32nd

ANNUAL REPORT

2023-24

PRIME INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Rajinder Kumar Singhania	(DIN: 00077540)	Managing Director
Mr. Harjeet Singh Arora	(DIN: 00063176)	Non-Executive Director
Mr. Ashwani Kumar	(DIN: 00030307)	Non Executive Independent Director
Mr. Rajiv Kalra	(DIN: 07143336)	Non Executive Independent Director
Mrs. Ritu Sarin	(DIN: 02503754)	Non-Executive, Independent and Woman Director
Mr. Deepak Chauhan	(DIN: 10263588)	Non-Executive, Independent Director
Mr. Saket Agarwal	(DIN: 00203084)	Non-Executive, Non-Independent Director

COMPANY SECRETARY

Mr. Mohit Verma (w.e.f. 25.01.2024)

CHIEF FINANCIAL OFFICER

Mr. Rajesh Kumar Kakar

STATUTORY AUDITORS

M/s C.S. Arora & Associates
Chartered Accountants
734, Phase – II, Urban Estate
Dugri, Ludhiana - 141013

SECRETARIAL AUDITORS

M/s Pooja M Kohli & Associates
Company Secretaries
655, Street No. 4, Preet Nagar,
Dugri, Ludhiana-141013 (Punjab)

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

Master Chambers, 19,
Feroze Gandhi Market, Ludhiana, Punjab-141001
Phone: 0161-5053500
Email: prime_indust@yahoo.com

BANKERS

Bank of Baroda
Pakhowal Road,
Ludhiana

HDFC Bank Ltd
Mall Road,
Ludhiana

CONTENTS	Page No.
Directors' Report	3
Management Discussion and Analysis Report	15
Policy on Remuneration of Directors, Key Managerial Personnel & Senior Employee	17
Secretarial Audit Report	23
Independent Auditor's Report	26
Balance Sheet	37
Statement of Profit and Loss	38
Cash Flow Statement	39
Note Forming Part of the Financial Statements	41

DIRECTOR'S REPORT 2023-24

To,
The Members,

The Directors of **"Prime Industries Limited" (PIL)** have great pleasure in presenting the **32nd Annual Report** of the company together with the audited statements of accounts for the financial year ended 31st March, 2024 along with report of the Statutory Auditors thereon.

1. **Financial Highlights**

The summary of financial results of the Company for the period ended 31st March, 2024 is as under:

(Rs. In Millions)

PARTICULARS	Figures for the year ended 31st March, 2024	Figures for the year ended 31st March, 2023
Total revenue	**155.04**	**76.99**
Less : Total expenses	36.62	61.26
Profit/(Loss) before tax	**118.42**	**15.73**
Less : Tax expense	10.00	0.04
Profit/(Loss) for the period	**108.42**	**15.69**

2. **Change in nature of business**

The Company has marked its strategic entry into the sector of capital goods and special products for priority sectors like Nuclear, Defense, Aerospace, Bio energy & Ethanol.

The Board of Directors of the Company in its meeting held on 25th January, 2024 and thereafter the members of the Company at the Extra Ordinary General Meeting of the Company held on 28th February, 2024 approved the alteration of Main object clause of Memorandum of the Association of the Company.

3. **Future outlook**

Our strategy is to be focused on managing the business of the Company in the sector of capital goods and special products for priority sectors like Nuclear, Defense, Aerospace, Bio energy & Ethanol and further strengthening the business model of the Company. Each of these business segments offer huge headroom for growth.

4. **Brief description of the Company's working during the year.**

During the year under review, your Company has registered gross operating & other income of Rs. 155.04 Millions as compared to Rs. 76.99 Millions in previous year, showing an increase of 101.38%. The Company earned a net profit of Rs. 108.42 Millions, against a net profit of Rs. 15.69 Millions in the previous year, showing an increase 591.01%.

5. **Dividend.**

Keeping in view the strategic transformations, the board recommends retaining the earnings in the Company; hence, the Board has not recommended any dividend on the equity share capital of the Company.

6. **Transfer of Reserves.**

No amount is being transferred to reserve & surplus in the current year.

7. **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report for the year under review as required under Regulation 34 of SEBI (LODR) Regulations, 2015 is given as a separate statement forming part of the Annual Report as **Annexure-A**.

