

22nd ANNUAL REPORT

2013–2014



Prime Industries Limited

BOARD OF DIRECTORS

MANAGING DIRECTOR

Mr. R.K. Singhania

DIRECTORS

Mr. Harjeet Singh Arora
Mr. Ashwani Kumar
Mr. Darshanjit Singh Minocha

BANKERS

Oriental Bank of Commerce, Feroze
Gandhi Market, Ludhiana

HDFC, Feroze Gandhi Market, Ludhiana

AUDITORS

Sukhminder Singh & Co.
Chartered Accountants,
171-A, Model Gram
Ludhiana

REGISTERED OFFICE

Master Chambers, 19, Feroze Gandhi
Market, Ludhiana

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PRIME INDUSTRIES LIMITED

Annual Report

DIRECTORS' REPORT

To

The Members

Your Directors are pleased to present the 22nd Annual Report and the Audited Accounts of the Company for the year ended 31st March 2014.

1. FINANCIAL RESULTS:

The Financial Results for the period 1st April, 2013 to 31st March, 2014 are as under.

(Rs. in lacs)		
Particulars	2013-14	2012-13
Operating & Other Income	16.02	48.01
Profit (Loss) before tax	(0.47)	(2.50)
Provision for Tax		
- Current	--	--
- Deferred Tax	1.21	1.14
Profit (Loss) after Tax (PAT)	0.74	(1.36)

2. MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, your Company has registered gross operating & other income Rs. 16.02 lacs as compared to Rs. 48.01 lacs in previous year.

3. PROFITABILITY

The Company has gained a profit of Rs. 0.74 lacs during the year as compared to loss of Rs. 1.36 lacs of the previous year.

4. DIVIDEND

Keeping in view the results of operations, your Directors are unable to recommend dividend for the year under review.

5. DIRECTOR(S)

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Harjeet Singh Arora, a Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Notice convening the Annual General Meeting includes the proposal for his re-appointment as the Director.

As on the date of this report, the Company's Board consists of the following Independent Directors:-

- Mr. Ashwani Kumar
- Mr. Darshanjit Singh Minocha

The period of office of the aforementioned directors was liable to determination by retirement of directors by rotation under erstwhile Companies Act, 1956. In terms of sections 149 (10) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the aforesaid directors being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors for a term of Five (5) consecutive years commencing from conclusion of the ensuing AGM.

Brief profiles of the proposed appointees together with other disclosures in terms of clause 49 of the Listing Agreement are part of the Annexure to the Notice of the 22nd Annual General Meeting.

6. ADEQUACY OF INTERNAL CONTROL

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

7. PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 58A of the Companies Act, 2013 and Section 73 of the Companies Act, 2013 and the Rules made there under and as such, no amount on account of principal or interest on Public Deposits was outstanding on the date of the Balance Sheet.

8. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance to the provisions of Section 217(2AA) of the Companies Act, 1956, we, the Directors confirm that:



- i) In the preparation of the accounts, the applicable accounting standards have been followed along with proper explanations and there are no material departures from the same.
- ii) Appropriate accounting policies have been selected and applied consistently, and have 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 at the end of the financial year and of the profit or loss of your Company for that period.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis except in respect of manufacturing activities which have been discontinued.

9. **AUDIT COMMITTEE**

To ensure the composition & independence of the Committee as per the Companies Act, 2013, the Audit Committee has been re-constituted of 3 Non-Executive Directors viz. Mr. Harjeet Singh Arora, Mr. Ashwani Kumar and Mr. Darshan Jit Singh Minocha. All the members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements. Mr. Ashwani Kumar has been re-confirmed to be the Chairman of the Audit Committee.

10. **LISTING / DE-LISTING OF SHARES**

The Shares of your Company are presently listed on the Bombay Stock Exchange Limited, Mumbai (BSE) and the Annual Listing Fees for the year 2014-15 has already been paid.

11. **AUDITORS**

The retiring Statutory Auditors, namely, M/s. Sukhminder Singh & Co., Chartered Accountants, Firm Registration No. 016737N, Ludhiana, hold office until the conclusion of forthcoming Annual General Meeting (AGM) and being eligible, seek their re-appointment. The Auditors have furnished a certificate to the effect that their re-appointment, if made, at the ensuing AGM, will be within the limits prescribed under Section 141 of the Companies Act, 2013 and that they are not beneficially holding any security or interest in the Company as defined under Companies Act, 2013. The Board on recommendation of the Audit Committee recommends the re-appointment of M/s. Sukhminder Singh & Co. as Statutory Auditors for the next three (3) Financial Years i.e. 2014-15, 2015-16 & 2016-17 subject to annual ratification by the members at the AGM.

Members are requested to consider their re-appointment and authorize the Board of Directors to fix their remuneration for the year 2014-15.

12. **AUDITORS' REPORT**

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

13. **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled "Report on Corporate Governance" has been included in this Annual Report. Your Directors are pleased to report that your company fully adheres to the standards set out by the Securities & Exchange Board of India's Corporate Governance Practices and has implemented all of its stipulations. A certificate from the Company's Statutory Auditors in terms of Clause 49 of the Listing Agreement is annexed to and forms part of the Directors' Report. The CEO certificate duly signed forming part of the Corporate Governance Report, has been submitted to the Board. All Board Members have also affirmed compliance to the Code of Conduct.

