues:
- 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.
- 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.
- viii. In our opinion and according to the information and explanation given to us, the company during the year has not defaulted in repayment of dues to the Financial Institutions.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments or term loan. Accordingly the provisions of clause 3(ix) of the Order is not applicable to the Company.
- x. In our opinion and 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.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Companies Act.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- xiv. Based upon audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order is not applicable to the Company and hence not commented upon.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order is not applicable to the Company and hence not commented upon.
- xvi. In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For VIJAYAKUMAR & EASWARAN  
CHARTERED ACCOUNTANTS  
FRN Regn. No. 004703S  
Sd/-  
CA. K. EASWARAN PILLAI, FCA  
SENIOR PARTNER  
Membership No. 022062

Place : COCHIN - 16  
Date :30/05/2017

**PRIMA AGRO LIMITED**  
**Balance Sheet as at 31st March 2017**

|            | Particulars   | Note No. | 31st March 2017       | 31st March 2016       |
|------------|---|----------|-----------------------|-----------------------|
| <b>I</b>   | <b>EQUITY &amp; LIABILITY</b>                                       |          |                       |                       |
| <b>(1)</b> | <b>Shareholders Fund</b>  |          |                       |                       |
|            | (a) Share Capital   | 1        | 111,949,000.00        | 111,949,000.00        |
|            | (b) Reserves & Surplus  | 2        | -44,265,018.06        | -60,930,378.22        |
| <b>(2)</b> | <b>Non-Current Liabilities</b>                                      |          |                       |                       |
|            | (a) Long Term Borrowings  | 3        | 7,183,898.06          | 6,011,084.00          |
|            | (b) Deferred Tax Liabilities  |          | 961,447.00            | 3,165,408.00          |
|            | (c) Long Term Provisions  | 4        | 8,352,603.00          | 5,559,430.16          |
| <b>(3)</b> | <b>Current-Liabilities</b>  |          |                       |                       |
|            | (a) Trade Payables  |          | 22,836,474.30         | 25,737,184.05         |
|            | (b) Other Current Liabilities                                       | 5        | 2,679,692.34          | 2,674,852.85          |
|            | (c) Short Term Provisions   | 6        | 20,990,000.00         | 11,990,000.00         |
|            | <b>TOTAL</b>  |          | <b>130,688,096.64</b> | <b>106,156,580.84</b> |
| <b>II</b>  | <b>ASSETS</b>   |          |                       |                       |
| <b>(1)</b> | <b>Non-Current Assets</b>   |          |                       |                       |
|            | (a) Fixed Assets  |          |                       |                       |
|            | (i) Tangible Assets   | 7        | 42,962,689.62         | 39,183,276.42         |
|            | (ii) Capital Work in Progress                                       |          | -                     | 3,772,382.50          |
|            | (b) Non-Current Investments   | 8        | 34,934,190.10         | 29,524,480.00         |
|            | (c) Long Term Loans & Advances                                      | 9        | 41,346,616.09         | 25,116,657.69         |
| <b>(2)</b> | <b>Current Assets</b>   |          |                       |                       |
|            | (a) Inventories   | 10       | 96,669.42             | 276,576.79            |
|            | (b) Trade Receivables   | 11       | 2,527,848.50          | 2,137,101.00          |
|            | (c) Cash & Cash Equivalents   | 12       | 5,497,427.16          | 3,146,401.44          |
|            | (d) Short Term Loans & Advances                                     | 13       | 2,785,312.75          | 2,482,000.00          |
|            | (e) Other Current Assets  |          | 537,343.00            | 517,705.00            |
|            | <b>TOTAL</b>  |          | <b>130,688,096.64</b> | <b>106,156,580.84</b> |
|            | Significant Accounting Policies & Notes<br>Forming Part of Accounts |          |                       |                       |

For PRIMA AGRO LIMITED

*As per our report of even date attached*  
For VIJAYAKUMAR & EASWARAN  
**CHARTERED ACCOUNTANTS**  
FRN: 004703S

**S K GUPTA**  
**CHAIRMAN & M.D**

**SWATI GUPTA**  
**DEPUTY MANAGING DIRECTOR**

**CA K EASWARAN PILLAI,**  
**FCA**  
**SENIOR PARTNER**  
**Membership No. 022062**

Place : **Cochin-16**  
Date : **30/05/2017**

**Statement of Profit & Loss for the year ended 31st March 2017**

|             | <b>Particulars</b>   | <b>Note No.</b> | <b>31st March 2017</b> | <b>31st March 2016</b> |
|-------------|--|-----------------|------------------------|------------------------|
| <b>I</b>    | Revenue from Operation   | 14              | 118,650,729.50         | 114,694,124.80         |
| <b>II</b>   | Other Income   | 15              | 2,175,521.05           | 327,330.96             |
| <b>III</b>  | <b>Total Revenue (I+II)</b>  |                 | <b>120,826,250.55</b>  | <b>115,021,455.76</b>  |
| <b>IV</b>   | Expenses :   |                 |                        |                        |
|             | Cost of Materials Consumed   | 16              | 6,296,444.00           | 4,514,911.00           |
|             | Change in Inventories of Finished Goods, Work in Progress and Stock in Trade | 17              | 179,907.37             | -39,749.58             |
|             | Employee Benefit Expenses  | 18              | 23,261,466.84          | 20,595,653.55          |
|             | Finance Costs  | 19              | 737,479.43             | 412,540.49             |
|             | Depreciation & Amortization Expenses   | 7               | 7,306,707.45           | 8,531,020.81           |
|             | Other Expenses   | 20              | 60,321,743.93          | 70,386,615.58          |
|             | <b>Total Expenses</b>  |                 | <b>98,103,749.03</b>   | <b>104,400,991.84</b>  |
| <b>V</b>    | <b>Profit before Exceptional Items &amp; Tax (III-IV)</b>                    |                 | 22,722,501.52          | 10,620,463.92          |
| <b>VI</b>   | Add: Exceptional Items   |                 | 207,940.16             | -314,412.39            |
| <b>VII</b>  | Add: Prior Period Items  |                 | 530,957.48             | -                      |
| <b>VIII</b> | <b>Profit before Tax (V+VI+VII)</b>  |                 | 23,461,399.16          | 10,306,051.53          |
| <b>IX</b>   | Tax Expense :  |                 |                        |                        |
|             | (1) Current Tax  |                 | 9,000,000.00           | 5,500,000.00           |
|             | (2) Short/Excess Provision of Tax  |                 | -                      | -                      |
|             | (3) Deferred Tax   |                 | -2,203,961.00          | -1,561,870.00          |
| <b>X</b>    | <b>Profit/(Loss) for the Period (VIII-IX)</b>                                |                 | <b>16,665,360.16</b>   | <b>6,367,921.53</b>    |
| <b>XI</b>   | Earning Per Equity Share :   |                 |                        |                        |
|             | (1) Basic  |                 | 2.05                   | 1.23                   |
|             | (2) Diluted  |                 | 2.05                   | 1.23                   |

