



PRIME INDUSTRIES LIMITED

BOARD OF DIRECTORS

MANAGING DIRECTOR

Mr. R. K. Singhania

DIRECTORS

Mr. Harjeet S. Arora

Mr. Ashwani Kumar

Mr. Opinder Singh, Nominee PSIDC

Mr. Amarjit Singh

Mr. Darshanjit Singh Minocha

BANKERS

ING Vaysa Bank Ltd.

Branch

Gurdev Nagar, Ludhiana.

AUDITORS

Manjeet Singh & Co.

Chartered Accountants

1761, Phase-II, Urban Estate

Dugri, Ludhiana.

REGISTERED OFFICE AND WORKS

Village Gobindgarh, Malout Road

Abohar (Punjab)

HEAD OFFICE

Master Chambers, 19, Feroze Gandhi Market

Ludhiana - 141 001.

CONTENTS	Page No.
Directors' Report	1
Annexure to The Director's Report	3
Corporate Governance Report	4
Auditors' Report	8
Balance Sheet	10
Profit & Loss Account	11
Annexures	12
Balance Sheet Abstract	19
Cash Flow Statement	20



PRIME INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members

The Directors of your Company have pleasure in presenting the Audited Accounts of the Company for the year ended 31st March 2008 as amended/ revised.

1. FINANCIAL RESULTS :

The Financial Results for the period 1st April, 2007 to 31st March, 2008 are as under.

Particulars	(Rupees in lacs)	
	2007-08	2006-07
Operating & Other Income	148.88	833.64
Profit/Loss(-) before Tax (PBT)	-565.60	3.60
Provision for Tax		
- Current	0.15	0.36
- Deferred	50.00	(8.65)
- FBT	0.50	0.55
Profit /Loss(-) after Tax (PAT)	-516.24	(5.97)

2. MANAGEMENT DISCUSSION AND ANALYSIS

Your company has closed its manufacturing activities since the operations had been rendered unviable on account of changed economic scenario and unhealthy competition since size and economies of scale have become crucial factors for survival and profitable existence.

The Board of Directors in the year ending 31.03.2008 have also taken the shareholders' approval u/s 293 of the Companies Act, 1956 to sell, lease or transfer or otherwise dispose off the manufacturing unit and the company has sold part of the machinery/building during the year 2007-08.

As per the Notes on Accounts in the Balance Sheet for the year ended 31st March 2008 as already approved and adopted by the shareholders in the AGM held on 30.09.2008, the impairment loss has not been recognized. The Auditors have also in their Audit Report pointed out that impairment loss has not been made and as the company has sold machinery/ building, the going concern status of the company was effected.

On reconsideration of the issue, it was felt by the Board of Directors of your Company that impairment loss should have been recognized in the accounts for the year ended 31.03.2008. It is, therefore, considered appropriate to make such reorganization, on reconsideration of the issue and to amend/revise the accounts.

It is felt by the Board of Directors of the Company that in accordance with the Auditors' qualification in the Audit Report, such amendment/revision of accounts is in the interest of the company and its' shareholders. Hence, the accounts for the year 31.03.2008 are amended/ revised. The Auditors of the Company have also submitted their Audit Report thereon.

Based on the above your company has suffered losses to the extent of Rs. 516.24 lacs as compared to losses of Rs.5.97 lacs in the previous year. The gross operating & other income has declined to Rs.148.88 lacs as compared to Rs.833.64 lacs in the previous year.

3. DIVIDEND

Keeping in view the losses, your Directors have not recommended any dividend.

4. DIRECTORS

Mr.Amarjit Singh, Director was re-appointed as Director in the Annual General Meeting held on 30.08.2008.

5. 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 un-authorized use or disposition and that transactions are authorized & recorded by the concerned departments properly and reported to the Audit Committee/Board correctly.

6. PUBLIC DEPOSITS

During the period under review, the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder.



PRIME INDUSTRIES LIMITED

7. AUDITORS

The Auditors, M/s Manjeet Singh & Co., Chartered Accountants, Ludhiana, has been re-appointed as Statutory Auditors of the Company in the Annual General Meeting held on 30.09.2008 until the conclusion of next Annual General Meeting to conduct the Statutory Audit for the financial year 2008-09.

8. AUDITORS' REPORT

The Auditors' Report on the Accounts of the Company for the financial year ended 31.03.2008 as amended/revised is self - explanatory and requires no more comments.

9. CORPORATE GOVERNANCE

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 and has complied with all the relevant provisions. Corporate Governance Report forming part of this report as approved by the Board is attached herewith

10. HUMAN RESOURCE DEVELOPMENT

Your Company always follow 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.

12. PARTICULARS OF EMPLOYEES

During the period under review, no employee received salary more than Rs. 24 lacs per annum or Rs.2.00 lacs per month. Accordingly no particulars of employees are being given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956.

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

Particulars with respect to conservation of energy and other areas as per requirement of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed hereto and form part of this report.

15. ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the support and cooperation of all Company's stakeholders, in particular, the directors wish to place on record their deep sense of appreciation for the commitment and enthusiasm of all employees.

BY ORDER OF THE BOARD

DATE : 31.01.2009

PLACE : Ludhiana

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

Sd/-
(Harjeet S.Arora)
Director



PRIME INDUSTRIES LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(I)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2008.

1. CONSERVATION OF ENERGY

- Instructions have been given to the staff to exercise great control over energy consumption.
- Additional investment & proposal under implementation for reduction of consumption of energy : No
- Impact of measure consequent to (a) (b) above : Positive
- Total energy consumption and energy consumption per unit of production as per Form-A.