14. **HUMAN RESOURCE DEVELOPMENT**

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

15. **PARTICULARS OF EMPLOYEES**

During the period under review, no employee received salary in excess of the limits as prescribed under the Act. Accordingly, no particulars of employees are being given pursuant to Section 217(2A) of the Companies Act, 1956.



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16. VIGIL MECHANISM

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established.

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

Information with respect to conservation of energy, absorption, foreign exchange earnings and outgo pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable at present because there were no manufacturing activities in the Company during the year under review.

18. ACKNOWLEDGEMENT

Your Directors are pleased to place on record their appreciation and express their gratitude to the Company's Bankers, Clients, Advisors and Business Associates for their continued and valuable co-operation and support to the Company from time to time.

Your Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

Your Directors would also like to place on record their appreciation for committed services rendered by the employees at all levels of your company and its subsidiary companies.

**FOR AND ON BEHALF OF
PRIME INDUSTRIES LIMITED**

Date : 30.05.2014
Place : Ludhiana

Sd/-
(R.K. Singhania)
Managing Director
DIN - 00077540

Sd/-
(Harjeet Singh Arora)
Director
DIN - 00063176



CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement executed with the Stock Exchange(s), the Company hereby lays out several corporate governance related requirements, which listed companies are required to adopt and follow.

While most of the practices laid out in Clause 49 require mandatory compliance, others are recommendatory in nature, this Report sets out to define the governance practice followed by the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

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

Name of the Director & DIN	Category	Attendance at the last AGM	No. of Board meetings attended	No. of Directorships and Committee Membership / Chairmanship in other Companies		
				Directorship	Committee Chairmanship*	Committee membership*
Mr. R. K. Singhania (DIN: 00077540)	Managing Director	Present	4	13	1	2
Mr. Harjeet Singh Arora (DIN: 00063176)	Non-Executive Director	Present	4	19 [#]	-	1
Mr. Ashwani Kumar (DIN: 00030307)	Independent Non Executive Director	No	2	7	5	4
Mr. Darshanjit Singh Minocha (DIN: 00239487)	Independent Non Executive Director	Present	3	-	-	-

* For the purpose of Clause 49, the Committees considered are Audit Committee and Shareholders/Investors Grievance Committee of Public Limited Companies.

Includes 8 Private Limited Companies.

During the year 2013-14, Four(4) Board Meeting(s) were held viz. 30.05.2013, 14.08.2013, 13.11.2013 & 14.02.2014. The necessary quorum was present for all the meetings.

3. AUDIT COMMITTEE

To ensure the composition & independence of the Committee as per the Companies Act, 2013, the Audit Committee has been re-constituted of 3 Non-Executive Directors viz. Mr. Harjeet Singh Arora, Mr. Ashwani Kumar and Mr. Darshan Jit Singh Minocha. All the members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements. Mr. Ashwani Kumar has been re-confirmed to be the Chairman of the Audit Committee.

The Audit Committee meetings are held at the Registered Office of the Company and the Statutory Auditor and the Head of Accounts Department are permanent invitees to the Committee meetings. The terms of reference of the Audit Committee are specified on the pattern as contained in Section 177 of the Companies Act, 2013 and also clause 49 of the Listing Agreement.

The Audit Committee met four times during the year on 29.05.2013, 13.08.2013, 12.11.2013 & 13.02.2014. The attendance of members of the Audit Committee during the financial year 2013-14 is given below :-

Name of the Member	No. Of Meetings Attended
Mr. Harjeet Singh Arora	4
Mr. Ashwani Kumar	3
Mr. Darshan Jit Singh Minocha	3



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4. DIRECTOR'S REMUNERATION

a) Managing Director/Executive Director

The Company has not constituted the Remuneration Committee. The Company paid remuneration only to the Managing Director as approved by the members of the Company in the General Meeting held in F.Y 2008. Detail of remuneration paid to the Managing Director during the Financial Year 2013-14 is given below:

Name	Designation	Remuneration paid during the year.
Mr. R.K. Singhania	Managing Director	Rs. 2,40,000/-

b) Non-Executive Directors

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

c) Shares held by the Non- Executive Directors

Details of Equity Shares of the Company held by the Non-Executive Directors as on 31st March 2014:

Name of the Director	Category	No. of Equity Shares
Mr. Harjeet Singh Arora	Non Executive Director	66951
Mr. Ashwani Kumar	Independent Non Executive Director	Nil
Mr. Darshanjit Singh Minocha	Independent Non Executive Director	Nil

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

In order to comply with the provisions of Section 178 of the Companies Act, 2013, the nomenclature of Shareholders'/ Investors' Grievance committee was changed to "Stakeholders Relationship Committee" with a revised role which also includes to consider and resolve the grievances of all Security holders of the Company. Mr. Harjeet Singh Arora and Mr. D.S Minocha, Directors of the Company are Members of the Committee duly constituted by the Board and Mr. Harjeet Singh Arora is the Chairman of the Committee.

The Committee meets as and when required, to deal with the investor related matters etc.

The terms of reference of the Stakeholders Relationship Committee are in accordance with the Listing Agreement of Stock Exchange as amended from time to time.

There were no outstanding investor complaints as on 31st March 2014.