8. **Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.**

Following are the material changes and commitments which are affecting the financial position of the Company that have occurred between the end of the financial year to which the Financial Statements relate and the date of the Report:

A. <u>ALLOTMENT OF 17,25,000 CONVERTIBLE WARRANTS PURSUANT TO RECEIPT OF WARRANT SUBSCRIPTION PRICE:</u>

Pursuant to the approval of the Board of Directors at its meeting held on February 23, 2024 and approval of the

members of the Company at their Extra-Ordinary General Meeting held on March 23, 2024 for preferential issue of convertible warrants, further pursuant to In-principle approval granted by BSE Limited vide their letter dated April 30, 2024 and upon receipt of an amount aggregating to Rs. 9,05,62,500/- (Rupees Nine Crores Five Lakhs Sixty Two Thousand Five hundred only) at the rate of Rs. 52.50/- per warrant (being warrant subscription price equivalent to 25% of the issue price per warrant of Rs. 210/-) as warrant subscription price, the Board of Directors in its Board Meeting held on 14th May, 2024 has considered and approved the allotment of 17,25,000 (Seventeen Lakhs Twenty Five Thousand only) warrants on preferential basis at an issue price of Rs. 210/- per warrant (includes Face value of Rs. 5/-per warrant and Premium of Rs. 205/- per warrant) to the allottees from whom warrant subscription price equivalent to 25% of issue price i.e. 210/- per warrant was received by the Company.

9. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

During the year under review no significant and material orders have been passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

10. Listing/Delisting with Stock Exchanges and Depository Services

Your Company's equity shares are listed on The BSE Limited and the Annual Listing Fees for the year 2024-25 has already been paid to it. Further, the Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As a result, the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories.

The Company is also listed on the Calcutta Stock Exchange (CSE) and it had applied to the Calcutta Stock Exchange Limited for delisting and the said application is still pending. Company is not filing any documents/information to Calcutta Stock Exchange Limited.

During the financial year 2023-24, BSE has granted following in-principle approvals to the Company for issue and allotment of Convertible warrants:

(a) BSE has granted In-principle approval to the Company vide their letter dated June 20, 2023 for issue of up to 53,50,000 (Fifty Three Lakhs Fifty Thousand) convertible warrants ("Warrants"), at a price of Rs. 13/- (Rupees Thirteen only) per warrant, aggregating up to Rs. 6,95,50,000/- (Rupees Six Crore Ninety Five Lakhs Fifty thousand Only) ("Total Issue Size"), with a right to the warrant holders to apply for and be allotted 1 (One) fully paid-up equity share of the Company of face value Rs. 5.00/- (Rupees Five only), each at a premium of Rs. 8/- (Rupees eight Only) per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of Warrants, to persons / entity ("Warrant Holder"/ "Proposed Allottees") belonging to Promoter and non-promoter group of the Company on a preferential basis ("Preferential Issue").

(b) BSE has granted In-principle approval to Company on 30.04.2024 for issue of upto 47,03,125 (Forty seven lakhs three thousand one hundred twenty five) convertible warrants ("Warrants"), at a price of Rs. 210/- (Rupees Two hundred ten only) per warrant, aggregating to upto Rs. 98,76,56,250/- (Rupees Ninety Eight Crore Seventy Six Lakh Fifty Six thousand two hundred fifty Only) ("Total Issue Size"), with a right to the warrant holders to apply for and be allotted 1 (One) fully paid-up equity share of the Company of face value Rs. 5.00/- (Rupees Five only), each at a premium of Rs. 205/- (Rupees Two Hundred Five Only) per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of Warrants, to persons / entity ("Warrant Holder"/ "Proposed Allottees") belonging to non-promoter group of the Company on a preferential basis ("Preferential Issue").

11. Adequacy of Internal Control

The Company's internal control system is proportional to its size and nature of operations. The Company has implemented well-defined processes, guidelines, and procedures, as well as suitable internal information systems, to enhance internal controls. The Company has designed and implemented internal financial controls for each business process in order to ensure strict adherence to laws and regulations. Built in checks and balances and control mechanisms guarantee that assets are safeguard, utilized with proper authorization and properly accounted for.