FORM - A

(Rupees in Lacs)

	Current year 01.04.2007 to 31.03.2008	Previous Year 01.04.2006 to 31.03.2007
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased Unit (KWH)	---	4.60
Total Amount	---	5.48
Rate per Unit (In Rs.)	---	4.60
b) Own Generation Through Diesel Generator		
Units Produced (KWH)	---	---
Total Amount	---	---
Cost per Unit (In Rs.)	---	---
2. Rice Husk/Baggase etc.		
Quantity (In Mts.)	---	1.000
Total Cost	---	0.70
Average Rate (Rs./pmt)	---	700.00
3. Furnace Oil	---	---
4. Diesel	---	0.04
Total Quantity (In Ltrs.)	---	1.26
Total Cost (Rs.)	---	29.00
Average (Rs./Ltrs)	---	---
5. Other/Internal Generation	---	---
B. CONSUMPTION PER M.T. OF PRODUCTION		
1. PRODUCT		
Electricity Consumed per Unit	---	---
Electricity Unit/Pmt	---	414.41
Rice Husk Tones/Pmt	---	0.90
Others	---	---
2. TECHNOLOGY ABSORPTION		
Technology Absorption, Adoption and Innovation :	---	---
3. FOREIGN EXCHANGE EARNINGS & OUTGO :		
a) Foreign Exchange Earned (Rs.)	---	---
b) Foreign Exchange Used (Rs. in Lacs)	---	---

BY ORDER OF THE BOARD

DATE : 31.01.2009
PLACE : Ludhiana

Sd/-
(R.K.Singhania) Managing Director
Sd/-
(Harjeet S.Arora) Director



PRIME INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

In compliance of the Listing Agreement the Board of Directors furnishes its report on Corporate Governance as under:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to ensure fairness to the stakeholders, empowerment to the employees and collective decision making and customers delight through transparency, full disclosures and 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	Designation	Category	Attendance at last AGM attended	No. of Board Meetings other companies	No. of Directorship in
Sh. R.K. Singhania	Managing Director	Executive Director	Present	10	10
Sh. H.S. Arora	Director	Non Executive Director	Present	10	10
Sh. Amarjit Singh	Director	Executive Director	Present	3	-
Sh. Ashwani Kumar	Director	Non Executive Director	Present	7	7
Sh. Opinder Singh	Nominee Director	Non Executive Director	Present	-	-
Sh. Darshanjit Singh Minocha	Director	Non Executive Director	Present	3	-

The Board Meeting(s) were held on 03.04.2007, 27.04.2007, 27.07.2007, 27.08.2008, 21.09.2007, 27.10.2007, and 31.01.2008

3. AUDIT COMMITTEE

To ensure the independence of the Committee the three members Audit Committee was composed of non executive and independent directors viz. Sh. Harjeet Singh Arora, Sh. Darshanjit Singh and Sh. Ashwani Kumar.

Sh. Ashwani Kumar is the chairman of the Committee. Statutory Auditors, Head of Account Department are permanent invitees to the Committee meetings. The Terms of Reference of the Audit Committee are as contained in Section 292A of the Companies Act, 1956 and also as contained in Corporate Governance clause of the Listing Agreement.

The Audit Committee met four times during the year on 27.04.2007, 27.07.2007, 27.10.2007 and 31.01.2008. The attendance of the members of the Committee is given below:

Name of Committee Director	Category	No. of Meetings Attended
Sh. Harjeet Singh Arora	Non Executive Director	5
Sh. Ashwani Kumar	Non Executive Director	4
Sh. Darshanjit Singh Minocha	Non Executive Director	3

4. DIRECTORS' REMUNERATION :

(a) Managing/ Whole Time Directors

Detail of remuneration paid to the Managing Director/ Executive Directors during the Financial Year 2007-08 is given below:

Name	Position	Salary	Other Perquisites	Total
Sh. R.K. Singhania	Managing Director	180000	60000	240000



PRIME INDUSTRIES LIMITED

(b) Non Executive Directors :

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

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE :

The Shareholders'/Investors' Grievance Committee was constituted to look into the redressal of investors' complaints on various issues. The Members of the Committee are Sh. Harjeet Singh Arora and Sh. Ashwani Kumar. The chairman of the committee is Sh. Harjeet Singh Arora. No complaint of any shareholder is pending with the company.

6. GENERAL BODY MEETINGS:

The detail of last three Annual General Meetings is given below :

Financial Year	General Meeting	Location	Date	Time
2007	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	29.09.2007	3.30 P.M.
2006	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	30.09.2006	4.00 P.M.
2005	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	30.09.2005	1.30 P.M.

The Company has passed a resolution through postal ballot during the Financial Year 2007-08.

7. DISCLOSURE

1. There has been no instance of the non-compliance by the Company on any matter related to capital market during the last three years.
2. No treatment different from accounting standards prescribed by the Institute of Chartered Accountants of India, has been followed while preparing the financial statements.
3. The Company has complied with the mandatory requirements of clause 49 of the Listing Agreement and has not followed the non mandatory requirements.

8. 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 newspapers.