The Shareholders Relationship Committee met three times during the year on 29.05.2013, 12.11.2013 & 13.02.2014. The attendance of members of the Shareholders Relationship Committee during the financial year 2013-14 is given below :-

Name of the Member	No. Of Meetings Attended
Mr. Harjeet Singh Arora	3
Mr. Darshan Jit Singh Minocha	3

6. CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct. The Declaration signed by the Managing Director of the Company to this effect is enclosed and forms part of this report. The Code has been posted on the Company's website www.primeindustrieslimited.com.

7. RISK MANAGEMENT

The Company has established an effective risk assessment and minimization procedures, which are reviewed by the Board periodically. There is a structure in place to identify and mitigate various risks faced by the Company from time to time. New risks are identified and after their assessment their controls are designed, put in place with specific responsibility of the concerned person for its timely achievement.

8. GENERAL BODY MEETINGS

The details of last three Annual General Meetings and Special Resolutions passed at the Annual General Meeting(s)/Extra Ordinary General Meeting(s):

Year	General Meeting	Date	Time	Special Resolution passed :
2013	Annual General Meeting	28.09.2013	10.30 A.M	Re-appointment of Mr. R. K. Singhania as Managing director of the Company for a period of three years w.e.f. 1 st August, 2013
2012	Annual General Meeting	29.09.2012	10.30 A.M	Nil
2011	Annual General Meeting	29.09.2011	10.30 A.M	Nil



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No special resolution was passed through postal ballot during the financial year 2013-14. The Company has not proposed any special resolution to be conducted through postal ballot.

9. DISCLOSURES

During the year, there was no significant transaction with the Directors, management, their relatives etc. that have any potential conflict with the interest of the Company at large.

- There has been no instance of the non-compliance by the Company on any matter related to capital market during the last three years.
- Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Note No. 20 of the Notes to the Accounts attached with the Financial Statements for the year ended March 31, 2014. The details of the Related Party transactions are placed periodically before and reviewed by the Company's Audit Committee.
- No treatment different from accounting standards prescribed by the Institute of Chartered Accountants of India, has been followed while preparing the financial statements. The Guidelines on Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the company.
- The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and has not followed the non mandatory requirements.

10. MEANS OF COMMUNICATION

The Company communicates with the shareholders at large through its Annual Report, publication of financial results and by filing of various reports and returns with the statutory bodies like Stock Exchanges and Registrar of Companies. The quarterly results are published in Desh Sewak and The Financial Express / Financial World and are displayed on the website of the Company www.primeindustrieslimited.com.

11. AUDIT QUALIFICATIONS

There are no Audit qualifications pertaining to the financial results and require no comments.

12. GENERAL INFORMATION FOR SHAREHOLDERS.

1. **Corporate Identification No. (CIN):** L15490PB1992PLC012662

2. **22nd Annual General Meeting :**

Date : 30.09.2014 (Tuesday)

Time : 11:00 A.M.

Venue : Regd. Office: SCO 19, Master Chambers, Feroze Gandhi Market, Ludhiana-141001.

3. **Financial Year (Tentative) :** **1st April, 2014 to March 31, 2015**

Tentative calendar of events for the Financial Year 2014-15 is

First Quarterly Results : on or before 14th August, 2014

Second Quarterly Results : on or before 14th November, 2014

Third Quarterly Results : on or before 14th February, 2015

Fourth Quarterly Results : on or before 30th May, 2015

4. **Date of Book Closure :** 26.09.2014 to 30.09.2014 (both days inclusive)

5. **Listing :**

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

1. The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai.

2. The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Calcutta.

The Company had applied for delisting in Calcutta Stock Exchange Association Ltd in 2006 and the matter is pending at the end of Stock Exchange.

6. **Stock Code/ ISIN No.**

1. The Calcutta Stock Exchange Association Ltd. : 26155

2. The Bombay Stock Exchange Ltd. : 519299

Demat International Security Identification Number (ISIN) in NSDL and CDSL for equity shares: INE543F01010.

7. **Stock Market Data**

The monthly high, low and closing price of Equity Shares etc. of Prime Industries Limited at The Bombay Stock Exchange Limited and BSE Sensex during the financial year 2013-14 is given below:

Month	Company			BSE Sensex		
	High Price	Low Price	Close Price	High Price	Low Price	Close Price
Apr-2013	7.85	6.21	6.21	19622.68	18144.22	19504.18
May-2013	5.90	4.82	4.95	20443.62	19451.26	19760.30
Jun-2013	-	-	-	19860.19	18467.16	19395.81
Jul-2013	4.71	4.71	4.71	20351.06	19126.82	19345.70



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Aug-2013	-	-	-	19569.20	17448.71	18619.72
Sep-2013	-	-	-	20739.69	18166.17	19379.77
Oct-2013	-	-	-	21205.44	19264.72	21164.52
Nov-2013	4.60	4.60	4.60	21321.53	20137.67	20791.93
Dec-2013	4.83	2.40	2.40	21483.74	20568.70	21170.63
Jan- 2014	2.30	1.99	2.00	21409.66	20343.78	20513.85
Feb-2014	1.98	1.90	1.90	21140.51	19963.12	21120.12
Mar-2014	2.16	1.90	2.16	22467.21	20920.98	22386.27

8. Registrar and Share Transfer Agent:

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

Skyline Financial Services (P) Ltd.