For PRIMA AGRO LIMITED

*As per our report of even date attached*  
**For VIJAYAKUMAR & EASWARAN**  
**CHARTERED ACCOUNTANTS**  
**FRN: 004703S**

**S K GUPTA**  
**CHAIRMAN & M.D**

**SWATI GUPTA**  
**DEPUTY MANAGING DIRECTOR**

**CA K EASWARAN PILLAI,**  
**FCA**  
**SENIOR PARTNER**  
**Membership No. 022062**

Place: **Cochin-16**  
Date : **30/05/2017**

**PRIMA AGRO LIMITED**  
**Cash Flow Statement for the year ended 31st March 2017**

|          | Particulars   | For the Year Ended   |                       |
|----------|---|----------------------|-----------------------|
|          |   | 31st March 2017      | 31st March 2016       |
| <b>A</b> | <b>Cash Flow from Operating Activities</b>                    |                      |                       |
|          | Operating Profit/(Loss) Before Tax                            | 23,461,399.16        | 10,306,051.53         |
|          | Adjustments for:  |                      |                       |
|          | Depreciation  | 7,306,707.45         | 8,531,020.81          |
|          | Interest Paid   | 737,479.43           | 412,540.49            |
|          | Loss/(Profit) on Sale of Asset                                | 207,940.16           | 314,412.39            |
|          | Provisions (long term & short term)                           | 2,793,172.84         | 1,457,337.59          |
|          | Transfer to Reserve   | 10,629,419.57        | -                     |
|          | Operating Profit/(Loss) before Working Capital Adjustments    | 34,090,818.73        | 21,021,362.80         |
|          | Working Capital Adjustments:                                  |                      |                       |
|          | Trade Receivables   | 390,747.50           | 93,923.00             |
|          | Inventory   | 179,907.37           | 39,749.58             |
|          | Other Current Assets  | 19,638.00            | 2,126.00              |
|          | Short Term Loans & Advances                                   | 303,312.75           | 967,307.50            |
|          | Trade Payables  | 2,900,709.75         | 3,853,689.55          |
|          | Other Current Liabilities                                     | 4,839.49             | 366,636.15            |
|          | <b>Net Cash Flow from Operating Activity</b>                  | <b>30,661,157.59</b> | <b>24,138,582.42</b>  |
| <b>B</b> | <b>Cash Flow from Investment Activities</b>                   |                      |                       |
|          | Capital Work-in Progress                                      | 3,772,382.50         | -1,788,355.00         |
|          | Sale/(Purchase) of fixed Assets                               | 10,878,180.50        | -8,364,140.00         |
|          | Loans and Advances (Long term)                                | 16,229,958.40        | -71,901.87            |
|          | Decrease/(Increase) in Investments (Long Term)                | 5,409,710.10         | -16,000,000.00        |
|          | <b>Net Cash Flow from Investment Activity</b>                 | <b>28,745,466.50</b> | <b>-26,224,396.87</b> |
| <b>C</b> | <b>Cash Flow from Financing Activities</b>                    |                      |                       |
|          | Issue of Share Capital  | -                    | -                     |
|          | Addition/(Repayment) of Secured Loans                         | 1,282,786.66         | 3,184,441.00          |
|          | Addition/(Repayment) of Unsecured Loans                       | 109,972.60           | 43,881.60             |
|          | Interest paid   | 737,479.43           | -412,540.49           |
|          | <b>Net Cash Flow from Financing Activity</b>                  | <b>435,334.63</b>    | <b>2,815,782.11</b>   |
| <b>D</b> | <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b> | <b>2,351,025.72</b>  | <b>729,967.66</b>     |
| <b>E</b> | Opening Balance of Cash & Cash Equivalents                    | 3,146,401.44         | 2,416,433.78          |
| <b>F</b> | Closing Balance of Cash & Cash Equivalents                    | <b>5,497,427.16</b>  | <b>3,146,401.44</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 LIMITED

For VIJAYAKUMAR & EASWARAN  
 CHARTERED ACCOUNTANTS  
 FRN: 004703S

S K GUPTA                      SWATI GUPTA  
 CHAIRMAN & M.D      DEPUTY MANAGING DIRECTOR

CA K EASWARAN PILLAI, FCA  
 SENIOR PARTNER  
 Membership No. 022062

Place :      Cochin-16  
 Date :      30/05/2017

**Note 1**

| Share Capital   | As at 31st March 2017 |                | As at 31st March 2016 |                |
|---|-----------------------|----------------|-----------------------|----------------|
|   | No.                   | Amount         | No.                   | Amount         |
| <b>Authorised</b>   |                       |                |                       |                |
| 70,00,000 Equity Shares of Rs. 10 each                            | 7,000,000             | 70,000,000.00  | 7,000,000             | 70,000,000.00  |
| 1,00,00,000 Cumulative Redeemable Preference Shares of Rs 10 each | 10,000,000            | 100,000,000.00 | 10,000,000            | 100,000,000.00 |
|   | 17,000,000            | 170,000,000.00 | 17,000,000            | 170,000,000.00 |
| <b>Issued</b>   |                       |                |                       |                |
| 51,94,900 Equity Shares of Rs. 10 each                            | 5,194,900             | 51,949,000.00  | 5,194,900             | 51,949,000.00  |
| 60,00,000 Cumulative Redeemable Preference Shares of Rs 10 each   | 6,000,000             | 60,000,000.00  | 6,000,000             | 60,000,000.00  |
| <b>Subscribed &amp; Paid up</b>                                   |                       |                |                       |                |
| 51,94,900 Equity Shares of Rs. 10 each                            | 5,194,900             | 51,949,000.00  | 5,194,900             | 51,949,000.00  |
| 60,00,000 Cumulative Redeemable Preference Shares of Rs 10 each   | 6,000,000             | 60,000,000.00  | 6,000,000             | 60,000,000.00  |
| <b>Subscribed but not fully Paid up</b>                           | -                     | -              | -                     | -              |

**(Equity Shares)**

| Particulars                                     | No.       | Amount        | No.       | Amount        |
|---|-----------|---------------|-----------|---------------|
| Shares outstanding at the beginning of the year | 5,194,900 | 51,949,000.00 | 5,194,900 | 51,949,000.00 |
| Shares Issued during the year                   | -         | -             | -         | -             |
| Shares bought back during the year              | -         | -             | -         | -             |
| Shares outstanding at the end of the year       | 5,194,900 | 51,949,000.00 | 5,194,900 | 51,949,000.00 |

**(Preference Shares)**

| Particulars   | No.       | Amount        | No.       | Amount        |
|---|-----------|---------------|-----------|---------------|
| 10%Preference Shares outstanding at the beginning of the year | 6,000,000 | 60,000,000.00 | 6,000,000 | 60,000,000.00 |
| 10%Preference Shares Issued during the year                   | -         | -             | -         | -             |
| Shares bought back during the year                            | -         | -             | -         | -             |
| Shares outstanding at the end of the year                     | 6,000,000 | 60,000,000.00 | 6,000,000 | 60,000,000.00 |