9. GENERAL INFORMATION FOR SHAREHOLDERS :

ANNUAL GENERAL MEETING

i) 16th Annual General Meeting :

Date : 30.09.2008
Time : 11.30 A.M.
Venue : Regd. Office : Village Gobindgarh, Malout Road, Abohar.

ii) Financial : 1st April 2007 to 31st March 2008

First Quarterly Results : July , 2007
Second Quarterly Results : October , 2007
Third Quarterly Results : January, 2008
Annual Results : April, 2008

iii) Dates of Book Closure : 26.09.2008 to 30.09.2008 (both days inclusive)

iv) 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.

v) Stock Code :

1 The Calcutta Stock Exchange Association Ltd. : 26155
2 The Bombay Stock Exchange Ltd. : 519299

vi) Market Price Data

Monthly high and low prices of equity shares of Prime Industries Limited at The Bombay Stock Exchange Limited, (BSE) in comparison to sensx is given hereunder



PRIME INDUSTRIES LIMITED

Month	Highest (In Rs.)	Lowest (In Rs.)	Closing (In Rs.)	% of Change	Highest (In Rs.)	Lowest (In Rs.)	Closing (In Rs.)	% of Change
April 2007	7.67	4.67	4.67		14383.72	12425.52	13872.37	
May 2007	4.44	2.96	2.96		14576.37	13554.34	14544.46	
June 2007	2.82	2.13	2.35		14683.36	13946.99	14650.51	
July 2007	2.24	1.85	1.85		15868.85	14638.88	15550.99	
August 2007	2.02	1.77	2.02		15542.40	13779.88	15318.60	
September 2007	2.33	2.12	2.33		17361.47	15323.05	17291.10	
October 2007	2.56	2.33	2.56		20238.16	17144.58	19837.99	
November 2007	2.68	2.55	2.55		20204.21	18182.83	19363.19	
December 2007	3.90	2.67	3.90		20498.11	18886.40	20286.99	
January 2008	8.38	4.09	8.38		21206.77	15332.42	17648.71	
February 2008	11.97	8.79	9.79		18895.34	16457.74	17578.72	
March 2008	9.31	8.41	8.41		17227.56	14677.24	15644.44	

vii) Registrar and Share Transfer Agent :

Pursuant to the circular issued by the Securities & Exchange Board of India (SEBI) 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.

246, Sant Nagar, Main Iscon Temple Road

East of Kailash, New Delhi.

Phones: 011-46573054, 26292682-83

Fax : 011-29848352

e-mail : admin@skylinerta.com

viii) Share Transfer System :

All Applications for transfer of shares in physical form are received and processed by the Company's Registrar and Share Transfer Agent i.e Skyline Financial Services (P) Ltd.

ix). Distribution of Shareholding Pattern of The Company :

Sr. No.	Category	No. of Shares	% of Shares
1.	Promoters	3126003	39.57%
2.	Corporate Bodies	2340893	29.63%
3.	General Public	1282704	16.24%
4.	NRI	263500	3.34%
5.	Bank/ FIs	886900	11.22%
	Total	7900000	100.00%

x) Dematerialization of Shares :

As on 31st March 2008 % of the Share Capital dematerialized.

1734600

21.95%

xi) Address for Correspondence :

Head Office : Master Chambers,
19, Feroze Gandhi Market, Ludhiana.

Tel. No. : 0161-2410557-58, Fax No. : 0161-2402963

E-mail : primeindustries@alibaba.com



PRIME INDUSTRIES LIMITED

xii) Compliance Officer :

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

Place : Ludhlana
Date : 31.01.2009

Sd/
(R.K. Singhania)
Managing Director

DECLARATION UNDER CLAUSE 49

Compliance with Code of Business Conduct and Ethics

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members/Sr.Executives have affirmed compliance with the Code of Conduct and Ethics for the year ended March 31,2008

Place : Ludhlana
Date : 31.01.2009

Sd/
(R.K. Singhania)
Managing Director

CEO/CFO Certification

As required by Sub-clause V of the Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board the for the financial year ended March 31,2008, the company has complied with the requirement of the said sub-clause.

Place : Ludhlana
Date : 31.01.2009

Sd/
(R.K. Singhania)
Managing Director

Auditor's Certificate to the members of Prime Industries Limited on compliance of the conditions of Corporate Governance for the year ended 31st March, 2008 under Clause 49 of the Listing Agreement.

To
The Members
Prime Industries Limited
Ludhiana.

I/We have examined the compliance of conditions of Corporate Governance by Prime Industries Limited for the year ended 31st March, 2008, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange (hereinafter referred to as clause 49).

The compliance of conditions of corporate governance is the responsibility of the management. My/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. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my/our opinion and to the best of our information and according to the explanations given to me/us and the representations made by the directors and the management, I/We certify that the company has upto 31st March, 2008, complied in all material respects with the conditions of Corporate Governance stipulated in Clause 49.

Further I/We state that no investor grievances are pending for a period of one month against the company as per the records maintained by the Investor Grievance Committee.

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

For Manjeet Singh & Co.
Chartered Accountants

Date : 31.01.2009
Place : Ludhiana

Sd/
Manjeet Singh
Prop.



PRIME INDUSTRIES LIMITED

AUDITORS REPORT

To
The Members
Prime Industries Limited.
Abohar.

