

# PRIMA INDUSTRIES LTD.



28<sup>th</sup> August 2020

CORPORATE & REGD. OFFICE  
Industrial Development Area  
Muppathadam P. O., Edayar, Cochin - 683 110  
Kerala State, India  
Tel: 91-484-2551533 (4 Lines)  
CIN: L15142KL1994PLC008368  
E-mail: primagroupcompanies@gmail.com  
www.primaindustries.in

To

The Corporate Relationship Department,  
Bombay Stock Exchange Ltd,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001

**Subject: Submission of Revised Standalone & Consolidated Financial Results for the Quarter & Financial Year ended on 31.03.2020**

**Ref: (i) Scrip Code No. 531246**

**(ii) Your office email dated 26<sup>th</sup> August 2020**

Dear Sir,

With reference to the captioned subject we would like to inform you that we are submitting herewith the Revised Standalone & Consolidated Financial Results for the Quarter & Financial Year ended on 31.03.2020.

You are requested to take the above on your records.

Thanking you,

Yours faithfully,  
For Prima Industries Limited

*Greeshma*  
28.08.2020



Greeshma Baby  
Company Secretary & Compliance Officer

**PRIMA INDUSTRIES LIMITED**  
**CIN:L15142KL1994PLC008368**

**Registered Office: Door No. V-679/C, Industrial Development  
Area, Muppathadam, Edayar, Cochin-683 110**

**Statement of Audited Standalone Financial Results for the Quarter and Year ended on March  
31,2020 prepared in compliance with the Indian Accounting Standards(Ind-AS)**

SL No.	Security Code- 531246	( Figures in Million except for EPS )				
	Particulars	Quarter Ended			Year Ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	Type	Audited	Un-Audited	Audited	Audited	Audited
	Months	3	3	3	12	12
1	Revenue from operation	79.72	41.82	26.32	170.55	90.73
2	Other Income	4.52	0.22	0.37	4.79	0.59
3	<b>Total Income (1+2)</b>	<b>84.24</b>	<b>42.04</b>	<b>26.69</b>	<b>175.34</b>	<b>91.32</b>
4	Expense					
(i)	Cost of Materials Consumed	81.39	0.00	7.18	81.39	7.18
(ii)	Purchase of Stock in Trade	0.00	0.00	0.00	0.00	0.00
(iii)	Changes in Inventories of FG, WIP and Stock in Trade	-17.52	-15.36	0.002	-2.33	0.002
(iv)	Employee benefits expense	3.06	3.46	4	14.43	11.47
(v)	Cost of Power & Fuel	9.74	9.03	5.84	10.96	10.20
(vi)	Finance Costs	0.01	0.00	0.00	0.01	0.007
(vii)	Depreciation and amortisation expense	1.89	1.80	1.86	7.29	7.17
(viii)	Administration and other expenses	2.38	33.25	2.44	37.63	33.61
5	<b>Total expenses (4(i) to 4(viii))</b>	<b>80.95</b>	<b>32.18</b>	<b>21.32</b>	<b>149.38</b>	<b>69.64</b>
6	<b>Profit before exceptional items and tax (3-5)</b>	<b>3.29</b>	<b>9.86</b>	<b>5.37</b>	<b>25.96</b>	<b>21.68</b>
7	Exceptional items (net)	0.00	0.00	0.00	0.00	0.00
8	<b>Profit before tax (6+7)</b>	<b>3.29</b>	<b>9.86</b>	<b>5.37</b>	<b>25.96</b>	<b>21.68</b>
9	Tax expense	0.04	0.00	-0.70	0.04	-0.70
10	<b>Net Profit for the quarter/year (8-9)</b>	<b>3.25</b>	<b>9.86</b>	<b>6.07</b>	<b>25.92</b>	<b>22.38</b>
11	Other comprehensive income (net of taxes)	-4.52	0.00	0.00	-4.52	0.00
12	<b>Total comprehensive income for the quarter/year (10+11)</b>	<b>-1.27</b>	<b>9.86</b>	<b>6.07</b>	<b>21.40</b>	<b>22.38</b>
13	<b>Paid up equity share capital (No. of Shares)(Face value per share Rs.10 each)</b>	<b>10.79</b>	<b>10.79</b>	<b>10.79</b>	<b>10.79</b>	<b>10.79</b>
14	Other Equity	0.00	0.00	0.00	0.00	0.00
15	Earnings per equity share (face value per share Rs10/ each)					
	Basic and diluted before exceptional items (Rs.) (refer note below)	0.30	0.91	0.56	2.40	2.07