D-153/A, First Floor,
Okhla Industrial Area,
Phase-I, New Delhi
Ph: 011-26812682/83/84, Fax: 011-26812681
Email: admin@skylinerta.com

9. Share Transfer System

The Shares of the Company are traded in the compulsory demat mode for all investors. Shares sent for transfer in physical form are registered within a fortnight (If in order and complete in all respect) and then returned the same to the respective shareholders duly transferred in their names.

Your Company has appointed a SEBI registered Registrar & Transfer Agent viz Skyline Financial Services (P) Ltd. for looking after both physical and electronic share transfer work of the company.

The shareholders are requested to send all shares in physical form for transfer as well demat/remat requests to the Registered Office of the Company and/or to the Registrar & Share Transfer Agent of the Company i.e Skyline Financial Services (P) Ltd.

The Company has constituted a Share Transfer Committee of its Directors. The Share Transfer Committee meets as and when required to consider transfer/ transmission /demat/ remat cases and other allied matters.

10. Distribution of Shareholding Pattern of the Company as on 31.03.2014

Sr. No.	Category	No. of Shares	% of shares
1	Promoters	3201203	40.52
2	Bodies Corporate	2332469	29.52
3	Other Individual public	1215728	15.39
4	NRI	263700	3.34
5	Bank/ FIIS	886900	11.23
Total		7900000	100.00

11. Break-up of Equity /Dematerialization of Shares

Category	No. of Shares					
	Physical	% age	Demat	% age	Total	% age
Promoters	1798903	22.77	1402300	17.75	3201203	40.52
Non-Promoters	3470597	43.93	1228200	15.55	4698797	59.48
TOTAL	5269500	66.70	2630500	33.30	7900000	100.00

12. During the financial year ended on 31st March, 2014, the Company has not issued any GDRs / ADRs/ Shares/ Warrants.

13. Address for Correspondence

Regd. Office : Master Chambers
SCO 19, Feroze Gandhi Market,
Ludhiana – 141 001 (Pb).
Tele. No. : 0161-2410557-58, 3911525
Fax No. : 0161-2402963
Designated E-mail : prime_indust@yahoo.com

14. Compliance Officer:

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



PRIME INDUSTRIES LIMITED

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CEO CERTIFICATE

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

- a. We have reviewed the financial statements and the Cash Flow Statement for the year ended on 31.03.2014 and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee:
 - I. significant changes, if any, in internal control over financial reporting during the year;
 - II. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - III. that no instances of significant fraud have come to our notice.

FOR PRIME INDUSTRIES LIMITED

Place: Ludhiana
Date: 30.05.2014

**Sd/-
(R. K. Singhanla)
Managing Director
DIN - 00077540**

CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

This is to state that the Company had duly adopted a Code of Conduct. After adoption of the Code of Conduct, the same was circulated to all the Board Members and Senior Management Personnel for compliance. It is affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct and have given a confirmation in this regard.

FOR PRIME INDUSTRIES LIMITED

Place: Ludhiana
Date: 30.05.2014

**Sd/-
(R.K.Singhanla)
Managing Director
DIN - 00077540**



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AUDITORS' CERTIFICATE

Auditor's Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement
To

The Members,

Prime Industries Limited

We have examined the compliance of conditions of Corporate Governance by Prime Industries Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange(s) in India.

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 the compliance of the conditions of Corporate Governance.

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

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

Place: Ludhiana
Date: 30.05.2014

For Sukhminder Singh & Co.
Chartered Accountants
Firm Registration Number 016737N

Sd/-
(Sukhminder Singh)
Partner
Membership No. 93100



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PRIME INDUSTRIES LTD

Report on the Financial Statements

We have audited the accompanying financial statements of **PRIME INDUSTRIES LTD**, which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("CARO" / "the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs)
 - (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

Place: Ludhiana
Date: 30.05.2014

For Sukhminder Singh & Co.
Chartered Accountants
Firm Registration Number 016737N

Sd/-
(Sukhminder Singh)
Partner
Membership No. 93100



ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, the management has physically verified these fixed assets during the year and no serious discrepancies have been noticed. In our opinion, the frequency of verification of fixed assets is reasonable. To the best of our knowledge, no material discrepancy has been noticed on verification.
 - c) No substantial part of the fixed assets has been disposed off during the year.
2.
 - a) The inventory, which are held in physical form, has been verified during the year by the management and in our opinion the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of verification of inventory followed by the company are reasonable and adequate commensurate with the size of company and the nature of its business.
 - c) The company is maintaining proper record of inventory. The discrepancies noticed on verification between the physical inventory and book records were not material and the same have been properly dealt with the books of account.
3.
 - a) In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b) The Company has granted loan to 1 party & year end balance is 3.89 mn and maximum balance outstanding during the year was 53.17 mn. This loan is receivable on demand.
 - c) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are prima facie not prejudicial to the interest of the Company.
4. In respect of loans taken by the Company, these are repayable on demand and therefore the question of overdue amounts does not arise.
5.
 - a) In our opinion and according to the information and explanation given to us during the course of audit, there are adequate internal control procedures commensurate with the size of company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. Further on the basis of our examination of books and records of the company and according to information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control procedures.
 - b) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions required to be entered into the register maintained under section 301 of the Act, have been so entered.
 - c) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to 5 lacs or more in respect of each party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
6. According to the information and explanations given to us, the Company has not accepted deposits from the public during the period covered by our audit report. According to the information and explanation given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard in the case of the Company.
7. In our opinion, the company has an adequate system of internal audit which is commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the services rendered by the Company. Accordingly paragraph 4(viii) of the Order is not applicable to it.