We have audited the attached Balance Sheet of Prime Industries Limited, Malout Road, Abohar as at 31.03.2008 and the Profit & Loss Account for the year ended on that date annexed thereto. These are the revised statements made by the Board of Director of the company of the Balance Sheet and profit and loss account covered by our audit report dated 30/08/2008. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We have considered our earlier report dated 30/08/2008. In our earlier report we had qualified for non recognition of impairment losses and the company has sold part of Plant & machinery/building, the on going concern status of the company was effected. In accordance with our qualification in Audit Report the company has quantified and recognized a sum of Rs.56669007 for impairment losses as per note No.1 (B) II to the accounts. Consequently the provision for deferred Tax liability has been reduced accordingly. In our opinion the impairment losses in the accounts is in accordance with the Accounting standard referred to in sub section (3C) of section 211 of the companies Act 1956.

- 1) As required by the Companies (Auditor's Reports) Order 2003 issued by the Central Government of India in terms of sub-section, (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
- 2) Further to our comments in the annexure referred in paragraph above we state that:-
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of such books.
 - iii) The Balance Sheet and Profit and Loss Account, dealt with by this report are in agreement with the books of accounts.
 - iv) In our opinion the Balance Sheet and Profit And Loss Account comply with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, in so far as they apply to company.
 - v) Based on representation made by the directors and taken on record by the Board, we report that none of

the directors is disqualified as on 31.3.2008 from being appointed as a director in terms of clause (g) of subsection (i) of section 274 of the Companies Act, 1956.

- vi) In our opinion and to the best of our information and according to the explanation given to us, read with the other notes, the said statements of accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
 1. In the case of the Balance Sheet, of the State of Affairs of the Company as at 31.03.2008 and
 2. In the case of Profit and Loss Account, of the Loss for the year ended on that date.
 3. In the case of the Cash flow Statement, of the cash flows for the year ended on that date.

For Manjeet Singh & Co.
Chartered Accountants

Place : Ludhiana
Dated : 31.01.2009

Sd/-
(Manjeet Singh)
Prop.

ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph (I) of our Report of even date)

1. A) The company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, the management has physically verified certain fixed assets during the year and no serious discrepancies have been noticed. In our opinion, the frequency of fixed assets is reasonable. To the best of our knowledge, no material discrepancies have been noticed on verification.
 - c) During the year the Company has closed the manufacturing activity and sold the part of Machinery/Building which effect the going concern status of the company with respect to the manufacturing unit.
2. a) The inventory has been physically 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 explanation given to us, the procedure of physical verification of inventory followed by the company is reasonable and 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 in the books of accounts.
3. In respect of loans, secured or unsecured, granted or taken by the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - a) The Company has granted loan to two parties aggregating to Rs. 238.38 lacs at the end of the year (previous year two parties 0.80 lacs) granted to associate companies.



PRIME INDUSTRIES LIMITED

- b) In our opinion and according to the information and explanation given to us, the rate of interest wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
- c) In respects of loan granted to the company these are repayable on demand and therefore the question of overdue amounts does not arise.
4. 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 the 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, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
5. a) Based upon the audit procedures applied by us and according to the information and explanation 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.
b) 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 Rupees five 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. The company has not accepted any deposits from public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
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. We are informed that maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 in respect of the Company's product.
9. The company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities wherever applicable. No amount was outstanding for more than six months as on the date of Balance Sheet from the date they become payable.
10. The accumulated losses of the company at the end of the financial year do not exceed more than 50% of the Net Worth as on 31/03/2008. There are no cash losses during the current and immediately preceding financial year.
11. According to the information and explanations given to us and as per books and records examined by us, the company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares debentures and other securities.
13. The company does not fall within the category of Chit fund/ Nidhi/ Mutual Benefit fund/Society and hence the related reporting requirements are not applicable.
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 given corporate guarantee of Rs.1600.00 Lacs(Previous Year 1100.00 Lacs) for the facilities of bank guarantee taken by the associate company from banks or financial institutions, the terms & conditions whereof in our opinion are not prima facie prejudicial to the interest of company.
16. In our opinion, and according to the information and explanations given to us, the term loan raised during the year by the Company has been applied for the purpose for which the said loan was obtained, where such end use has been stipulated by the lender.
17. According to the information and explanation given to us, and as per the books and records examined by us, as on the date of balance sheet, the fund raised by the company on short term basis have not been applied for long term investments. Long term funds have been partly applied for financing core working capital in consonance with principles of sound financial management.
18. 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.
20. The company has not raised any money by way of public issues during the year.
21. During the course of our examination of books and records of the company carried out in accordance with the generally accepted auditing practices in India we have neither come across any instance of fraud on or by the company, noticed and reported during the year, nor have we been informed of such case by the management.

For Manjeet Singh & Co.
Chartered Accountants

Place : Ludhiana
Dated : 31.01.2009

Self-
(Manjeet Singh)
Prop.



PRIME INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2008

PARTICULARS	ANNEXURE	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	A	78633500.00	78633500.00
Reserve & Surplus	B	16226096.00	51296997.02
		<u>94859596.00</u>	<u>129930497.02</u>
Deferred Tax Liabilities (Net)		2866835.00	7867510.00
TOTAL		<u>97726431.00</u>	<u>137798007.02</u>
Application of Funds			
Fixed Assets			
Gross Block		110251680.00	133802064.00
Less: Depreciation and Impairment		86689506.00	44074591.00
Net Block	C	<u>23562174.00</u>	<u>89727473.00</u>
INVESTMENT	D	857500.00	857500.00
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	E	256543.00	10702358.00
Sundry Debtors	F	14805925.86	15370476.86
Cash & Bank Balances	G	1610069.82	441890.32
Loans and Advances	H	45708170.55	39215626.78
TOTAL		<u>62380709.23</u>	<u>65730351.96</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
Liabilities	I	5627881.36	18517317.94
Net Current Assets		56752827.87	47213034.02
Profit & Loss Account (As per annex)		16553929.13	-
TOTAL		<u>97726431.00</u>	<u>137798007.02</u>

NOTES ON ACCOUNTS

Q

This is the Balance Sheet referred to in our report of even date-
For Manjeet Singh & Co.
Chartered Accountants

For and on behalf of the Board

Sd/
(Manjeet Singh)
Prop.