The Company's Audit Committee examines the internal control system and investigates the findings of external and internal auditors. The Audit function provides reasonable assurance that operations are effective and efficient, assets are safeguarded, financial records and reports are accurate, and applicable laws and regulations are observed.

12. Subsidiary/Joint Ventures/Associate Companies.

The Company did not have any Subsidiary, Joint Venture or Associate Company during the year under review.

13. Regulatory & Statutory Compliances

A crucial element in business and corporate management is compliance of applicable statutory provisions and adherence of a business to regulations and laws. Keeping that in view the Company has complied with all the guidelines, circular, notification and directions issued by MCA, SEBI, BSE, Income Tax Department etc. from time to time. The Company also places before the Board of Directors at regular intervals all such circulars and notifications to keep the Board informed and report on actions initiated on the same. The Company also complies with the provisions of the Companies Act, 2013 including the Secretarial Standards issued by ICSI, SEBI LODR Regulations, Income Tax Act 1961, and all other applicable statutory requirements.

14. Deposits.

The Company has not accepted any public deposits pursuant to the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules made there under and as such, no amount on account of principal or interest on Pubic Deposits was outstanding on the date of the Balance Sheet.

15. Auditors.

(a) Statutory Auditors

In terms of Section 139 of the Act, **M/s C.S. Arora & Associates**, Chartered Accountants, were appointed as statutory auditors of the Company for a period of five years in the AGM held on 30.09.2019 from the conclusion of the Twenty Seventh Annual General Meeting until the conclusion of the Thirty Second Annual General Meeting.

There are No qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their Audit Report for the financial year 2023-24.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2023-24. Auditors' Report on the Accounts of the Company for the period under review are self-explanatory and no comments are required.

The Board of Directors in its meeting held on 29th August, 2024 has recommended the appointment of M/s Bhushan Aggarwal & Co., Chartered Accountant (FRN: 005362N), Ludhiana as Statutory Auditors of the Company to hold office from the conclusion of 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting. In this regards, the Company has received a certificate from the said auditors to the effect that their appointment is in accordance with section 141 of the Companies Act, 2013.

(b) Secretarial Auditors and Secretarial Audit Report.

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Bhambri & Associates, Company Secretary in practice, as Secretarial Auditors for conducting a Secretarial Audit of your Company for the financial year ended 31st March, 2024.

Due to personal reasons, M/s Bhambri & Associates, Company Secretary in practice, intimated to the company about their resignation from the post of Secretarial Auditors of the Company for the financial year 2023-24.

The Board thereafter in its meeting held on 27th June, 2024 approved the appointment of M/s Pooja M. Kohli & Associates, Company Secretary in Practice as Secretarial Auditor for conducting the Secretarial Audit for the financial year 2023-24 as per Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Company had received the Secretarial Audit Report for the financial year 2023-24 of the Company as enclosed with this report.

(c) Internal Auditors.

Ms. Harwinder Kaur, Sr. Executive of the Company was appointed by the Board of Directors in its Board Meeting held on 30th May, 2024, as Internal Auditor of the Company to assist in internal audit with the audit processes and internal audit reviews for the Company for FY 2024-25.

(d) Cost Auditors and Maintaince of cost records

In terms of provision of Section 148 read with Rule 3 & 4 of Companies (Cost Records and Audit) Rules, 2014, the Company is not required to maintain its cost records and undertake its audit.

16. Auditors' Report.

M/s C. S. Arora & Associates, Chartered Accountants, Statutory Auditors of the Company, have audited the accounts of the Company for the year 2023-24 and their Report is annexed. Pursuant to Section 143(3)(i) of the Companies Act, 2013, the Statutory Auditors have also reported on the adequacy and operating effectiveness of the internal financial controls system over financial reporting, which has been enclosed as 'Annexure' to Independent Auditor's Report. Significant Audit observations, if any, and corrective actions taken by the Management are presented to the Audit Committee of the Board from time to time. There are no qualifications, reservations or adverse remarks or disclaimers made in the Auditor's Report.

17. Reporting of frauds by Auditors

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees.