PRIME INDUSTRIES LIMITED

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9. (a) According to the information and explanations provided to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, service tax, income tax, cess and other material statutory dues applicable to it and there are no dues payable in respect of Employees' State Insurance, Investor Education and Protection Fund, Excise duty, Custom Duty and Sales Tax.
- (b) There were no undisputed amounts payable in respect of income-tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, wealth tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. The accumulated losses of company exceeds 50% of net worth as on 31.03.2014. The Company has not incurred any cash losses during the year.
11. In our opinion and according to the information and explanations given to us, the Company has no dues payable to banks or financial institutions and debenture holders.
12. In our opinion and according to the information and explanations given to us there are no loans and advances granted on the basis of security by way of pledge of shares and other securities.
13. The Company does not fall within the category of Chit Fund/ Nidhi/ Mutual Benefit Fund/ Society therefore, the provisions of paragraph 4 (xiii) of the Order are not applicable to the Company.
14. The Company is dealing or trading in shares, securities, debentures and other investments and maintaining proper records of transactions and contracts and also timely entries have been made therein. Shares, securities, debentures and other securities have been held by the Company in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.
15. The company has not given any guarantee for loan taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, no term loans have been obtained during the year.
17. In our opinion and according to the information and explanations given to us, and on overall examination of the Balance Sheet of the Company, we report that funds raised by the Company on short term basis have not been used during the year for long term investments.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year. Therefore, the provisions of paragraph 4 (xix) of the Order are not applicable to the Company.
20. During the year, the Company has not raised any money by way of a public issue. Accordingly, the provisions of paragraph 4(xx) are not applicable to it.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

Place: Ludhiana
Date: 30.05.2014

For Sukhminder Singh & Co.
Chartered Accountants
Firm Registration Number 016737N

Sd/-
(Sukhminder Singh)
Partner
Membership No. 93100



PRIME INDUSTRIES LIMITED

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BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note	As at 31st March, 2014	As at 31st March, 2013
		Rs. in Lacs	Rs. in Lacs
Shareholders' funds			
Share capital	1	786.34	786.34
Reserves and surplus	2	(410.10)	(678.84)
		376.24	107.49
Non Current Liabilities			
Deferred tax Liability (net)	21	0.13	1.35
Current liabilities			
Trade payables & Other Liabilities	3	1,310.93	1,923.34
TOTAL		1,687.30	2,032.18
ASSETS			
Non-current assets			
Fixed assets			
(i) Tangible Assets	4	99.21	102.54
(ii) Fixed Assets Held for Sale	15	-	17.36
		99.21	119.90
Non-current investments	5	852.61	1,044.48
Long-term loans and advances	6	19.47	34.38
		971.29	1,198.76
Current assets			
Inventories	7	115.48	67.78
Trade receivables	8	-	6.43
Cash and cash equivalents	9	4.60	4.79
Short-term loans and advances	10	595.93	754.42
		716.01	833.42
TOTAL		1,687.30	2,032.18
Significant Accounting Policies	1 to 22		
Notes on Financial Statements			

As per our Report of even date

For Sukhminder Singh & Co.

Chartered Accountants
Firm Registration Number 016737N

For and on behalf of the Board

Sd/-
(Sukhminder Singh)
Partner
Membership Number 93100
Ludhiana
Date: 30.05.2014

Sd/-
(R.K. Singhania)
Managing Director
DIN - 00077540

Sd/-
(Harjeet Singh Arora)
Director
DIN - 00063176



PRIME INDUSTRIES LIMITED

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
		Rs. in Lacs	Rs. in Lacs
INCOME			
Revenue from operations	11	16.02	48.01
Total Revenue		16.02	48.01
Expenses			
Employee benefits expense	12	3.67	3.93
Finance costs	13	2.11	17.00
Depreciation and Impairment Loss	4	3.33	5.41
Other expenses	14	7.38	24.18
Total Expenses		16.49	50.51
Profit before tax		(0.47)	(2.50)
Tax expense:			
Current tax expense for current year		--	--
Deferred tax		1.21	1.14
Current tax expense relating to prior years		0.00	0.00
Profit / Loss for the year		0.74	(1.36)
Provision for Diminution in Value of Investments		-	(670.00)
Profit / Loss for the year after Provisions		0.74	(671.36)
Earnings per equity share of face value Rs. 10 each			
Basic and Diluted (in Rs.)		(0.02)	(8.49)
Weighted average number of shares outstanding		7900000	7900000
Significant Accounting Policies Notes on Financial Statements	1 to 22		

As per our Report of even date

For Sukhminder Singh & Co.
Chartered Accountants
Firm Registration Number 016737N

Sd/-
(Sukhminder Singh)
Partner
Membership Number 93100
Ludhiana
Date: 30.05.2014