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

Sd/-
(Harjeet S. Arora)
Director

Place : Ludhiana
Date : 31.01.2009



PRIME INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

PARTICULARS	ANNEXURE	FOR THE YEAR ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
INCOME			
Operating & Other Income		14888311.25	83364066.33
	Total	14888311.25	83364066.33
EXPENDITURE			
Cost of Material	K	10445815.00	68258642.41
Mfg. Expenses	L	-	7049964.05
Employee Cost	M	676340.00	1175219.00
Administration & Other Expenses	N	2840784.42	1498936.50
Financial Expenses	O	143440.98	2552362.82
Selling Expenses	P	29417.00	832668.53
Depreciation & Impairment Loss	C	57313019.00	1636677.00
		71448816.40	83004470.31
Profit/Loss(-) for the year		-56560505.15	359596.02
Provision for taxation			
- Current		15000.00	-36000.00
- FBT		50000.00	-55000.00
Adjustment for Deferred Tax		5000675.00	865528.00
Profit / (Loss) after tax		-51624830.15	-596931.98
Add Previous year balance		35070901.02	36354395.00
APPRORIATION			
Unutilised STT of previous year		-	686562.00
Balance carried over to Balance Sheet		-16553929.13	35070901.02

NOTES ON ACCOUNTS

Q

This is the Balance Sheet referred to in our report of even date-
For **Manjeet Singh & Co.**
Chartered Accountants

For and on behalf of the Board

Sd/
(Manjeet Singh)
Prop.

Sd-
(R.K. Singhanla)
Managing Director

Sd-
(Harjeet S. Arora)
Director

Place : Ludhiana
Date : 31.01.2009



PRIME INDUSTRIES LIMITED

ANNEXURES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
ANNEXURE-A		
SHARE CAPITAL		
AUTHORISED		
80,00,000/- (Previous Year (60,00,000) Equity Share of Rs.10/-	80000000.00	80000000.00
ISSUED SUBSCRIBED AND PAIDUP		
79,00,000 (previous year 5900000) Equity Share of Rs.10/- each fully paid up 20,00,000(previous year NIL Equity Shares of Rs.10 each called and paid up Rs.1/- Less calls unpaid (Due from other than Directors)	79000000.00 366500.00	79000000.00 366500.00
TOTAL	78633500.00	78633500.00

ANNEXURE-B RESERVE AND SURPLUS

Capital Reserve	9249500.00	9249500.00
Revaluation Reserve	6976596.00	6976596.00
Profit & Loss carried forward	-	35070901.02
TOTAL	16226096.00	51296997.02

ANNEXURE-C FIXED ASSETS

Particulars	W.D.V. 01.04.07	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Additions During the the Year	Sale/Adjust- ments for	As at 31.03.2008	As at 01.04.2007	For the year	Adjust- ments for the Year	Impairment Loss	As at 31.03.2008	As at 31.03.2007	As at 31.03.2007
Land	9676000.00	0.00		9676000.00	0.00	0.00			0.00	9676000.00	9676000.00
**Building held for disposal	15151706.00		4231092.00	10920614.00	5403160.00	2006383.00	5000837.00	8397214.00	2223400.00	9748546.00	9748546.00
**Plant & Machinery held for disposal	102047387.00	0.00	20891720.00	81155667.00	35543218.00	0.00	12691721.00	51668170.00	74520067.00	6635600.00	66504169.00
Furniture & Fixture	583548.00	96013.00		679561.00	351398.00	43016.00			394414.00	285147.00	232150.00
Vehicles	4870147.00	1573240.00	175000.00	6268387.00	1680881.00	502789.00			2183670.00	4084717.00	3188266.00
Office Equipments	1473951.00	77500.00		1551451.00	1095934.00	98207.00			1194141.00	357310.00	377342.00
	133802739.00	1746753.00	25297812.00	110251680.00	44074591.00	644012.00	14698104.00	56669007.00	86689506.00	23562174.00	89727473.00

** Net realisable value based on management estimates.



PRIME INDUSTRIES LIMITED

PARTICULARS	FOR THE YEAR ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
ANNEXURE - D		
INVESTMENT		
QUOTED		
63,500 (Prev. year 63500) Equity shares of Rs.10/- each of Master Trust Ltd. Mrket value Rs.12.41 lacs (Unquoted previous year Rs.3.83 lacs)	657500.00	657500.00
20,000 shares if of Himachal Knit Export Ltd. (prev. year 20,000) of Rs.10/- each	200000.00	200000.00
TOTAL	<u>857500.00</u>	<u>857500.00</u>
ANNEXURE - E		
INVENTORIES		
(As taken, valued and certified by the Management)		
By product (Net realisable value)	--	10445815.00
Stores & Spares (Atmrket price)	256543.00	256543.00
TOTAL	<u>256543.00</u>	<u>10702358.00</u>
ANNEXURE - F		
SUNDRY DEBOTRS (UNSECURED)		
Considered good:-		
Over six months old	13446135.21	13641995.21
Others	1359790.65	1728481.65
TOTAL	<u>14805925.86</u>	<u>15370476.86</u>
ANNEXURE - G		
CASH AND BANK BALANCE		
Cash in hand	97772.21	59244.59
Balances with Scheduled Banks in Current Accounts	1512297.61	382645.73
TOTAL	<u>1610069.82</u>	<u>441890.32</u>
ANNEXURE - H		
LOANS AND ADVANCES		
(Unsecured, considered goods) Advances recoverable in cash or in kind or/for value to be received)		
Security Deposits	44527842.55	38264426.78
Tax Deducted at source	197720.00	407020.00
	982608.00	544180.00
TOTAL	<u>45708170.55</u>	<u>39215626.78</u>