Basic and diluted after exceptional item (Rs.) (refer note below)	0.30	0.91	0.56	2.40	2.07
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**Notes**

- 1.The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26.06.2020 and 29.06.2020 and have Audited by the Statutory Auditors of the Company.
- 2.The above results have been prepared in accordance with the principles and procedures of Ind-AS as notified under the Companies ( Indian Accounting Standards)Rules, 2015 as specified under section 133 of the Companies Act, 2013.
- 3.The above is an extract of the detailed format of Financial Results filed with the Stock Exchange under Regulation 33 of the Securities Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the financial results are available on the stock exchange website (www.bseindia.com) and Company's web site (www.primaindustries.in)
- 4.The Company does not have exceptional and extraordinary item to report for the above period.
- 5.Previous Quarter/Year figures have been regrouped/ reclassified and rearranged wherever necessary to make them comparable.
6. EPS is calculated on Net Profit for the Quarter/Year ended and before providing Preference Dividend of Rs. 28 Lakhs per quarter.

Cochin  
29.06.2020



For Prima Industries Limited

S.K.Gupta

Chairman & Managing Director



**PRIMA INDUSTRIES LIMITED**  
CIN-L15142KL1994PLC008368

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

**Standalone Cash Flow Statement for the year ended March 31, 2020**

Particulars	For year ended 31-Mar-2020	For year ended 31-Mar-2019
<b>I Cash flows from operating activities</b>		
Profit before tax and exceptional item	2,59,62,596	2,16,87,693
Depreciation and amortization expense	72,90,929	71,67,017
Finance charges	11,694	7,894
Profit on sale of Investments	(41,24,087)	(20,243)
Interest received	(1,32,917)	(1,30,500)
<b>Operating profit before working capital changes</b>	<b>2,90,08,215</b>	<b>2,87,11,861</b>
<b>Movements in working capital:</b>		
Increase/(decrease) in short term borrowings	(1,21,320)	-
Increase/(decrease) in trade payables	26,81,121	(40,000)
Increase/(decrease) in provisions	2,20,330	4,657
Increase/(decrease) in other liabilities	(5,77,339)	(2,01,91,387)
Decrease/(increase) in loans and advances	(85,31,100)	(86,06,228)
Decrease/(increase) in other assets	(7,31,948)	(5,37,072)
Decrease/(increase) in Inventories	(50,54,350)	8,71,081
Decrease/(increase) in trade receivables	(15,54,610)	29,79,999
<b>Cash generated from/(used in) operations</b>	<b>1,53,38,999</b>	<b>31,92,911</b>
<b>Net cash flow from/(used in) operating activities (I)</b>	<b>1,53,38,999</b>	<b>31,92,911</b>
<b>II Cash flows from investing activities</b>		
Capital Work in progress	-	-
Purchase of fixed assets	(21,44,939)	(23,62,368)
Income from Investments	41,24,087	20,243
Purchase of non- current investments	(81,74,087)	(45,20,243)
Interest received	1,32,917	1,30,500
<b>Net cash flow from/(used in) investing activities (II)</b>	<b>(60,62,022)</b>	<b>(67,31,868)</b>
<b>III Cash flows from financing activities</b>		
Finance charges	(11,694)	(7,894)
<b>Net cash flow from/(used in) financing activities (III)</b>	<b>(11,694)</b>	<b>(7,894)</b>
<b>Net increase /(decrease) in cash and cash equivalents (I+II+III)</b>	<b>92,65,283</b>	<b>(35,46,851)</b>
Cash and cash equivalents at the beginning of the year	28,63,447	64,10,299
<b>Cash and cash equivalents at the end of the year</b>	<b>1,21,28,730</b>	<b>28,63,448</b>
<b>Cash and cash equivalents are represented by :</b>		
Balance with banks in current accounts	1,18,73,177	27,51,851
Cash in hand	2,55,552	1,11,596