For and on behalf of the Board

Sd/-
(R.K. Singhania)
Managing Director
DIN - 00077540

Sd/-
(Harjeet Singh Arora)
Director
DIN - 00063176



PRIME INDUSTRIES LIMITED

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Rs. in Lacs		Rs. in Lacs	
A. Cash flow from operating activities				
Net Profit/Loss() before tax and extraordinary items		(0.46)		(2.50)
<u>Adjustments for:</u>				
Depreciation and Loss on Sale of Fixed Assets	18.76		5.41	
Provision for Diminution in Value of Investment	268.00		(670.00)	
Interest Paid	2.10		16.97	
		288.86		(647.63)
Operating profit before working capital changes		288.40		(650.13)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(47.70)		147.14	
Trade receivables	6.43		(5.47)	
Short-term loans and advances	158.49		649.08	
Long-term loans and advances	14.91		(17.39)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	(612.42)		(411.70)	
		(480.28)		361.65
Cash flow from extraordinary items				
Cash generated from operations		(191.89)		(288.48)
Net income tax (paid) / refunds		-		-
Net cash flow (used) in operating activities (A)		(191.89)		(288.48)
B. Cash flow from investing activities				
Purchase of fixed assets		-		(1.09)
Sale of fixed assets		1.93		-
Sale of Investment		191.87		257.54
Net cash flow from investing activities (B)		193.80		256.45
C. Cash flow from Financing activities				
Interest Paid		(2.10)		(16.97)
Net cash flow (used in) in Financing Activities (C)		(2.10)		(16.97)
Net (decrease) in Cash and cash equivalents (A+B+C)		(0.19)		(48.99)
Cash and cash equivalents at the beginning of the year		4.79		53.78
Cash and cash equivalents at the end of the year		4.60		4.79

As per our Report of even date

For Sukhminder Singh & Co.
Chartered Accountants
Firm Registration Number 016737N

For and on behalf of the Board

Sd/-
(Sukhminder Singh)
Partner
Membership Number 93100
Ludhiana
Date: 30.05.2014

Sd/-
(R.K. Singhania)
Managing Director
DIN - 00077540

Sd/-
(Harjeet Singh Arora)
Director
DIN - 00063176



A	Basis of Preparation of Financial Statements <p>The financial statements are prepared on historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) and applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of Companies Act, 1956 and on the basis of going concern .</p>
B	Fixed Assets <p>I) Fixed assets are stated at cost of acquisition including taxes, duties and other direct and indirect expenses incidental to acquisition and installation / construction.</p> <p>II) The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indications of impairment thereof, based on external /internal factors. Impairment loss has been recognized and charged to Statement of profit & loss .</p>
C	Depreciation and Amortisation <p>Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.</p>
D	Impairment of Assets <p>The company is making an assessment whether any indication exists that an asset has been impaired at the end of the year. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of accounts.</p>
E	Investments <p>Long term investments are valued at cost unless there is a decline in value other than temporary. Current investments are stated at lower of Cost or Fair Value.</p>
F	Inventories <p>Inventories are valued at the lower of cost and the net realisable value.</p>
G	Revenue Recognition <p>The company follows the mercantile system of accounting and recognizes profit or loss on that basis.</p>
H	Employee Benefits <p>The Company has provided the provision for the gratuity and charges to revenue. Provident /Pension Fund are not applicable.</p>
I	Borrowing Costs <p>Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.</p>
J	Taxes on Income <p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p>
K	Provisions and contingencies <p>Contingent liabilities, if material, are disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements, A provision is recognized when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation.</p>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 Share capital

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Amount (in Lacs)	Number of shares	Amount (in Lacs)
Authorised				
Equity shares of Rs.10 each	8,000,000	800.00	8,000,000	800
Issued				
Equity shares of Rs.10 each	7,900,000	790.00	7,900,000	790.00
Subscribed and fully paid up				
Equity shares of Rs.10 each	7,826,700	782.67	7,826,700	782.67
Subscribed but not fully paid up				
Equity shares of Rs.10 each	73,300	3.67	73,300	3.67
Total	7,900,000	786.34	7,900,000.00	786.34

1.1 The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share.

1.2 Calls unpaid by others Rs.3,66,500/- (As at 31 March, 2013 Rs. 3,66,500/-)

1.3 The details of shareholders holding more than 5% shares:

Name of the shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% of holding	Number of shares held	% of holding
Master Trust Ltd	569,800	7.21	1,569,800	19.87
Master Capital Services Ltd	1,000,000	12.66	-	-
Saintco India (P) Ltd	500,000	6.33	500,000	6.33
Master Infrastructure & Real Estate Developers Ltd	428,000	5.42	428,000	5.42
G.S. Auto Leasing Ltd	407,900	5.16	635,400	8.04
Shambuka Agro Pvt Ltd	414,000	5.24	414,000	5.24
Shivalik Securities Ltd	658,193	8.33	431,493	5.46
Punjab State Industrial Development Corporation Ltd	885,000	11.20	885,000	11.20

1.4 The reconciliation of the number of shares and amount outstanding is set out below :

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Amount (in Lacs)	Number of shares	Amount (in Lacs)
Equity Shares at the beginning of the year	7,900,000	786.34	7,900,000	786.34
Equity Shares at the end of the year	7,900,000	786.34	7,900,000	786.34



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2 Reserves and surplus

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs. In Lacs	Rs. In Lacs
a) Capital Reserve		
As per last Balance Sheet	92.50	92.50
b) Revaluation Reserve		
As per last Balance Sheet	69.77	69.77
c) Profit and Loss Account		
Surplus/(Deficit) in Statement of Profit & Loss:		
As per last Balance Sheet	(841.11)	(169.75)
Add: Profit/(Loss) for the year	0.74	(1.36)
Provision for Diminution In Investments	268.00	(670.00)
Closing balance	(572.36)	(841.11)
Total	(410.10)	(678.84)