PRIME INDUSTRIES LIMITED

PARTICULARS	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
ANNEXURE - I		
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors	377548.81	1773939.62
Other Liabilities	5185332.55	16652378.32
Provision for FBT	50000.00	55000.00
Provision for income tax	15000.00	36000.00
TOTAL	<u>5627881.36</u>	<u>18517317.94</u>
ANNEXURE - J		
OPERATING & OTHER INCOME		
Sale & Services Other Income	13601330.25	82069258.33
Interest Income	1286981.00	1294808.00
TOTAL	<u>14888311.25</u>	<u>83364066.33</u>
ANNEXURE - K		
COST OF MATERIAL		
Opeining Stocks		
Raw Material	--	4918197.00
Oil in process	10445815.00	7317548.00
Finsihed Goods	--	16782.00
TOTAL	<u>10445815.00</u>	<u>12252527.00</u>
ADD: PURCHASE	--	66451930.41
LESS CLOSING STOCK		
Work in process	--	10445815.00
TOTAL	--	10445815.00
NET COST	<u>10445815.00</u>	<u>68258642.41</u>
ANNEXURE- L		
MANUFACTURING EXPENSES		
Power and fuel	--	743246.00
Store consumed	--	6236761.05
Repair & maintanace	--	48154.00
Labour charges	--	21803.00
TOTAL	--	<u>7049964.05</u>



PRIME INDUSTRIES LIMITED

ANNEXURES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	FOR THE YEAR ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
ANNEXURE - M		
EMPLOYMENT COST		
Salary , wages, L.W.W. & other allowances (including Directors remuneration Rs.240000 Previous year Rs.472645/-)	582733.00	999727.00
Staff Welfare expenses	93607.00	175492.00
TOTAL	<u>676340.00</u>	<u>1175219.00</u>
ANNEXURE- N		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rates and Taxes	46000.00	103500.00
Printing and stationery	10216.00	31292.00
Travelling and Conveyance (including Directors travelling) Rs.177816/- prev. year Rs.152963)	438650.00	241340.00
Legal & Professional charges	30210.00	129725.00
Postage, telephone, telegram & telex	142296.30	281309.00
Insurance charges	603698.00	201443.00
Vehicle main.	182361.00	155156.00
Other General Expenses (Including AGM Expenses etc)	1376129.12	343947.50
Audit Fee	11224.00	11224.00
TOTAL	<u>2840784.42</u>	<u>1498936.50</u>
ANNEXURE- O		
FINANCIAL EXPENSES		
INTEREST		
On working capital	120780.86	2445893.09
Bank Charges	22660.12	106469.73
TOTAL	<u>143440.98</u>	<u>2552362.82</u>
ANNEXURE - P		
SELLING EXPENSES		
Brokerage & commission	--	57019.00
Rebate & Discount	--	335266.07
Advertisement Expenses	20707.00	34069.00
Freight Outward & Other Selling Exp.	8710.00	406314.46
TOTAL	<u>29417.00</u>	<u>832668.53</u>



PRIME INDUSTRIES LIMITED

ANNEXURE - Q

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements are prepared under historical cost convention with applicable accounting standards and relevant presentation requirement of the companies Act, 1956 and on the basis of going concern except with respect to manufacturing unit which has been discontinued.

b) FIXED ASSETS

I. Fixed assets are stated at cost of acquisition including taxes, duties and other direct and indirect expenses incidental to acquisition and installation/construction and net of Modvate Credit and adjusted by revaluation of land at current market value as certified by the approved valuer as on 31.03.2003.

II. The carrying amount of Fixed Assets is reviewed at each balance sheet date to determine if there is any indications of impairment thereof, based on external/internal factors. The company has closed its manufacturing activities since the operations had been rendered unviable on account of changed economic scenario and unhealthy competition since size and economies of scale have become crucial factors for survival and profitable existence. The Board of Directors, in the year ending 31.03.2008 have also taken the share holder's approval under Section 293 of the companies Act 1956 to sell, lease or transfer or otherwise dispose off the manufacturing unit and the company has sold part of the machinery/building during the year 2007-08. As per the notes on the accounts for the year ended 31st March 2008, adopted on 30/09/2008 by Shareholders, the impairment losses arising out of the above circumstances and decision was not recognized. The Auditors in the Audit Report had also qualified that impairment losses has not been made and as the company has sold the part of machinery/ building, the going concern status of the company was effected. In accordance with the Auditor's qualification in Audit Report, a sum of Rs.56669007 is charged to profit and loss account as impairment losses and hence the statements of Accounts are rectified/amended/revised.

Accordingly for the accounting year ending 31.03.2008 the profit/loss has decreased/increased by Rs.56669007 and the consequently carried over Balance in profit & loss account is decreased by Rs 56669007.