**(Equity Shares)**

| Name of Shareholder            | As at 31 March 2017 |              | As at 31 March 2016 |              |
|--------------------------------|---------------------|--------------|---------------------|--------------|
|                                | No. of Shares held  | % of Holding | No. of Shares held  | % of Holding |
| Sanjay Gupta (Legal Heirs)     | 391,600             | 7.54%        | 391,600             | 7.54%        |
| Ayyappa Roller Flour Mills Ltd | 297,200             | 5.72%        | 297,200             | 5.72%        |
| Ayyappa Real Estate (P) Ltd    | 274,300             | 5.28%        | 274,300             | 5.28%        |

**(Preference Shares)**

| Name of Shareholder            | As at 31 March 2017 |              | As at 31 March 2016 |              |
|--------------------------------|---------------------|--------------|---------------------|--------------|
|                                | No. of Shares held  | % of Holding | No. of Shares held  | % of Holding |
| Ayyappa Roller Flour Mills Ltd | 6,000,000           | 100.00%      | 6,000,000           | 100.00%      |

**Note 2**

|          | Reserves & Surplus                      | 31st March 2017 | 31st March 2016 |
|----------|---|-----------------|-----------------|
| <b>a</b> | <b>Capital Reserves</b>                 |                 |                 |
|          | Opening Balance                         | 122,499,517.36  | 122,499,517.36  |
|          | (+) Current Year Transfer               |                 |                 |
|          | (-) Written Back in Current Year        |                 |                 |
|          | Closing Balance                         | 122,499,517.36  | 122,499,517.36  |
| <b>b</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                                      | 3,268,350.00           | 3,268,350.00           |
| <b>c</b> | <b>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                                      | 1,850,000.00           | 1,850,000.00           |
| <b>d</b> | <b>Surplus</b>                                       |                        |                        |
|          | Opening balance                                      | (188,548,245.58)       | (194,423,896.29)       |
|          | (+) Net Profit/(Net Loss) For the current year       | 16,665,360.16          | 6,367,921.53           |
|          | (+) Transitional Adjustment                          |                        | (492,270.82)           |
|          | Closing Balance                                      | (171,882,885.42)       | (188,548,245.58)       |
|          |  |                        |                        |
|          | <b>Total</b>   | <b>(44,265,018.06)</b> | <b>(60,930,378.22)</b> |

**Note 3**

| <b>Long-Term Borrowings</b>  |                    | <b>As at 31st March 2017</b> | <b>As at 31st March 2016</b> |
|--|--------------------|------------------------------|------------------------------|
| <b>A. SECURED</b>  |                    |                              |                              |
| <b>a. Term Loans from banks</b>  |                    |                              |                              |
| 1. ICICI Indica Car Loan (EMI A/c)   |                    | 0.00                         | 120,585.00                   |
| 2. ICICI Honda Brio Car Loan (EMI A/c)   |                    | 316,782.40                   | 431,637.10                   |
| <i>(Secured on Hypothecation of Vehicle Honda Brio, Interest Rate- 10.51%, Repayment Terms- Payable in 60 EMI of Rs. 12,900.00/- each commencing on August 2015)</i>     |                    |                              |                              |
| 3. ICICI Car Loan-Mercedes Benz  |                    | 2,366,129.80                 | 3,229,264.30                 |
| <i>(Secured on Hypothecation of Vehicle Mercedes Benz , Interest Rate- 10.06%, Repayment Terms- Payable in 60 EMI of Rs. 95,760.00/- each commencing on August 2015)</i> |                    |                              |                              |
| 4. ICICI Car Loan-Honda City   |                    | 855,079.20                   | -                            |
| <i>(Secured on Hypothecation of Vehicle Honda City, Interest Rate- 9.41%, Repayment Terms- Payable in 60 EMI of Rs. 23,055.00/- each commencing on December 2016)</i>    |                    |                              |                              |
| 5. ICICI Car Loan-Innova   |                    | 1,382,155.70                 | -                            |
| <i>(Secured on Hypothecation of Vehicle Innova, Interest Rate- 9.50%, Repayment Terms- Payable in 60 EMI of Rs. 41,592.00/- each commencing on July 2016)</i>            |                    |                              |                              |
| 6. Tata Motors Finance Ltd- Tata Ace   |                    | 242,452.96                   | -                            |
| <i>(Secured on Hypothecation of Vehicle Tata ACE, Repayment Terms- Payable in 48 EMI of Rs. 10,810.00/- each commencing on June 2016 )</i>                               |                    |                              |                              |
| <b>b. Other loans &amp; advances</b>   |                    |                              |                              |
| LIC Keyman Loan  |                    | -                            | 98,327.00                    |
|  | <b>Total</b>       | <b>5,162,600.06</b>          | <b>3,879,813.40</b>          |
| <b>B. UNSECURED</b>  |                    |                              |                              |
| a. Deposits  |                    | 596,015.00                   | 596,015.00                   |
| b. Loans and Advances from Related Parties   |                    | 1,425,283.00                 | 1,535,255.60                 |
|  | <b>Total</b>       | <b>2,021,298.00</b>          | <b>2,131,270.60</b>          |
|  | <b>Grand Total</b> | <b>7,183,898.06</b>          | <b>6,011,084.00</b>          |

**Note 4**



| Long-Term Provisions                      |              | As at 31st March 2017 | As at 31st March 2016 |
|---|--------------|-----------------------|-----------------------|
| <b>a. Provision for Employee Benefits</b> |              |                       |                       |
| Gratuity                                  |              | 5,024,062.00          | 2,781,312.16          |
| Ex gratia                                 |              | 3,179,466.00          | 2,629,043.00          |
| Other Provisions                          |              | 149,075.00            | 149,075.00            |
|   | <b>Total</b> | <b>8,352,603.00</b>   | <b>5,559,430.16</b>   |

**Note 5**

| Other Current Liabilities                        | As at 31st March 2017 | As at 31st March 2016 |
|--|-----------------------|-----------------------|
| <b>a. Current Maturities of Long - Term Debt</b> |                       |                       |
| (i) Car Loan -Indica                             | -                     | 192,286.60            |
| (ii) Car Loan-Brio                               | 114,854.70            | 103,441.30            |
| (iii) Car Loan- Amaze                            | -                     | 127,738.00            |
| (iv) Car Loan - Benz                             | 863,134.50            | 780,801.20            |
| City (v) Car Loan - Honda                        | 186,530.40            | -                     |
| (vi) Car Loan - Innova                           | 349,448.20            | -                     |
| Ace (vii) Car Loan - Tata                        | 90,243.54             | -                     |
| <b>Total</b>                                     | <b>1,604,211.34</b>   | <b>1,204,267.10</b>   |
| b. Other payables                                | 787,981.00            | 1,211,685.75          |
| c. Other Payables (Audit Fee)                    | 287,500.00            | 258,900.00            |
| <b>Grand Total</b>                               | <b>2,679,692.34</b>   | <b>2,674,852.85</b>   |