Note 3 Trade Payable & Other Liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade payables & Other Liabilities	1,310.93	1,923.34
Total	1,310.93	1,923.34



PRIME INDUSTRIES LIMITED

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 4 Fixed Assets

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1st April, 2013	Additions	Disposals/Adjustment	Balance as at 31st March, 2014	Balance as at 1st April, 2013	Depreciation expense for the year	Balance as at 31st March, 2014	Balance as at 31st March, 2013
Land	96.76	-	-	96.76	-	-	-	96.76
Furniture & Fitting	7.22	-	-	7.22	6.10	0.43	6.53	0.69
Vehicles	41.51	-	-	41.51	38.75	2.77	41.51	(0.00)
Office Equipments	16.58	-	-	16.58	15.34	0.06	15.40	1.18
Computer	0.67	-	-	0.67	0.01	0.07	0.08	0.65
Total	162.74	-	-	162.74	60.20	3.33	63.52	99.21
Previous year	161.65	1.09	-	162.74	55.75	4.46	60.19	102.54

Note 5 Non-current investments

Particulars	As at 31st March 2014			As at 31st March 2013		
	Quoted *	Unquoted	Total	Quoted *	Unquoted	Total
Investments (At cost):						
Investment in equity instruments of associates						
593598 (As at 31 March 2013: 593598) Equity shares of Rs.10 each fully paid up in Master Trust Ltd.	266.00	-	266.00	266.00	-	266.00
of other entities						
600000 (As at 31 March 2013: 1000000) Equity shares of Rs.10 each in SEL Manufacturing Ltd	420.00	-	420.00	700.00	-	700.00
Nil (As at 31 March 2013: 920559) Equity Shares @ Rs.10 each of Creative Infra Ltd.	-	-	-	49.61	-	49.61
325000 (As at 31 March 2013: 375000) Equity shares of Rs.10 each in Gala Finance Ltd	-	32.50	32.50	-	37.50	37.50
328813 (As at 31 March 2013: 328813) Equity shares of Rs.10 each in Shivalik Securities Ltd	-	32.88	32.88	-	32.88	32.88
Nil (As at 31 March 2013: 30887) Equity shares of Rs.10 each in Vardhman Holding Ltd	-	-	-	158.14	-	158.14
100 (As at 31 March 2013: 100) Equity shares of Rs.10 each in Convexity Soultions and Advisors Pvt Ltd	-	0.01	0.01	-	0.01	0.01
178000 (As at 31 March 2013: NIL) Equity shares of Rs.10 each in Eminent Buildwell P Ltd	-	83.66	83.66	-	-	-
	686.00	149.05	835.05	1173.75	70.39	1244.14
Investments in Land						
Total	-	419.56	419.56	-	470.34	470.34
Less: Provision for diminution in value of investments	(402.00)	-	(402.00)	(670.00)	-	(670.00)
Total	284.00	568.61	852.61	503.75	540.73	1,044.48



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* Market Value of Quoted Shares is Rs.161.16 Lacs (Previous Year Rs.429.44 Lacs)



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 6 Long-term loans and advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs. In Lacs	Rs. In Lacs
Advance income tax (net of provision for tax)	18.19	33.10
Security Deposit	1.28	1.28
Total	19.47	34.38

Note 7 Inventories

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs. In Lacs	Rs. In Lacs
Stock-in-trade (acquired for trading)	115.48	67.78
Total	115.48	67.78

Note 8 Trade receivables

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs. In Lacs	Rs. In Lacs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	-	-
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Unsecured, considered good	-	6.43
Total	-	6.43



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 9 Cash and cash equivalents

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs. In Lacs	Rs. In Lacs
Cash in hand	4.08	4.49
Balances with banks		
In current accounts	0.52	0.30
Total	4.60	4.79

Note 10 Short-term loans and advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs. In Lacs	Rs. In Lacs
Advance Recoverable in Cash or in Kind or for Value to be received		
Unsecured, considered good	595.93	754.38
Prepaid expenses - Unsecured, considered good	-	0.04
Total	595.93	754.42



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 11 Revenue from operations

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs. In Lacs	Rs. In Lacs
Income from Sale Purchase of Securities/Land/Others	9.18	(126.38)
Rental Income	0.00	157.5
Other Income	6.85	16.89
Total	16.02	48.01

Note 12 Employee benefits expenses

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs. In Lacs	Rs. In Lacs
Salary, Wages, Other Allowances & Gratuity (Including Directors Remuneration Rs.240000 Previous Year Rs.240000)	2.40	2.44
Staff Welfare Exp	1.27	1.49
Total	3.67	3.93

Note 13 Finance costs

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs. In Lacs	Rs. In Lacs
Interest expense on:		
Borrowings	2.10	16.97
Other borrowing costs		
- Bank Charges	0.01	0.03
Total	2.11	17.00



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 14 Other expenses

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs. In Lacs	Rs. In Lacs
Rent, Rate & Taxes	0.26	0.34
Printing & Stationery	0.07	0.30
Bad Debts Account Written off	-	14.12
Travelling & Conveyance	1.38	1.58
Legal & Professional Charges	0.19	0.38
Postage & Telegram, Telephone & Telex	0.47	0.60
Insurance Charges	0.13	0.72
Vehicle Maintenance	0.08	1.17
Other General Exp	4.68	4.85
Payment to Auditors		
As auditors - statutory audit	0.10	0.10
For taxation matters	0.02	0.02
Total	7.38	24.18