III. Depreciation on fixed assets other than Plant & Machinery and Building is provided on straight line method in the manner and at the rates specified in schedule XIV/No.GSR/756(E) Dated 16 Dec.1992.

The company has been making provision for depreciation on straight line method on Plant and Machinery and Building. In view of the circumstances as referred to in (II) above depreciation should be based on W.D.V. Method on plant & machinery and building.

There is a difference in the amount of depreciation as per W.D.V. method under the companies Act 1956 and straight line method under the companies Act 1956 amounting to Rs 51164778 as on 31.03.2008. In view of the impairment losses as per above Note (II) no provision for the depreciation has been made.

c) INVENTORIES

The basis of determining cost of inventories

Raw Material	:	At Cost Price
Work-in-process	:	At Estimated cost
Finished Goods	:	At Cost Price
Stores & Spares	:	At cost or realizable value whichever is lower

d) INVESTMENTS

Investments are stated at the cost of acquisition.

e) PROVIDENT FUND

The company's contribution to the fund is charged to Profit & Loss account as revenue as required under the state rules.

f) GRATUITY

Provision of Gratuity is made & charged to Profit & Loss account.

g) REVENUE RECOGNITION

The company follows the mercantile system of accounting and recognized profit and Loss account on that basis.

h) FRINGE BENEFIT TAX

The Fringe Benefit Tax has been calculated and accounted for in accordance with the provisions of the Income tax act, 1961 and the guidance note on accounting for fringe Benefit Tax issued by the institute of Chartered Accountants of India.

i) BORROWING COST

All borrowing costs are charged to revenue.



PRIME INDUSTRIES LIMITED

2) CONTINGENT LIABILITIES

- a) The company has been giving corporate guarantee to the bank for the Bank Guarantee facility taken by its associate company amounting to Rs. 1600 lacs (Previous year Rs.1100 lacs).
- 3) Balances of sundry debtors and creditors are subject to confirmation and reconciliation if any.
- 4) In the opinion of the Board, all the current assets, Loans & advances have been 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.
- 5) Other General expenses include/(Incomes) related to earlier year Rs. Nil(Previous year Rs.Nil)
- 6) The previous year figure have been regrouped and reclassified wherever necessary.
- 7) Sales, services and other income include miscellaneous Income Rs.Nil (previous year NIL), Insurance claim received Rs. 232501/- (Previous Year NIL). Profit on sale of shares on F&O basis Rs.7571067/- (Previous year 335701/-), Dividend received Rs. NIL (Previous year. NIL).
- 8) Segment Reporting : During the year the company had operated only in one business segment viz. Trading oils. Hence in the opinion of the management there is no separate reportable segment reportable segment as required under Accounting Standard 17 segment reporting issued by institute of Chartered accountant as of India.

9. Differed Tax Liabilities as on 31/03/2008 is as follows :

Particulars	Amount	Amount
Deferred Tax Liabilities as on 31/03/2007	7867510.00	7001982.00
-for the year ended 31/03/2008	-5000675 .00	865528.00
Deferred Tax Liability as on 31/03/2008	2866835.00	7867510.00

In view of Impairment losses as per note No.1 (B) II given under head fixed Assets deferred tax liabilities has been reduced to Rs. 2866835/-

10. Related party Disclosures

Related Party Disclosures as required by As-18. Related party Disclosures given below :

Associates/ Enterprises owned or Significantly influenced by key Management Persons or their Relatives

Master Trust Ltd.
Master Capital Services Ltd.
Master Shares & stock Brokers Ltd.
MTL shares & stock Brokers Ltd.
Transactions with related parties

Key Management Personal

Mr. R. K . Singhania Managing Director
Mr. Harjeet Singh Arora Director
Mr. Amarjeet Singh executive Director

Key Mangement Associates / Enterprises owned or Personnel significantly influenced by Key Management Persons or their Relatives

Sales	--	--
Purchase	--	--
Interest Income	86981.00	94808.00
Remuneration	240000.00	384000.00
Loans Given	238.38 Lacs	0.80 Lacs
Balance outstanding at the end of year		
Receivable	12389930..00	--

OTHER ADDITIONAL INFORMATION

A) PARTICULARS OF LICENSED/ REGISTERED/ INSTALLED ANNUAL CAPACITIES/ PRODUCTION

CLASS OF GOODS	UNITS	LICENSED/REGD CAPACITY		INTALLED CAPACITY		PRODUCTION	
		AS AT 31.03.2008	AS AT 31.03.2007	AS AT 31.03.2008	AS AT 31.03.2007	year ended 31.03.2008	year ended 31.03.2007
Processed oil/ Vanaspati	Mts	16500	16500	Nil	14500	Nil	1110.201*
Oxygen Gas	Cu.Mts.	570000	570000	Nil	350000	Nil	Nil

The installed capacities have been taken as certified by the management and not verified by the auditors being a technical



PRIME INDUSTRIES LIMITED

matter.

" Production includes goods produced and used for captive consumption.