**Note 6**

| Short-Term Provisions         | As at 31st March 2017 | As at 31st March 2016 |
|-------------------------------|-----------------------|-----------------------|
| Provision for taxes 2011 - 12 | 150,000.00            | 150,000.00            |
| Provision for taxes 2012 - 13 | 430,000.00            | 430,000.00            |
| Provision for taxes 2013 - 14 | 2,410,000.00          | 2,410,000.00          |
| Provision for taxes 2014 - 15 | 3,500,000.00          | 3,500,000.00          |
| Provision for taxes 2015 - 16 | 5,500,000.00          | 5,500,000.00          |
| Provision for taxes 2016 - 17 | 9,000,000.00          | -                     |
| <b>Total</b>                  | <b>20,990,000.00</b>  | <b>11,990,000.00</b>  |

**Note 8**

| Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--|-----------------------|-----------------------|
| <b>Other Investments</b>   |                       |                       |
| Investments in Government or Trust securities                      | 19,100.00             | 19,100.00             |
| Other non-current investments                                      |                       |                       |
| (a) Investment in Companies  | 10,205,380.00         | 10,205,380.00         |
| (b) Investment in Mutual Funds                                     | 24,709,710.10         | 19,300,000.00         |
| <i>(Market value as on 31-03-2017 amounts to Rs.26,412,110.34)</i> |                       |                       |
| <b>Total</b>   | <b>34,934,190.10</b>  | <b>29,524,480.00</b>  |
| <b>Grand Total</b>   | <b>34,934,190.10</b>  | <b>29,524,480.00</b>  |
| Less : Provision for diminution in the value of Investments        | -                     | -                     |
| <b>Total</b>   | <b>34,934,190.10</b>  | <b>29,524,480.00</b>  |

**Note 9**

| Long Term Loans and Advances | As at 31 March 2017 | As at 31 March 2016 |
|------------------------------|---------------------|---------------------|
| <b>a. Security Deposits</b>  |                     |                     |
| Unsecured, considered good   | 2,930,949.60        | 2,930,949.60        |
|                              | 2,930,949.60        | 2,930,949.60        |

|   |                      |                      |
|---|----------------------|----------------------|
| <b>b. Loans and Advances to Related Parties</b> |                      |                      |
| Unsecured, considered good                      | 17,659,944.28        | 11,172,509.88        |
|   | 17,659,944.28        | 11,172,509.88        |
| <b>c. Other Loans and Advances</b>              |                      |                      |
| Unsecured, considered good                      | 20,755,722.21        | 11,013,198.21        |
|   | 20,755,722.21        | 11,013,198.21        |
|   |                      |                      |
| <b>Grand Total</b>                              | <b>41,346,616.09</b> | <b>25,116,657.69</b> |
|   |                      |                      |

All the loans, advances & deposits are unsecured, considered good

Loans & advances due by:

| Particulars                               | As at 31 March 2017  | As at 31 March 2016  |
|---|----------------------|----------------------|
| (a) Directors                             | -                    | -                    |
| (b) Other officers of the Company         | -                    | -                    |
| (c) Firm in which director is a partner   | -                    | -                    |
| (a) Company in which director is a member | 17,659,944.28        | 11,172,509.88        |
|   | <b>17,659,944.28</b> | <b>11,172,509.88</b> |

**Note 10**

| Inventories       | As at 31 March 2017 | As at 31 March 2016 |
|-------------------|---------------------|---------------------|
| Others (Firewood) | 96,669.42           | 276,576.79          |
|                   |                     |                     |
| <b>Total</b>      | <b>96,669.42</b>    | <b>276,576.79</b>   |
|                   |                     |                     |

**Note 11**

| Trade Receivables   | As at 31st March 2017 | As at 31st March 2016 |
|---|-----------------------|-----------------------|
| <b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b> |                       |                       |
| Secured, considered good  | -                     | -                     |
| Unsecured, considered good  | 2,527,848.50          | 2,137,101.00          |
| Unsecured, considered doubtful  | -                     | -                     |
| Less: Provision for doubtful debts  | -                     | -                     |
|   | 2,527,848.50          | 2,137,101.00          |
|   |                       |                       |
| <b>Total</b>  | <b>2,527,848.50</b>   | <b>2,137,101.00</b>   |
|   |                       |                       |

**Note 12**

| Cash and Bank Balances                              | As at 31st March 2017        | As at 31st March 2016        |
|---|------------------------------|------------------------------|
| <b>I. Cash &amp; cash equivalents</b>               |                              |                              |
| a. Balances with banks*                             | 2,793,021.16                 | 1,190,231.44                 |
| b. Bank deposits with more than 12 months maturity) | 922,532.00                   | 925,904.00                   |
| c. Cash on hand                                     | 45,451.00                    | 30,266.00                    |
|   | 3,761,004.16                 | 2,146,401.44                 |
| <b>II. Other bank balances</b>                      |                              |                              |
| a. Margin money                                     | 1,736,423.00                 | 1,000,000.00                 |
|   | 1,736,423.00                 | 1,000,000.00                 |
|   |                              |                              |
| <b>Grand Total</b>                                  | <b>5,497,427.16</b>          | <b>3,146,401.44</b>          |
|   |                              |                              |
| <b>Balance with Banks</b>                           | <b>As at 31st March 2017</b> | <b>As at 31st March 2016</b> |
| State Bank of India - EKM                           | 20,931.00                    | 34,258.70                    |
| SBI A/c No.36553503236 -Eroor Branch                | 122,905.50                   | -                            |
| ICICI - Kalamassery 00004                           | 1,855,097.09                 | 1,141,415.34                 |
| State Bank of Travancore - TVM                      | 1,624.00                     | 4,288.00                     |
| ICICI Bank-265505000306                             | 100,000.00                   | -                            |
| ICICI Bank-348 A/C                                  | 672,873.99                   | -                            |
| Indian Overseas Bank - CA 353                       |                              | 8,829.35                     |

|              |                     |                     |
|--------------|---------------------|---------------------|
| HDFC         | 18,149.53           | 1,440.05            |
| <b>Total</b> | <b>2,793,021.16</b> | <b>1,190,231.44</b> |

**Disclosure Regarding transaction w.r.t. Specified Bank Notes during the period from 08/11/2016 to 30/12/2016**

| Particulars                           | Other Denomination Notes | Total             |
|---------------------------------------|--------------------------|-------------------|
| Closing cash in hand as on 08.11.2016 | 453,101.00               | 1,435,101.00      |
| Add: Permitted Receipts               | 2,318,084.00             | 2,318,084.00      |
| Less: Permitted Payments              | 2,578,375.00             | 2,578,375.00      |
| Less: Amount deposited in banks       | -                        | 982,000.00        |
| Closing cash in hand as on 30.12.2016 | <b>192,810.00</b>        | <b>192,810.00</b> |