Cochin  
29.06.2020



For Prima Industries Limited

*S.K. Gupta*  
**S.K. Gupta**  
Chairman & Managing Director



# PRIMA INDUSTRIES LTD.



29<sup>th</sup> June 2020

To

The Corporate Relationship Department,  
Bombay Stock Exchange Ltd,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001

CORPORATE & REGD. OFFICE  
Industrial Development Area  
Muppathadam P. O., Edayar, Cochin - 683 110  
Kerala State, India  
Tel: 91-484-2551533 (4 Lines)  
CIN: L15142KL1994PLC008368  
E-mail: primagroupcompanies@gmail.com  
www.primaindustries.in

**Subject: Declaration Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Ref: Scrip Code No. 531246**

I, S.K.Gupta, DIN (00248760), Chairman & Managing Director of M/s Prima Industries Limited having its Registered Office at Door No V/679-C Industrial Development Area, Muppathadam P.O, Edayar, Cochin-683110, hereby declare that the Statutory Auditors of the Company M/s J. Krishnan & Associates, Chartered Accountant, ( Firm Reg. No-001523S) have issued the Statutory Audit Report with an Un-Modified opinion on the Standalone Financial Results for the Quarter and Financial Year ended 31<sup>st</sup> March,2020.

You are requested to take the above on your records.

Thanking you,

Yours faithfully,  
For Prima Industries Limited,

  
S.K. Gupta  
Chairman & Managing Director



## INDEPENDENT AUDITORS' REPORT

### To the Members of Prima Industries Limited Report on the Audit of Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Prima Industries Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and the notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standard of Auditing (SAs) specified under section 143(10) of the Act. Our responsibility under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation and disclosures of revenues in view of the adoption of Ind AS 115 "Revenue from Contracts with Customers" (new Accounting Standard).	<p>We assessed the Company's process to identify the impact of adoption of new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows :</p> <ul style="list-style-type: none"><li>• Evaluated the design of internal controls relating to the implementation of the new revenue accounting standard.</li><li>• Selected sample of the controls and tested the operating effectiveness of the internal control, analysed and identified the distinct performance and obligations in these contracts.</li><li>• Compared these performance obligation with that identified and recorded by the company.</li></ul>



### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### **Management's responsibility for the standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Emphasis of Matters**

- 1 The company has advanced a short term interest free unsecured loan to an associate company during the year amounting to Rs.85,50,000, which are not in compliance with the requirement of section 185 of Companies Act, 2013.  
Our opinion is not modified in respect of these matters.

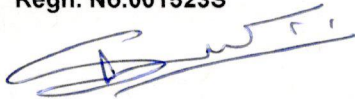
#### **Report on Other Legal and Regulatory Requirements**

- A. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- B. As required by Section 143 (3) of the Act, we report that:
  - 1 We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 2 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.
  - 3 The company does not have any branches and so provisions of section 143(8) are not applicable to the company.
  - 4 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.
  - 5 In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- 6 On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- 7 With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- C. With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- 1 The Company does not have any pending litigations which would impact its financial position;
  - 2 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - 3 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - 4 The disclosure in the standalone financial statements regarding holding as well as dealing in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31st March, 2020.
- D In our Opinion and according to the information and explanations given to us, the remunerations paid by the company to its directors during the current year is in accordance with the provisions and is not in excess of limit laid down in section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