18. Extract of the annual return.

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is uploaded on the website of the Company and it can be accessed at **https://www.primeindustrieslimited.com/investors.html**

19. Conservation of energy, technology absorption and foreign exchange earnings and outgo.

Information with respect to Conservation of energy, technology, absorption, foreign exchange earnings and outgo pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable because there are no manufacturing activities in the Company.

20. Board of Directors and Key Managerial Personnel.

The Company's Board comprised seven Directors as on March 31, 2024, viz.

Mr. Rajinder Kumar Singhania (DIN: 00077540),	Managing Director
Mr. Harjeet Singh Arora (DIN: 00063176),	Non-Executive, Non-Independent Director
Mrs. Ritu Sarin (DIN: 02503754),	Non-Executive, Independent and Woman Director
Mr. Deepak Chauhan (DIN: 10263588),	Non-Executive, Independent Director
Mr. Ashwani Kumar (DIN: 00030307),	Non-Executive, Independent Director
Mr. Rajiv Kalra (DIN: 07143336),	Non-Executive, Independent Director
Mr. Saket Agarwal (DIN: 00203084),	Non-Executive, Non-Independent Director

Details of KMP and changes as below:

Managing Director: - Mr. Rajinder Kumar Singhania is the Managing Director of the Company.
Chief Financial Officer: Mr. Rajesh Kumar Kakar is the Chief Financial Officer of the Company.
Company Secretary and Compliance Officer: -

- Ms. Alka Mishra (ACS 67565), Company Secretary and Compliance Officer of the Company has tendered her resignation w.e.f. 12.05.2023, due to personal reasons.
- Thereafter, pursuant to recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company in it Meeting held on 23.05.2023 has appointed, Ms. Shruti Sood (ACS 71639) as Company Secretary and Compliance Officer of the Company.
- Thereafter due to pre-occupancy in other assignments, Ms. Shruti Sood (ACS 71639) has also resigned from the post of Company Secretary and Compliance Officer w.e.f. 18.12.2023 (after closure of business hours).
- Thereafter, pursuant to recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company in it Meeting held on 25.01.2024 has appointed, Mr. Mohit Verma (ACS 67765) as Company Secretary and Compliance Officer of the Company.

(a) Statement on Declaration by Independent Directors.

The Company has received declaration from each independent director under Section 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), that they meet the criteria of independence laid down in the Companies Act, 2013 and Listing Regulations.

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the Declarations received by the Company under Section 149(7) of the Companies Act, 2013 the following Non-Executive Directors are identified as Independent Directors of the Company as on 31.03.2024.

i) Mr. Ashwani Kumar
ii) Mr. Rajiv Kalra
iii) Mr. Deepak Chauhan
iv) Ms. Ritu Sarin

(b) Appointment / Re-appointment / Resignation / Retirement of Directors.

In order to ensure compliance with Section 152(6) of the Act, the Board has considered that:

Mr. Saket Agarwal (DIN: 00203084), Non-Executive and Non-Independent Director of the Company, being longest in office, shall retire at the ensuing AGM and being eligible, offers himself for re-appointment, for ensuring compliance with Section 152(6) of Act.

Relevant details, including brief profile of the Director seeking appointments at the ensuing Annual General Meeting, have been furnished in the Notice of the Annual General Meeting.

During the Financial Year 2023-24, following changes has been undertaken in the Board of Directors of the Company:

- **Mrs. Parveen Singhania (DIN: 00112932)**, **Women Director (Non-Executive and Non-Independent)** of the Company has resigned from the Board of Directors of the Company w.e.f. 11.08.2023 due to pre-occupations and personal reasons and her resignation have been approved by the Board in its Board Meeting held on 10th August, 2023. The Board of Directors of the Company appreciates the efforts of **Mrs. Parveen Singhania (DIN: 00112932)** and extending a hand of thanks for spending the good time with the Company.

- pursuant to recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company in its Meeting held on 10.08.2023 has approved the appointment of **Ms. Ritu Sarin (DIN: 02503754) as Additional Women Director (Non-Executive and Independent),** which thereafter, further approved by the members of the Company in the 31st Annual General Meeting to designate **Ms. Ritu Sarin (DIN: 02503754) as Women Director (Non-Executive and Independent)** for the first term of five years w.e.f. 10th August, 2023 to 09th August, 2028, not being liable to retire by rotation.