Note 13

| Short-term loans and advances | As at 31st March 2017 | As at 31st March 2016 |
|-------------------------------|-----------------------|-----------------------|
| a. Others                     |                       |                       |
| Secured, considered good      | -                     | -                     |
| Unsecured, considered good    | 2,785,312.75          | 2,482,000.00          |
| Doubtful                      | -                     | -                     |
| Total                         | 2,785,312.75          | 2,482,000.00          |

Note 14

| Particulars                 | For the year ended 31st March 2017 | For the year ended 31st March 2016 |
|-----------------------------|------------------------------------|------------------------------------|
| a) Sale of products         | -                                  | -                                  |
| b) Processing Charges       | 118,426,379.50                     | 114,356,814.80                     |
| c) Other operating revenues | 224,350.00                         | 337,310.00                         |
| Total                       | 118,650,729.50                     | 114,694,124.80                     |

Note 15

| Particulars   | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|---|----------------------------------|----------------------------------|
| Other non-operating income (net of expenses directly attributable to such income) | 2,175,521.05                     | 327,330.96                       |
| Total   | 2,175,521.05                     | 327,330.96                       |

Note 16

| Cost of Materials Consumed  | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|-----------------------------|----------------------------------|----------------------------------|
| a) Packing materials        | -                                | -                                |
| b) Store Materials          | 1,979,530.00                     | 1,073,756.00                     |
| c) Store Consumables        | 3,283,356.00                     | 2,517,275.00                     |
| d) Consumables - Interstate | 1,033,558.00                     | 923,880.00                       |
| <b>Total</b>                | <b>6,296,444.00</b>              | <b>4,514,911.00</b>              |

Note 7

| Fixed Assets                    | Gross Block                  |                        |                               | Accumulated Depreciation     |                         |                   | Net Block                     |                               |                               |
|---------------------------------|------------------------------|------------------------|-------------------------------|------------------------------|-------------------------|-------------------|-------------------------------|-------------------------------|-------------------------------|
|                                 | Balance as at 1st April 2016 | Additions/ (Disposals) | Balance as at 31st March 2017 | Balance as at 1st April 2016 | Dep charge for the year | On disposals      | Balance as at 31st March 2017 | Balance as at 31st March 2016 | Balance as at 31st March 2017 |
| <b>Tangible Assets</b>          |                              |                        |                               |                              |                         |                   |                               |                               |                               |
| Land                            | 4,202,195.00                 |                        | 4,202,195.00                  | -                            |                         |                   | -                             | 4,202,195.00                  | 4,202,195.00                  |
| Buildings                       | 43,935,223.92                | 2,909,780.00           | 46,845,003.92                 | 23,410,002.43                | 2,294,248.62            |                   | 25,704,251.05                 | 20,525,221.49                 | 21,140,752.87                 |
| Plant and Equipment             | 86,764,101.51                | 3,895,064.50           | 90,659,166.01                 | 78,717,520.53                | 2,035,343.38            |                   | 80,752,863.91                 | 8,046,580.98                  | 9,906,302.10                  |
| Furniture and Fixtures          | 913,020.00                   |                        | 913,020.00                    | 900,460.17                   | -                       |                   | 900,460.17                    | 12,559.83                     | 12,559.83                     |
| Vehicles                        | 10,581,198.00                | 3,362,908.00           | 13,944,106.00                 | 5,111,891.51                 | 2,526,077.58            | 590,375.16        | 7,047,593.94                  | 5,469,306.49                  | 6,896,512.06                  |
| Office Equipment                | 2,840,304.00                 | 314,493.00             | 3,154,797.00                  | 2,217,438.01                 | 316,053.95              |                   | 2,533,491.97                  | 622,865.99                    | 621,305.03                    |
| Others :-                       |                              |                        |                               |                              |                         |                   |                               |                               |                               |
| i) Cycle                        | 9,350.00                     |                        | 9,350.00                      | 1,883.70                     | 3,365.06                |                   | 5,248.76                      | 7,466.30                      | 4,101.24                      |
| ii) Computer                    | 4,145,968.00                 | 13,500.00              | 4,159,468.00                  | 3,899,387.65                 | 131,618.86              |                   | 4,031,006.51                  | 246,580.35                    | 128,461.49                    |
| iii) Live Stock                 | 50,500.00                    |                        | 50,500.00                     | -                            | -                       |                   | -                             | 50,500.00                     | 50,500.00                     |
| <b>Total</b>                    | <b>153,441,860.43</b>        | <b>10,495,745.50</b>   | <b>163,937,605.93</b>         | <b>114,258,584.01</b>        | <b>7,306,707.45</b>     | <b>590,375.16</b> | <b>120,974,916.31</b>         | <b>39,183,276.42</b>          | <b>42,962,689.62</b>          |
| <b>Capital Work In Progress</b> | <b>3,772,382.50</b>          | <b>(3,772,382.50)</b>  | <b>-</b>                      | <b>-</b>                     | <b>-</b>                | <b>-</b>          | <b>-</b>                      | <b>3,772,382.50</b>           | <b>-</b>                      |
| <b>Total</b>                    | <b>3,772,382.50</b>          | <b>(3,772,382.50)</b>  | <b>-</b>                      | <b>-</b>                     | <b>-</b>                | <b>-</b>          | <b>-</b>                      | <b>3,772,382.50</b>           | <b>-</b>                      |

|             |                |              |                |                |              |            |                |               |               |
|-------------|----------------|--------------|----------------|----------------|--------------|------------|----------------|---------------|---------------|
| Grand Total | 157,214,242.93 | 6,723,363.00 | 163,937,605.93 | 114,258,584.01 | 7,306,707.45 | 590,375.16 | 120,974,916.31 | 42,955,658.92 | 42,962,689.62 |
|-------------|----------------|--------------|----------------|----------------|--------------|------------|----------------|---------------|---------------|

**Note 17**

| Particulars               | For the year ended<br>31st March 2017 | For the year ended<br>31st March 2016 |
|---------------------------|---------------------------------------|---------------------------------------|
| Opening stock             | 276,576.79                            | 236,827.21                            |
| Closing stock             | 96,669.42                             | 276,576.79                            |
| <b>Stock Differential</b> | <b>179,907.37</b>                     | <b>(39,749.58)</b>                    |

**Note 18**

| Particulars  | For the year ended<br>31st March 2017 | For the year ended<br>31st March 2016 |
|--|---------------------------------------|---------------------------------------|
| (a) Salaries & Allowances                          | 11,708,488.00                         | 10,342,145.00                         |
| (b) Directors' Remuneration                        | 3,032,903.00                          | 2,295,000.00                          |
| (c) Contribution to Provident fund and other funds | 1,245,562.00                          | 1,030,440.00                          |
| (d) Staff Welfare & Other Allowances               | 4,889,356.00                          | 2,968,264.00                          |
| (e) Leave Encashment                               |                                       | 1,000,000.00                          |
| (f) Gratuity                                       | 2,385,157.84                          | 2,959,804.55                          |
| <b>Total</b>                                       | <b>23,261,466.84</b>                  | <b>20,595,653.55</b>                  |