**For J. Krishnan &  
Associates Chartered  
Accountants Firm  
Regn. No.001523S**



**Nishanth Sebastian Jose  
Partner  
M. No.218068**



Place: Kochi

Date : 29/06/2020

**UDIN: 20218068AAAAGN7984**



Nishanth Sebastian Jose B Com, FCA

Partner, J Krishnan & Associates  
Chartered Accountants

41/3976, 1<sup>st</sup> Floor,  
I.S. Press Building, Banerji Road,  
Cochin-682 018  
Kerala, India  
Phone:- + 91 484 2394858 (O)

**~~ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON~~  
THE STANDALONE FINANCIAL STATEMENTS OF PRIMA INDUSTRIES  
LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Prima Industries Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For J. Krishnan &  
Associates Chartered  
Accountants Firm  
Regn. No.001523S**



**Nishanth Sebastian  
Jose Partner  
M. No.218068**



Place: Kochi  
Date : 29/06/2020

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**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT IN TERMS OF SECTION 143(11) OF THE COMPANIES ACT, 2013**

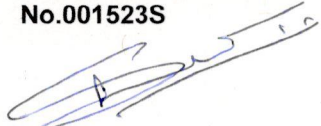
- (i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals ; no material discrepancies were noticed on such verification.
- c. As per the information and explanations provided to us, title deeds of immovable properties are held in the name of the company.
- (ii) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion and on the basis of examination of the records, no material discrepancies were noticed on physical verification of inventory by the management as compared to the book records.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained section 189 of the Companies Act.
- a. The Company has granted interest free unsecured loans to certain parties, which in our opinion, are prima facie prejudicial to the interest of the Company.
- b. The terms of repayment for the above loans have not been stipulated, but the same are stated to be repayable on demand. Since the Company is stated to have not raised any demand for repayment of the above loans, there has been no default.
- c. There are no overdue amounts of loan or interest.
- (iv) Based on our audit procedures and on the information given by the management, we report that the Company has not complied with the provisions of section 185 and 186 while extending unsecured interest free short term loan of Rs.85,50,000 to an associate concern.
- (v) The Company has not accepted any deposit from public within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder and accordingly paragraph 3 (v) of the order is not applicable..
- (vi) As per information and explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 148 of the Companies Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the informations and explanations given to us there were no statutory dues on the last day of the financial year outstanding for a period of more than six months from the date they became payable.
- (vii) (b) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there is no amounts payable in respect of income tax, wealth tax, Service tax, Sales tax, Customs duty and Excise duty which have not been deposited on account of any disputes.





- (viii) The company has not taken any loan or borrowing from financial institutions, banks or Government. The company has not issued any debentures till date.
- (ix) Based on our audit procedures and on the information given by the management, we report that the Company has not raised any moneys by way of initial or further public offer or any term loans during the year.
- (x) Based on the audit procedures performed and the information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) The managerial remuneration paid is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of Act.
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (Xii) of the Order is not applicable to the Company.
- (xiii) All transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been suitably disclosed in the Financial Statements as required by the accounting standards.
- (xiv) Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) Based on the audit procedures performed and the information and explanation given to us, we report that the company has not entered into any non-cash transactions with its directors/director of the company or associate company/a person connected with the Director during the year.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For J. Krishnan &  
Associates Chartered  
Accountants Firm Regn.  
No.001523S**