- **Mr. Anil Bhatia (DIN: 00254117), Non-Executive and Independent Director** of the Company has resigned from the Board of Directors of the Company w.e.f. 11.08.2023 purely on account of personal reasons and other professional commitments and his resignation have been approved by the Board in its Board Meeting held on 10th August, 2023. The Board of Directors of the Company appreciates the efforts of **Mr. Anil Bhatia (DIN: 00254117)** and extending a hand of thanks for spending the good time with the Company.

- pursuant to recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company in its Meeting held on 10.08.2023 has approved the appointment of **Mr. Deepak Chauhan (DIN: 10263588), as Additional Non-Executive and Independent Director** which thereafter, further approved by the members of the Company in the 31st Annual General Meeting to designate **Mr. Deepak Chauhan (DIN: 10263588), as Non-Executive and Independent Director** for the first term of five years w.e.f. 10th August, 2023 to 09th August, 2028, not being liable to retire by rotation.

- pursuant to recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company in its Meeting held on 10.08.2023 has approved the appointment of **Mr. Saket Agarwal (DIN: 00203084), as Additional Non-Executive and Non-Independent Director** which thereafter, further approved by the members of the Company in the 31st Annual General Meeting to designate **Mr. Saket Agarwal (DIN: 00203084), as Non-Executive and Non-Independent Director** w.e.f. 10th August, 2023 , being liable to retire by rotation.

(c) Remuneration to Directors/Employees and related analysis.

During the year under review, no employee of the Company received salary in excess of the limits as prescribed under the Act. Accordingly, no particulars of employees are being given pursuant to Section 134 of the

Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details pertaining to the ratio of the remuneration of each director to the median employee's remuneration and other prescribed details as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith and forms part of the Directors' Report.

(d) Key Managerial Personnel.

Mr. Rajinder Kumar Singhania, Managing Director
Mr. Rajesh Kumar Kakar, Chief Financial Officer
Mr. Mohit Verma, Company Secretary and Compliance Officer (w.e.f. 25.01.2024)

21. Number of meetings of the Board of Directors and General Meetings.

The board meetings are convened by giving appropriate notice. The Board meets at least once a quarter to review the results and other items on the agenda, once a year for the Annual General Meeting. When necessary, additional meetings are held.

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The Board met Seven (7) times during the FY 2023-24 viz. on **03.04.2023, 23.05.2023, 03.07.2023, 10.08.2023, 09.11.2023, 25.01.2024, 23.02.2024.**

Extra Ordinary General Meeting: 01st May, 2023, 28th February, 2024 and 23rd March, 2024.
Annual General Meeting for financial year 2022-23: 25th September, 2023

22. Committees of Board of Directors of the Company.

The Company has 3 (three) Committees which have been established in compliance with the requirements of the relevant provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Company has formed following Committees of the Board:

- **Audit Committee.**

To ensure the composition & independence of the Committee as per the Companies Act, 2013, the Audit Committee's composition and terms of reference are in compliance with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

As on 31.03.2024, the Audit Committee is comprised of three Non- Executive Independent Directors viz. Mr. Rajiv Kalra as Chairman, Mr. Ashwani Kumar and Mr. Deepak Chauhan as members of the Audit Committee. All the Members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements.

Mr. Mohit Verma, Company Secretary and Compliance officer of the Company as on 31st March, 2024 act as a Secretary to the Audit Committee.

The Audit Committee meetings were held at the Registered Office of the Company and the representatives of Statutory Auditors, Internal Auditor, CFO, executives from finance and secretarial departments and Managing Director and other departmental heads may attend the meeting whenever required. The Company Secretary of the Company acts as the secretary of the Committee. During the year Audit Committee members, met four (4) times on **23.05.2023, 10.08.2023, 09.11.2023 and 25.01.2024.**

- **Nomination and Remuneration Committee.**

Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act., The Nomination and Remuneration Committee comprises of Mr. Rajiv Kalra (Chairman), Mr. Deepak Chauhan and Mr. Harjeet Singh Arora, as on 31.03.2024.