**Note 19**

| Particulars           | For the year ended<br>31st March 2017 | For the year ended<br>31st March 2016 |
|-----------------------|---------------------------------------|---------------------------------------|
| Interest expense      | 646,794.60                            | 384,297.10                            |
| Other borrowing costs | 90,684.83                             | 28,243.39                             |
| <b>Total</b>          | <b>737,479.43</b>                     | <b>412,540.49</b>                     |

**Note 20**

**Note 20 A**  
Items of income & expenditure exceeding 1% of turnover of Rs.1,00,000/- whichever is higher

| Particulars                      | For the year ended<br>31st March 2017 | For the year ended<br>31st March 2016 |
|----------------------------------|---------------------------------------|---------------------------------------|
| a) Factory Expenses              | 8,071,644.00                          | 9,326,783.00                          |
| b) Electricity and Fuel Charges  | 23,269,635.93                         | 30,154,734.06                         |
| c) General Expenses              | 3,084,437.00                          | 3,381,203.00                          |
| d) Vehicle Running Expenses      | 1,779,180.00                          | 1,314,312.00                          |
| e) Traveling & Conveyance        | 698,669.00                            | 2,274,680.00                          |
| f) Directors Travelling Expenses | 4,435,999.00                          | 5,665,195.00                          |
| g) Directors Medical Expenses    | 417,300.00                            | 6,916,957.00                          |
| <b>Total</b>                     | <b>41,756,864.93</b>                  | <b>59,033,864.06</b>                  |

**Note 20 B**

**Payments to Auditors**

| Particulars      | For the year ended<br>31st March 2017 | For the year ended<br>31st March 2016 |
|------------------|---------------------------------------|---------------------------------------|
| As Auditors      | 172,500.00                            | 172,500.00                            |
| Taxation matters | 57,500.00                             | 57,500.00                             |
| <b>Total</b>     | <b>230,000.00</b>                     | <b>230,000.00</b>                     |

**Note 20 C**

**Other expenses**

| Particulars                     | For the year ended<br>31st March 2017 | For the year ended<br>31st March 2016 |
|---------------------------------|---------------------------------------|---------------------------------------|
| a) Rent                         | 122,450.00                            | 114,300.00                            |
| b) Repairs to Buildings         | 4,790,639.00                          | 1,658,749.00                          |
| c) Repairs to Plant & Machinery | 4,598,928.00                          | 2,703,400.52                          |

|  |                      |                      |
|--|----------------------|----------------------|
| d) Insurance                                 | 345,375.00           | 213,194.00           |
| e) Rates & taxes (excluding taxes on income) | 925,538.00           | 595,461.00           |
| f) Miscellaneous expenses                    | 7,551,949.00         | 5,837,647.00         |
| <b>Total</b>                                 | <b>18,334,879.00</b> | <b>11,122,751.52</b> |
| <b>Grand Total</b>                           | <b>60,321,743.93</b> | <b>70,386,615.58</b> |

**PRIMA AGRO LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS**  
**SIGNIFICANT ACCOUNTING POLICIES**

**Company Overview**

Prima Agro Ltd is a Cochin based Public Limited Company, established in 1987, comprising units engaged in Agro activities at Trivandrum and Cochin & in manufacturing compounded animal feed and is having its Registered Office in Cochin. The company went public in 1993 and its shares are listed in major Stock Exchanges in India.

The business entities in the Prima group were promoted by the family of Mr. Sajjan Kumar Gupta, who migrated to Cochin around 50 years back from Rajasthan. A born entrepreneur, Mr. Sajjan Kumar Gupta, whose family was in the business of Flour Mills, developed his business skills over a period of time. In 60s and 70s, the S.K.Gupta family members had flour mills, practically, all over India. They were also actively engaged in trading of commodities and downstream products. Mutually agreed family partitions helped the individual brothers to develop their own family group.

Prima Agro Limited is a listed company in BSE, having paid up capital of Rs 11.19 crores.

**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, 2013. 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/ materialized.

**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 up to the date the asset is ready for the intended use or sale.

**D. Depreciation**

Depreciation on Fixed Assets is provided on Written-Down Value Method at the rates specified in Schedule II of the Companies Act, 2013.

**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 dispatch to the customers net of sales returns. Income from job work and processing charges is recognized on accrual basis as per AS-9.

**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 ACCOUNT**

- 1. 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- Rs. 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. – Rs. 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.
- 2. Claims against the company not acknowledged as debt – Nil

|   | For the<br>year ended<br>31.03.2017 | For the year<br>ended<br>31.03.2016 |
|---|-------------------------------------|-------------------------------------|
| 3. Managerial Remuneration<br>Mr. Sanjay Gupta (Deceased) | 18,25,161.0<br>0<br>12,07,742.0     | 11,47,500.00                        |

|   |             |              |
|---|-------------|--------------|
| Mr. S K Gupta, Managing Director  | 0           | 11,47,500.00 |
| Mrs. Swati Gupta, Deputy Managing Director  |             | -            |
| 4. Terminal Benefit   |             |              |
| Mr. Sanjay Gupta (Deceased)   |             |              |
| - Gratuity  |             | 13,26,923.00 |
| - Leave Salary  | Nil         | 0            |
| Maya G K  | Nil         | 10,00,000.00 |
| - Gratuity  |             | 0            |
|   | 1,42,408.00 | Nil          |
| 5. Remuneration to Auditors (excluding service tax)   |             |              |
| Statutory Audit   | 2,00,000.00 | 2,00,000.00  |
| 6. Estimated amount of contracts remaining to be executed on capital account and not provided for | Nil         | Nil          |
| 7. Capacity Utilization   |             |              |
| a. <u>Trivandrum</u>  |             |              |
| Licensed Capacity   | 60,000.00   | 60,000.00    |
| Installed Capacity  | 60,000.00   | 60,000.00    |
| Actual production in MTs (Job work)   | 37,410.55   | 39,435.72    |
| b. <u>Edayar, Cochin</u>  |             |              |
| Licensed Capacity   | 1,20,000.00 | 1,20,000.00  |
| Installed Capacity  | 1,20,000.00 | 1,20,000.00  |
| Actual production in MTs (Job work)   | 70,440.38   | 80,238.32    |

8. Closing stock of fire wood is as valued and certified by the Management of the company.

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

Raw Materials - Rs. Nil (Previous Year - Nil)

There were no earnings or expenditures in foreign currency during the year.