**Nishanth Sebastian Jose  
Partner  
M. No.218068**

Place: Kochi

Date : 29/06/2020

**UDIN: 20218068AAAAGN7984**



**PRIMA INDUSTRIES LIMITED**  
**CIN-L15142KL1994PLC008368**

**STATEMENT OF ASSETS & LIABILITIES AS AT MARCH 31, 2020**

Particulars	STANDALONE		CONSOLIDATED	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>I ASSETS</b>				
<b>1 Non-current assets</b>				
(i) Property, Plant & Equipment	6,98,12,829	7,49,58,818	6,98,12,829	7,49,58,818
(ii) Capital work in progress				
(iii) Financial Assets				
(a) Investment	4,05,92,114	3,85,30,028	4,05,92,114	3,85,30,028
(b) Loans	13,30,003	13,30,003	13,30,003	13,30,003
(iv) Deferred Tax Asset (Net)	18,21,977	2,71,768	18,21,977	2,71,768
<b>2 Current Assets</b>				
(i) Inventories	73,41,712	22,87,362	73,41,712	22,87,362
(ii) Financial Assets				
(a) Trade Receivables	48,26,882	32,72,272	48,26,882	32,72,272
(b) Cash & cash equivalents	1,21,28,730	28,63,447	1,21,28,730	28,63,447
(c) Loans	66,500	2,05,573	66,500	2,05,573
(iii) Tax Assets (net)	48,83,131	46,17,604	48,83,131	46,17,604
(iv) Other Current Assets	1,93,25,967	1,01,89,372	1,93,25,967	1,01,89,372
<b>TOTAL</b>	<b>16,21,29,845</b>	<b>13,85,26,249</b>	<b>16,21,29,845</b>	<b>13,85,26,249</b>
<b>II EQUITY &amp; LIABILITIES</b>				
<b>1 Equity</b>				
(i) Equity Share Capital	22,99,73,530	22,99,73,530	22,99,73,530	22,99,73,530
(ii) Other Equity	(7,92,84,205)	(10,06,85,010)	(7,92,84,205)	(10,06,85,010)
<b>2 Liabilities</b>				
<b>Non-Current Liabilities</b>				
(i) Provisions	9,21,151	7,90,806	9,21,151	7,90,806
<b>3 Current Liabilities</b>				
(i) Financial Liabilities				
(a) Borrowings	-	1,21,320	-	1,21,320
(b) Trade Payables	31,40,804	4,59,683	31,40,804	4,59,683
(ii) Other Current Liabilities	68,03,378	73,80,717	68,03,378	73,80,717
(iii) Provisions	5,75,187	4,85,202	5,75,187	4,85,202
<b>TOTAL</b>	<b>16,21,29,845</b>	<b>13,85,26,249</b>	<b>16,21,29,845</b>	<b>13,85,26,249</b>

Cochin  
29.06.2020



For Prima Industries Limited

*S.K. Gupta*  
Chairman & Managing Director

**PRIMA INDUSTRIES LIMITED**

**CIN:L15142KL1994PLC008368**

**Registered Office: Door No. V-679/C, Industrial Development**

**Area, Muppathadam, Edayar, Cochin-683 110**

**Statement of Audited Consolidated Financial Results for the Quarter and Year ended on March 31, 2020 prepared in compliance with the Indian Accounting Standards (Ind-AS)**