B) PARTICULARS OF SALES

Class of Goods	Unit	For the Year Ended 31.03.2008		For the Year Ended 31.03.2007	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Processed oil/ Vanaspati	Mts	2136.000	4388808	1188.070	54718322
Diff in Trading Nos. F&o & Securities			7571066	82220	22657564
Others			2928437		4357670

C) OPENING AND CLOSING STOCKS OF GOODS PRODUCED AND TRADED IN

Class of goods	Unit	As at 31.03.2008		As at 31.03.2007		As at 31.03.2006	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Processed Oil/ Vanaspati	Mts.	NIL	NIL	NIL	NIL	NIL	NIL
Others		---	---	---	---	---	---

D) TRADING GOODS PURCHASED

Class of Goods	Unit	For the Year Ended 31.03.2008		For the Year Ended 31.03.2007	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Vansapati /Oil	Mts.	Nil	Nil	62.160	2356068
Others	--	--	--	82220	22272567

E) RAW MATERIAL CONSUMED

Class of Goods	Unit	For the Year Ended 31.03.2008		For the Year Ended 31.03.2007	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Oil	Mts.	Nil	Nil	1147.204	38982429

F) OTHER ADDITIONAL INFORMATION

Name	Position	Salary	Other Perquisites	Total
Sh. R.K.Singhania	Managing Director	180000	60000	240000

G) VALUE OF IMPORTED /INDIGENOUS RAW MATERIAL, SPARES COMPONENTS AND STORES CONSUMED

Class of Goods	For the Year Ended 31.03.2008		For the Year Ended 31.03.2007	
	Value (Rs.)	%	Value (Rs.)	%
i) Raw Material				
- indigenous	NIL	NIL	38982429	100
- imported	NIL	NIL		
ii) Stores, Spares-indigenous	NIL	NIL	6236761	100
-Imported				

For Manjeet Singh & Co.
Chartered Accountants

For and on behalf of the Board

Sd/
(Manjeet Singh)
Prop.

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

Sd/-
(Harjeet S. Arora)
Director

Place : Ludhiana

Date : 31.01.2009



PRIME INDUSTRIES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details																								
Registration No.										1	2	6	6	2	State Code				1	6				
Balance Sheet Date										3	1	-	0	3	-	2	0	0	8					
										Date			Month			Year								
II. Capital Raised during the year (Amount in Rs. Thousand)																								
Public Issue					Right Issue					Bonus Issue					Private Placement									
NIL					NIL					NIL					NIL									
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)																								
Total Liabilities										Total Assets														
1 0 3 3 5 4										1 0 3 3 5 4														
SOURCE OF FUNDS																								
Paid-up-Capital					Reserves & Surplus					Secured Loans					Unsecured Loans									
7 8 6 3 3					1 6 2 2 6																			
										Deferred Liability														
										2 8 6 7														
APPLICATION OF FUNDS																								
Net Fixed Assets					Investments					Net Current Assets					Misc. Expenditure									
2 3 5 6 2					8 5 7					5 6 7 5 3					NIL									
										Accumulated Losses														
										1 6 5 5 4														
IV. Performance of Company (Amount in Rs. Thousand)																								
Turnover					Total Expenditure					Profit / Loss Before Tax					Profit / Loss After Tax									
1 4 8 8 8					7 1 4 4 9					5 6 5 6 0					5 1 6 2 5									
										Earning Per Share in Rs.					Dividend Rate %									
										NIL					NIL									
V. Generic Names of Three Principal Products/Services of Company (As per Monetary Terms)																								
Item Code No.		1 5 1 6 2 0																						
Product Description		V A N A S P A T I																						
Item Code No.		1 5 1 4																						
Product Description		R E F I N E D O I L																						
Item Code No.		2 8 0 4 4 0 0 0																						
Product Description		O X Y G E N																						



PRIME INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	31.03.2008	31.03.2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax and extraordinary items	565.61	3.60
Adjustments for		
Depreciation	573.13	16.37
Interest/Dividends		
Misc. Exp. Written off		
Profit on Sale of Fixed Assets	—	(.53)
Operating profit before Working Capital changes	7.52	19.44
Adjustment for		
Trade And other Receivables	(59.28)	(154.58)
Inventories	104.45	49.87
Trade Payables	-128.81	54.50
Cash Generated from operation	76.20	169.39
Interest paid	—	—
Direct Tax Paid		
- Current		
Cash flow before Extraordinary items	0.65	6.87
Extra ordinary items	—	161.61
Net cash from operating activities	76.85	
B. CASH FROM INVESTING ACTIVITIES		
Purchase/Sale of fixed Assets	88.53	(1.87)
Purchase of Investments	—	—
Sale of Investments	—	—
Interest received	—	—
Dividend received	—	—
Net Cash Used in Investing Activities		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share Capital (Call money)		
Proceeds from short term borrowing		—
Repayments of short term borrowing	—	(157.28)
Dividend paid	—	—
Working capital loans	—	—
NET CASH USED IN FINANCING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	11.68	2.46
Cash and Cash Equivalents as at 31.03.06 (Opening Balance)	4.42	1.96
Cash and Cash Equivalents as at 31.03.07 (Closing Balance)	16.10	4.42

NOTE : Figures in Brackets represent deduction and outflows

For and on behalf of the Board

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

Sd/-
(Harjeet S. Arora)
Director

Place : Ludhiana
Date : 31.01.09

AUDITORS CERTIFICATE

We have verified the attached cash flow statement of PRIME INDUSTRIES LIMITED derived from the audited financial statements and the books and records maintained by the company for the year ended 31st March, 2008 and found the same to be drawn in accordance therewith and requirements of Clause 32 of the Listing Agreements with stock exchanges.

For Manjeet Singh & Co.
Chartered Accountants

Date : 31.01.09
Place : LUDHIANA

Sd/-
(Manjeet Singh)
Partner