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

11. Earnings per share

|                                      | For the year ended<br>31-03-2017 | For the year ended<br>31-03-2016 |
|--------------------------------------|----------------------------------|----------------------------------|
| Profit/(Loss) after Tax              | 1,66,65,360.16                   | 63,67,921.00                     |
| Less: Cumulative Preference Dividend | 60,00,000.00                     | -                                |
| Profit/(Loss) Attributable to Equity | 1,06,65,360.16                   | -                                |

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Shareholders                        |           |           |
| Number of Equity Shares Outstanding | 51,94,900 | 51,94,900 |
| Earnings per Share                  |           |           |
| – Basic                             | 2.05      | 1.23      |
| – Diluted                           | 2.05      | 1.23      |

Note: – Current year EPS has been computed after taking into consideration the current year preference dividend @ 10% on cumulative preference shares.

## 12. Related Party Transactions

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

| Name of Related Party   | Relationship  |
|---|---|
| Swati Gupta<br>S K Gupta  | Key Managerial Personnel  |
| Ayyappa Roller Flour Mills Ltd.<br>Ayyappa Real Estate (P) Ltd<br>PAPL Exim India Ltd<br>Prima Alloys (P) Ltd<br>Prima Beverages (P) Ltd<br>Prima Credits Ltd<br>Prima Industries Ltd | Entity in which Key Managerial Personnel have significant influence |

b. Transaction during the year with related parties:

| Nature of Transaction              | Entity in which KMP have significant influence | Key Managerial Personnel |
|------------------------------------|--|--------------------------|
| Loan granted during the year       | 64,87,434.40                                   | Nil                      |
| Amount Receivable as at 31/03/2017 | 1,76,59,944.28                                 | 13,43,077.00             |

## 13. Loans and advances granted to following related parties during the year are not in the ordinary course of business transactions.

| Name of the Associate          | Loan granted during the year | Balance as on 31/03/2017 |
|--------------------------------|------------------------------|--------------------------|
| Ayyappa Real Estate (P) Ltd    | 226.00                       | 8,478.00                 |
| PAPL Exim India Ltd            | (20,818.00)                  | 1,16,413.80              |
| Prima Alloys (P) Ltd           | (752.00)                     | 7,500.00                 |
| Prima Credits Ltd              | (1,821.00)                   | 8,600.00                 |
| Prima Industries Ltd           | 3,41,465.00                  | 40,90,377.00             |
| Ayyappa Roller Flour Mills ltd | 54,88,480.00                 | 1,27,47,921.08           |
| Prima Beverage (P) Ltd.        | 6,80,654.40                  | 6,80,654.40              |

14. During the year 2000-01, a complaint was filed by Food Corporation of India, against the company in the Hon'ble High Court of Kerala. At this time, it's not possible to predict the potential financial impact on the Company of an adverse decision. And in this concern the company has executed a bank guarantee of Rs.10,00,000.00 with State Bank of India, Commercial Branch, Cochin as per the order of Hon'ble High Court Of Kerala dated 07/04/2000 in C.M.P.18042/2000 in O.P No.10898/2000.
15. The company has not appointed Internal Auditor in accordance with sections 138, 204 of the Companies Act, 2013 respectively and the board decided to appoint the same during the next financial year.
16. The company has formed an audit committee in accordance with section 177 of Companies Act, 2013.
17. The company has issued 60,00,000 10% Cumulative Redeemable Preference Shares of Rs 10 each on 12/04/2013. Dividend for the year has not been provided in the books of accounts and is in accordance with the terms of issue of such shares. However, the dividend has been



considered for computing EPS during the year. Further, as per the terms of issue of the preference shares, they were due for redemption on 11<sup>th</sup> April, 2016 but the board pursuant to the provisions of section 48 to the Companies Act, 2013 decided vide its meeting held at its registered office on 28/04/2017 to extend the period of redemption from 3 years to 13 years & the consent for the same has been obtained from the preference shareholders.

18. 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 LIMITED**

For **VIJAYAKUMAR & EASWARAN**  
**CHARTERED ACCOUNTANTS**

FRN : 004703 S

Sd/-  
S.K GUPTA  
CHAIRMAN & MD

Sd/-  
SWATI GUPTA  
DY. MANAGING DIRECTOR

Sd/-  
CA. K.EASWARAN PILLAI, FCA  
SENIOR PARTNER

Membership No: 022062

Place : Cochin - 16

Date : 30/05/2017

Form No: MR 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

THE MEMBERS,  
PRIMA AGRO LIMITED  
DOOR NO. V-679/C,  
INDUSTRIAL DEVELOPMENT AREA,  
MUPPATHADAM, EDAYAR,  
COCHIN, KERALA-683110.  
CIN: L15331KL1987PLC004833.

We, BVR & Associates Company Secretaries LLP have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PRIMA AGRO LIMITED [CIN: L15331KL1987PLC004833] (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records produced to us and according to information and explanations given to us by the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2017 complied with the provisions of the Companies Act, 2013 (Act) and the Rules made there under, the Memorandum and Articles of Association of the Company and also applicable provisions of the aforesaid law, standards, guidelines, agreements, etc.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2017 according to the provisions of:

- 1 The Companies Act, 2013 and the Rules made there under.
- 2 The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under.
- 3 The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- 4 The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
  - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and.
  - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- 5 The Listing Agreements entered into by the Company with Bombay Stock Exchange

As informed to us the following other Laws specifically applicable to the Company as under:

1. The Competition Act, 2002.
2. The Kerala Panchayat Raj Act and Kerala Municipalities Act.
3. The Kerala Shops & Establishment Act, 1960
4. Kerala Industrial Establishments (National & Festival Holidays Act) 1958
5. Sexual Harassment of Women at the work place (prevention, prohibition and redressal) Act, 2013.
6. Food Safety And Standards Act, 2006
7. Indian Boilers Act 1923
8. The Water (Prevention and Control of Pollution) Act, 1974.
9. The Air (Prevention & Control of Pollution) Act, 1981
10. The Environment (Protection) Act, 1986.
11. The Legal Metrology Act.
12. The Standard of Weight & Measures (Enforcement) Act, 1985.

We have also examined compliance with the applicable clauses of the following:

- 1) Secretarial Standards issued by the Institute of Company Secretaries of India, to the extent applicable

We report that, during the year under review:

1. The status of the Company during the financial year has been that of a Listed Public Company.
2. The Company has not been a holding or a subsidiary of another Company. The Company is a Listed Public Company.
3. The Board of Directors of the Company has been duly constituted as on the date of the Report. There were changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The redemption period of Preference Shares have been extended through a consent letter, taken note of in the Board Meeting, since there is only a single preference shareholder.

4. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, there being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel.

5. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/debenture holdings and directorships in other Companies and interests in other entities.
6. The Company has not advanced loans, given guarantees and provided securities to directors and/or persons or firms or Companies in which directors were interested.
7. The amount borrowed by the Company from its directors, members, bank(s)/ financial institution(s) and others were within the borrowing limits of the Company. Such borrowings were made by the Company in compliance with applicable laws.
8. The Company has not defaulted in the repayment of unsecured loans, facilities granted by bank(s)/financial institution(s) and non-banking financial companies. The Company has not issued Debentures or collected Public Deposits.
9. The Company has satisfied charges on the assets of the Company and complied with the applicable laws. However, it is noted that, a Vehicle Loan is availed from ICICI Bank during the period under review without creation of charge.
10. All registrations under the various state and local laws as applicable to the Company are valid as on the date of report.
11. The Company has not issued and allotted the securities during the period under scrutiny.
12. The Company has not declared and paid dividends to its shareholders during the period under scrutiny.
13. The Company has;
  - a. no unpaid dividends,
  - b. not issued debentures and
  - c. not accepted fixed deposits

So there is no need for transferring amount to the Investor Education and Protection Fund during the period under scrutiny.