SL No.	Security Code- 531246	( Figures in Million except for EPS )				
	Particulars	Quarter Ended			Year Ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	Type	Audited	Un-Audited	Audited	Audited	Audited
	Months	3	3	3	12	12
1	Revenue from operation	79.72	41.82	26.32	170.55	90.73
2	Other Income	4.52	0.22	0.37	4.79	0.59
3	<b>Total Income (1+2)</b>	<b>84.24</b>	<b>42.04</b>	<b>26.69</b>	<b>175.34</b>	<b>91.32</b>
4	Expense					
(i)	Cost of Materials Consumed	81.39	0.00	7.18	81.39	7.18
(ii)	Purchase of Stock in Trade	0.00	0.00	0.00	0.00	0.00
(iii)	Changes in Inventories of FG, WIP and Stock in Trade	-17.52	-15.36	0.002	-2.33	0.002
(iv)	Employee benefits expense	3.06	3.46	4.00	14.43	11.47
(v)	Cost of Power & Fuel	9.74	9.03	5.84	10.96	10.20
(vi)	Finance Costs	0.01	0.00	0.00	0.01	0.007
(vii)	Depreciation and amortisation expense	1.89	1.80	1.86	7.29	7.17
(viii)	Administration and other expenses	2.38	33.25	2.44	37.63	33.61
5	<b>Total expenses (4(i) to 4(viii))</b>	<b>80.95</b>	<b>32.18</b>	<b>21.32</b>	<b>149.38</b>	<b>69.64</b>
6	<b>Profit before exceptional items and tax (3-5)</b>	<b>3.29</b>	<b>9.86</b>	<b>5.37</b>	<b>25.96</b>	<b>21.68</b>
7	Exceptional items (net)	0.00	0.00	0.00	0.00	0.00
8	<b>Profit before tax (6+7)</b>	<b>3.29</b>	<b>9.86</b>	<b>5.37</b>	<b>25.96</b>	<b>21.68</b>
9	Tax expense	0.04	0.00	-0.70	0.04	-0.70
10	<b>Net Profit for the quarter/year (8-9)</b>	<b>3.25</b>	<b>9.86</b>	<b>6.07</b>	<b>25.92</b>	<b>22.38</b>
11	Other comprehensive income (net of taxes)	-4.52	0.00	0.00	-4.52	0.00
12	<b>Total comprehensive income for the quarter/year (10+11)</b>	<b>-1.27</b>	<b>9.86</b>	<b>6.07</b>	<b>21.40</b>	<b>22.38</b>
13	<b>Paid up equity share capital (No. of Shares)(Face value per share Rs.10 each)</b>	<b>10.79</b>	<b>10.79</b>	<b>10.79</b>	<b>10.79</b>	<b>10.79</b>
14	Other Equity	0.00	0.00	0.00	0.00	0.00
15	Earnings per equity share (face value per share Rs10/ each)					
	Basic and diluted before exceptional items (Rs.) (refer note below)	0.30	0.91	0.56	2.40	2.07



Basic and diluted after exceptional item (Rs.) (refer note below)	0.30	0.91	0.56	2.40	2.07
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**Notes**

- 1.The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26.06.2020 and 29.06.2020 and have Audited by the Statutory Auditors of the Company.
- 2.The above results have been prepared in accordance with the principles and procedures of Ind-AS as notified under the Companies ( Indian Accounting Standards)Rules, 2015 as specified under section 133 of the Companies Act, 2013.
- 3.The above is an extract of the detailed format of Financial Results filed with the Stock Exchange under Regulation 33 of the Securities Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the financial results are available on the stock exchange website (www.bseindia.com) and Company's web site (www.primaindustries.in)
- 4.The Company does not have exceptional and extraordinary item to report for the above period.
- 5.Previous Quarter/Year figures have been regrouped/ reclassified and rearranged wherever necessary to make them comparable.
6. EPS is calculated on Net Profit for the Quarter/Year ended and before providing Preference Dividend of Rs. 28 Lakhs per quarter.