Note 15 Additional Information to Financial Statement

Details of Fixed Assets Held for Sale

Particulars	As at 31st March, 2014	As at 31st March, 2013
	Rs. In Lacs	Rs. In Lacs
Building	-	16.41
Plant & Machinery	-	0.95
Total	-	17.36



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16 Contingent liabilities

The Punjab State Industrial Development Corporation Limited (PSIDC) had contributed `88.50 Lacs in the equity share capital of Prime Industries Ltd @ `10/- per share, as Direct Equity Participation in 1993. The associates / promoters of Prime Industries Ltd. ,pledged shares of Prime Industries Ltd of `10/- each to PSIDC along with irrevocable power of attorney. The associates / promoters has also subscribed to the undertaking for buy back of the shares subscribed by PSIDC as referred above. As per the terms of undertaking for buy back of the shares, the associates / promoters are to buy the said shares at the face value along with interest applicable to terms financing before the expiring of seven years from the date of commencement of commercial production i.e.4th April, 1994. As per the term of the above referred undertaking, in case the associates / promoters do not buy back the shares subscribed by PSIDC, then the PSIDC is entitled to sell the shares subscribed by it and also recovers the loss if any by sale of the above referred shares pledged to the PSIDC. The PSIDC had announced OTS Policy for equity disinvestment. The associates / promoters have applied for buy back of shares under OTS policy, subject to their rights under the law to adjudicate upon the amount due under the buy back agreement. However the government of Punjab has amended the one time settlement scheme whereby the profit making companies are not eligible for the OTS scheme as per industrial policy 2003. The PSIDC vide letter dated 29th April, 2009 has illegally withdrawn the OTS in case of Prime Industries Limited and the matter is sub judice before Honorable Punjab & Haryana High Court. The Government of Punjab has Further notified a new one time settlement scheme (OTS) vide notification number 15/03/09-AS-6/400 Dated 2nd March, 2009. The associates / promoters being eligible even under the new OTS policy also, have applied for buy back of shares. The request of associates / promoters has not been accepted by PSIDC and the matter is sub judice before Honorable Punjab & Haryana High Court. The associate Master Trust Ltd has already paid a sum of Rs. 2.51 crore to PSIDC in this regard but the PSIDC has made company as one of party in suit for Recovery filed with Debt Recovery Tribunal. . In view of the management the company has no liability as company is not party to buy back agreement.

- 17 (a) Balances of sundry debtors, loans & advances and creditors are subject to confirmation and reconciliation if any.
- (b) The Company has pending suits for recovery against debtors/advances of Rs.37.00 lacs (previous year 37.00 lacs) for recovery of outstanding amounts. No provision has been considered necessary for these suits pending since in the opinion of management these debts are recoverable.
- 18 In the opinion of the Board, all the current assets, Loans & advances having the value on realization in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise.
- 19 Income from Sales,Purchase of securities,Land,Others include , Income from Land Rs.47.01Lacs (Preivious Year Rs. Nil), Misc Income Rs 0.35 Lacs(Previous Year Rs Nil),Profit/(loss) on Shares/Derivatives Trading (Rs. 31.59) Lacs (Previous Year (Rs. 126.37) Lacs) ,Profit/(loss) on Investment in Shares Rs. 8.84 Lacs(Previous Year Nil), Profit and Loss On Sale of Fixed Assets (Rs.15.43 Lacs) (Previous Year Nil)
- 20 The company is primarily engaged in Real Estate and allied activities and there are no separate reportable segments as per Accounting Standard (AS) 17 on "Segment Reporting".

Note

Particulars

21 Related party transactions

21 a Details of related parties:

Description of relationship	Name
Associates/Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives.	Singhania Properties, Crescent Investments, Blue Circle Investments, Sanawar Investments, Master Trust Ltd., Master Capital Services Ltd., Master Commodity Services Ltd.
Key Management Personnel (KMP)	Mr. R.k Singhania and Mr. Harjeet Singh Arora
Relatives of KMP	Mr. Puneet Singhania, Mr.Chirag Singhania, Mrs.Parveen Singhania, Mrs.Rohila Singhania
Note: Related parties have been identified by the Management.	



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	Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:				Rs. in Lacs
21 b		Associates	KMP	Relatives of KMP	Total
	Interest Paid	1.21	-	-	1.21
		(13.84)		-	(13.84)
	Brokerage/Commission Paid	0.56	-	-	0.56
		0.78	-	-	0.78
	Remuneration	-	2.40	-	2.40
		-	(2.40)	-	(2.40)
	<u>Balances outstanding at the end of the year</u>				
	Loan & Advances Given	38.97			38.97
	Loan & Advances taken	-	-	-	-
		(1.34)	-	-	(1.34)
	Other Trade payables	-	-	-	-
		(71.35)			(71.35)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Disclosures under Accounting Standards (contd.)

Note	Particulars	As at 31 March, 2014	As at 31 March, 2013
		Rs.	Rs.
22	Deferred tax (liability)		
	<u>Tax effect of items constituting deferred tax liability</u>		
	On difference between book balance and tax balance of fixed assets	(0.13)	(1.35)
	Net deferred tax (liability)	(0.13)	(1.35)

Previous year's figures

Note	Particulars
23	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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