14. As informed by the Management, the Company has paid all its Statutory dues and satisfactory arrangements have been made for arrears of any such dues.
15. The Company being a listed entity has complied with the provisions of the Listing Agreement.
16. The Company being a listed company is required to appoint Chief Financial Officer as per Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Company has been advised to comply with the provisions and the company is in the process of complying with the provisions of the Act as certified by the Management.
17. As per the information from the management, the Company is in the process of updating the statutory register.
18. The Company has provided a list of statutes in addition to the laws as mentioned above and it has been observed that there are proper systems in place to ensure compliance of all laws applicable to the company.

We further report that:

1. the Company has complied with the provisions of Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India;
2. the Company has followed the Secretarial Standards issued by the Institute of Company Secretaries of India to the extent applicable.

3. the Company has complied with the provisions of Equity listing Agreements and SEBI(Listing Obligations and Disclosure Requirements)entered into with Bombay Stock Exchange. However, it is noted that dematerialization of promoter shareholding is less than 100% and the company is in the process of such conversion. The contents of the website including Board Composition and Code of Conduct, materiality policies is being updated as per LODR provisions.
4. the Company was not required to comply with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations due to non-applicability;
5. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures; and the Company is in the process of preparing the required documents and records as per the rules and regulations as certified by the management.
6. the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 are not applicable for the Company during the period under scrutiny.
7. the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to grant of Stock Options and implementation of the Schemes are not applicable for the Company during the period under scrutiny.
8. the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable for the Company during the period under scrutiny.
9. the Company has complied with the provisions of the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
10. the provisions of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 are not applicable for the Company during the period under scrutiny.
11. the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 with regard to buy back of Equity shares are not applicable for the Company during the period under scrutiny.
12. the Company has provided E-voting facility to the members and the Company has entered in to try party agreement between RTA and NSDL as certified by the management.
13. The Company had complied with the Provisions of The Competition Act, 2002 with regard to prohibition of anti-competitive agreements, abuse of dominance and ensuring of competition advocacy. As per the verification, the Company is ensuring fair competition in the market among its competitors.

We Further Report That:

The compliance with regard to the following Acts is pointed out below:

1. The Competition Act, 2002:-Overall Compliance under the Act complied by the Company.
2. The Kerala Panchayat Raj Act and Kerala Municipalities Act:-The Company has complied with the provisions of the Act.
3. The Kerala Shops & Establishment Act, 1960:-Overall Compliance under the Act complied by the Company.

4. Kerala Industrial Establishments (National & Festival Holidays Act) 1958:- The Company has complied with the provisions of the Act.
5. Sexual Harassment of Women at the work place (prevention, prohibition and redressal) Act, 2013:- Overall Compliance under the Act complied by the Company.
6. Food safety and Standards Act, 2006:-The Company has complied with the provisions of the Act.
7. Indian Boilers Act 1923:-The Company has complied with the provisions of the Act.
8. The Water (Prevention and Control of Pollution) Act, 1974:-The Company has obtained necessary license under the Act.
9. The Air (Prevention & Control of Pollution) Act, 1981:-The Company has obtained necessary license under the Act.
10. The Environment (Protection) Act, 1986:- The Company has obtained necessary license under the Act.
11. The Legal Metrology Act:-The Company has complied with the provisions of the Act.
12. The Standard of Weight & Measures (Enforcement) Act, 1985:-The Company has complied with the provisions of the Act.

We further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as Annexure -A and forms an integral part of this report.

Cochin  
17/07/2017

CS N Balasubramanian  
Designated Partner  
BVR and Associates Company Secretaries LLP  
FCS No. F6439  
C P No.: 4996

**Annexure A'**

To,  
The Members  
M/s. PRIMA AGRO LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Cochin  
17/07/2017

CS N Balasubramanian  
Designated Partner  
BVR and Associates Company Secretaries LLP  
FCS No. F6439  
C P No.: 4996

**PRIMA AGRO LIMITED**

CIN: L15331KL1987PLC004833

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

**ATTENDANCE SLIP**

(Please present this slip at the Meeting Venue)

I/We hereby record my/our presence at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the 16<sup>th</sup> day of September, 2017 at 11.00 a.m. at the Registered Office of the Company at Door No.V/679-C, Industrial Development Area, Muppathadam P.O., Edayar, Cochin - 683 110, Kerala and at any adjournment thereof.

Signature of the Shareholder(s) /Proxy's: .....

Shareholders/Proxy's Full Name (In Block Letters):.....

Folio No./Client ID:.....

No. of Shares Held:.....

Notes:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip/Proxy form as the case may be meeting and handover at the entrance duly signed.
2. Shareholder/Proxy holder attending the meeting should bring his copy of the Annual Report for reference at the meeting.
3. A Proxy need not be a member of the company.
4. In case of joint holders, the vote of the senior who tends a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.

**PRIMA AGRO LIMITED**  
CIN: L15331KL1987PLC004833  
Regd.Office: "Door No: V/679-C, Industrial Development Area,  
Muppathadam P O, Edayar, Cochin - 683 110

**Form No. MGT -II**  
**PROXY FORM**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]**

CIN : L15331KL1987PLC004833  
Name of the Company : PRIMA AGRO LTD  
Registered Office : Door No.V/679-C, Industrial Development Area  
Muppathadam.P.O., Edayar, Cochin - 683 110

|  |
|--|
| Name of the member(s):<br><br>Registered Address:<br><br>Email ID:<br><br>Folio No./Client ID:<br><br>DP ID: |
|--|

I/We, being the member(s) of.....shares of the above named company, hereby appoint

1. Name :.....  
Address:.....  
Email ID :.....  
Signature :.....or failing him.....
  
2. Name :.....  
Address:.....  
Email ID :.....  
Signature :.....or failing him.....
  
3. Name :.....  
Address:.....  
Email ID :.....  
Signature :.....or failing him.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on the 16<sup>th</sup> day of September, 2017 at 11.00 a.m. at the Registered Office of the Company at Door No.V/679-C, Industrial Development Area, Muppathadam.P.O., Cochin - 683 110, Kerala and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl.No. | Resolutions |
|--------|-------------|
|        |             |
|        |             |
|        |             |
|        |             |

Signed this..... day of September. 2017

Signature of shareholder

Signature of Proxy Holder (s)

|                                     |
|-------------------------------------|
| Affix<br>Rs.1/-<br>Revenue<br>Stamp |
|-------------------------------------|

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.