Cochin  
29.06.2020



For Prima Industries Limited

S.K.Gupta  
Chairman & Managing Director



PRIMA INDUSTRIES LIMITED		
CIN-L15142KL1994PLC008368		
No. V-679/C, Industrial Development Area, Muppathadam, Edayar, Cochin-683110		
Consolidated Cash Flow Statement for the year ended March 31, 2020		
Particulars	For year ended 31-Mar-2020	For year ended 31-Mar-2019
<b>I Cash flows from operating activities</b>		
Profit before tax and exceptional item	2,59,62,596	2,16,87,693
Depreciation and amortization expense	72,90,929	71,67,017
Finance charges	11,694	7,894
Profit on sale of Investments	(41,24,087)	(20,243)
Interest received	(1,32,917)	(1,30,500)
<b>Operating profit before working capital changes</b>	<b>2,90,08,215</b>	<b>2,87,11,861</b>
<b>Movements in working capital:</b>		
Increase/(decrease) in short term borrowings	(1,21,320)	-
Increase/(decrease) in trade payables	26,81,121	(40,000)
Increase/(decrease) in provisions	2,20,330	4,657
Increase/(decrease) in other liabilities	(5,77,339)	(2,01,91,387)
Decrease/(increase) in loans and advances	(85,31,100)	(86,06,228)
Decrease/(increase) in other assets	(7,31,948)	(5,37,072)
Decrease/(increase) in Inventories	(50,54,350)	8,71,081
Decrease/(increase) in trade receivables	(15,54,610)	29,79,999
<b>Cash generated from/(used in) operations</b>	<b>1,53,38,999</b>	<b>31,92,911</b>
<b>Net cash flow from/(used in) operating activities (I)</b>	<b>1,53,38,999</b>	<b>31,92,911</b>
<b>II Cash flows from investing activities</b>		
Capital Work in progress	-	-
Purchase of fixed assets	(21,44,939)	(23,62,368)
Income from Investments	41,24,087	20,243
Purchase of non- current investments	(81,74,087)	(45,20,243)
Interest received	1,32,917	1,30,500
<b>Net cash flow from/(used in) investing activities (II)</b>	<b>(60,62,022)</b>	<b>(67,31,868)</b>
<b>III Cash flows from financing activities</b>		
Finance charges	(11,694)	(7,894)
<b>Net cash flow from/(used in) financing activities (III)</b>	<b>(11,694)</b>	<b>(7,894)</b>
<b>Net increase /(decrease) in cash and cash equivalents (I+II+III)</b>	<b>92,65,283</b>	<b>(35,46,851)</b>
Cash and cash equivalents at the beginning of the year	28,63,447	64,10,299
<b>Cash and cash equivalents at the end of the year</b>	<b>1,21,28,730</b>	<b>28,63,448</b>
<b>Cash and cash equivalents are represented by :</b>		
Balance with banks in current accounts	1,18,73,177	27,51,851
Cash in hand	2,55,552	1,11,596

Cochin  
29.06.2020



For Prima Industries Limited

  
S.K.Gupta  
Chairman & Managing Director

# PRIMA INDUSTRIES LTD.



CORPORATE & REGD. OFFICE  
Industrial Development Area  
Muppathadam P. O., Edayar, Cochin - 683 110  
Kerala State, India  
Tel: 91-484-2551533 (4 Lines)  
CIN: L15142KL1994PLC008368  
E-mail: primagroupcompanies@gmail.com  
www.primaindustries.in

29<sup>th</sup> June 2020

To

The Corporate Relationship Department,  
Bombay Stock Exchange Ltd,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001

**Subject: Declaration Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Ref: Scrip Code No. 531246**

I, S.K.Gupta, DIN (00248760), Chairman & Managing Director of M/s Prima Industries Limited having its Registered Office at Door No V/679-C Industrial Development Area, Muppathadam P.O, Edayar, Cochin-683110, hereby declare that the Statutory Auditors of the Company M/s J. Krishnan & Associates, Chartered Accountant, ( Firm Reg. No-001523S) have issued the Statutory Audit Report with an Un-Modified opinion on the Consolidated Financial Results for the Quarter and Financial Year ended 31<sup>st</sup> March,2020.

You are requested to take the above on your records.

Thanking you,

Yours faithfully,  
For Prima Industries Limited,

  
S.K. Gupta  
Chairman & Managing Director





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## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Prima Industries Limited**

#### **Report on the Audit of Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Prima Industries Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standard of Auditing (SAs) specified under section 143(10) of the Act. Our responsibility under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation and disclosures of revenues in view of the adoption of Ind AS 115 "Revenue from Contracts with Customers"(new Accounting Standard).	<p>We assessed the Company's process to identify the impact of adoption of new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows :</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to the implementation of the new revenue accounting standard.</li> <li>• Selected sample of the controls and tested the operating effectiveness of the internal control, analysed and identified the distinct performance and obligations in these contracts.</li> <li>• Compared these performance obligation with that identified and recorded by the company.</li> </ul>

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### Management's responsibility for the consolidated financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes



maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Emphasis of Matters

- 1 The company has advanced a short term interest free unsecured loan to an associate company during the year amounting to Rs.85,50,000, which are not in compliance with the requirement of section 185 of Companies Act, 2013.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

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

- 3 The company does not have any branches and so provisions of section 143(8) are not applicable to the company.
  - 4 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.
  - 5 In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - 6 On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - 7 With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- C. With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- 1 The Company does not have any pending litigations which would impact its financial position;
  - 2 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - 3 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - 4 The disclosure in the consolidated financial statements regarding holding as well as dealing in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31st March, 2020.
- D In our Opinion and according to the information and explanations given to us, the remunerations paid by the company to its directors during the current year is in accordance with the provisions and is not in excess of limit laid down in section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For J. KRISHNAN & ASSOCIATES  
CHARTERED ACCOUNTANTS



NISHANTH SEBASTIAN JOSE  
Partner (M.No. 218068)  
Firm No.001523S

UDIN: 20218068AAAAGN7984



## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PRIMA INDUSTRIES LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Prima Industries Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

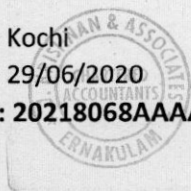
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For J. Krishnan & Associates**  
**Chartered Accountants**  
**Firm Regn. No.0015235**



**Nishanth Sebastian Jose**  
**Partner**  
**M. No.218068**

Place: Kochi  
Date : 29/06/2020  
**UDIN: 20218068AAAAGN7984**



**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT IN TERMS OF SECTION 143(11) OF THE COMPANIES ACT, 2013**


- (i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals ; no material discrepancies were noticed on such verification.
- c. As per the information and explanations provided to us, title deeds of immovable properties are held in the name of the company.
- (ii) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion and on the basis of examination of the records, no material discrepancies were noticed on physical verification of inventory by the management as compared to the book records.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained section 189 of the Companies Act:
  - a. The Company has granted interest free unsecured loans to certain parties, which in our opinion, are prima facie prejudicial to the interest of the Company.
  - b. The terms of repayment for the above loans have not been stipulated, but the same are stated to be repayable on demand. Since the Company is stated to have not raised any demand for repayment of the above loans, there has been no default.
  - c. There are no overdue amounts of loan or interest.
- (iv) Based on our audit procedures and on the information given by the management, we report that the Company has not complied with the provisions of section 185 and 186 while extending unsecured interest free short term loan of Rs.85,50,000 to an associate concern.
- (v) The Company has not accepted any deposit from public within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder and accordingly paragraph 3 (v) of the order is not applicable..
- (vi) As per information and explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 148 of the Companies Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the informations and explanations given to us there were no statutory dues on the last day of the financial year outstanding for a period of more than six months from the date they became payable.
- (vii) (b) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there is no amounts payable in respect of income tax, wealth tax, Service tax, Sales tax, Customs duty and Excise duty which have not been deposited on account of any disputes.





- (viii) The company has not taken any loan or borrowing from financial institutions, banks or Government. The company has not issued any debentures till date.
- (ix) Based on our audit procedures and on the information given by the management, we report that the Company has not raised any moneys by way of initial or further public offer or any term loans during the year.
- (x) Based on the audit procedures performed and the information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) The managerial remuneration paid is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of Act.
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (Xii) of the Order is not applicable to the Company.
- (xiii) All transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been suitably disclosed in the Financial Statements as required by the accounting standards.
- (xiv) Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) Based on the audit procedures performed and the information and explanation given to us, we report that the company has not entered into any non-cash transactions with its directors/director of the company or associate company/a person connected with the Director during the year.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For J. Krishnan & Associates**  
**Chartered Accountants**  
**Firm Regn. No.0015235**

  
**Nishanth Sebastian Jose**  
**Partner**  
**M. No.218068**

Place: Kochi  
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