Policy on Remuneration of Directors, Key Managerial Personnel & senior employees is annexed herewith and forms the part of Board Report. Policy is also available on the website of the Company and can be accessed at https://www.primeindustrieslimited.com/nomination%20&%20remuneration%20PIL.pdf

During the year Nomination and Remuneration committee members, met three (3) times on **23.05.2023, 10.08.2023** and **25.01.2024.**

- **Stakeholders Relationship Committee**

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act. The Stakeholders' Relationship Committee of Board (SRC) comprises Mr. Harjeet Singh Arora (Chairman), Mr. Deepak Chauhan (Member) and Mr. Rajiv Kalra (Member), as on 31.03.2024. SRC monitors Redressal of complaints received from shareholders/ investors with respect to transfer of shares, non-receipt of dividend, non-receipt of Annual Reports, interest payment on Bonds, etc.

During the FY 2023-24, no complaints were received. There was no complaint outstanding as on 31st March, 2024. Also, no instruments of transfer were pending as on 31st March, 2024. The Company Secretary is the Compliance Officer of the Committee. The Committee meets as and when required, to deal with the investor related matters etc.

One stakeholders' relationship committee meeting was held during the year on **25.01.2024.**

23. Share Capital.

The paid-up Equity Share Capital as on March 31, 2024 was Rs. 7.83 crores. During the financial year under review, the Company has not issued any shares and the Company has not issued shares with differential voting rights for the period ended 31.03.2024.

During the financial year under review 2023-24, following changes/updates related to share capital has been undertaken:

- **Increase in Authorized Share Capital of the Company**
  During the Financial year under review, Authorized Share Capital of the Company has been increased with the approval of members of the Company in the 31st Annual General Meeting of the Company held on 25th September, 2023, from the present Rs. 11,00,00,000.00/- (Rupees Eleven Crore Only) divided into 2,20,00,000 (Two Crore Twenty Lakh only) Equity Shares of face value of Rs. 5.00/- (Rupees Five Only) each to Rs. 20,00,00,000.00/- (Rupees Twenty Crore Only) divided into 4,00,00,000 (Four Crore Only) Equity Shares of Rs. 5.00/- (Rupees Five Only) each ranking pari-passu in all respects with the existing equity shares.

- **Issue of Convertible Warrants**

  (a) Issue of 53,50,000 convertible warrants

  The Board of directors of the Company in its meeting held on 03rd April, 2023 accorded its consent to issue subject to approval of shareholders up to 53,50,000 (Fifty Three Lakhs Fifty Thousand) convertible warrants ("Warrants"), at a price of Rs. 13/- (Rupees Thirteen Only) per warrant, aggregating up to ₹6,95,50,000/- (Rupees Six Crore ninety Five Lakhs fifty Thousand Only), with a right to the warrant holders to apply for and be allotted 1 (One) fully paid-up equity share of the Company of face value Rs. 5.00/- (Rupees Five only), each at a premium of Rs. 8/- (Rupees eight Only) per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of Warrants to the allottees belonging to promoters and non-promoter group on preferential basis.

  Thereafter, the Shareholders of the Company in the Extra Ordinary General Meeting of the Company held on 01st May, 2023 has approved the issue of 53,50,000 warrants convertible into equity shares to the proposed allottees, on a preferential basis.

  (b) Issue of 47,03,125 convertible warrants

  The Board of directors of the Company in its meeting held on 23rd February, 2024 accorded its consent to issue subject to approval of shareholders up to 47,03,125 (Forty Seven Lakh Three Thousand One Hundred Twenty Five) convertible warrants ("Warrants"), at a price of Rs. 210/- (Rupees Two Hundred Ten Only) per warrant, aggregating upto ₹98,76,56,250/- (Rupees Ninety Eight Crore Seventy Six Lakhs Fifty Six Thousand Two Hundred Fifty Only), with a right to the warrant holders to apply for and be allotted 1 (One) fully paid-up equity share of the Company of face value Rs. 5.00/- (Rupees Five only), each at a premium of Rs. 205/- (Rupees Two Hundred Five Only) per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of Warrants to the allottees belonging to non-promoter group on preferential basis.

Thereafter, the Shareholders of the Company in the Extra Ordinary General Meeting of the Company held on 23rd March, 2024 has approved the issue of 47,03,125 warrants convertible into equity shares to the proposed allottees, on a preferential basis.

- **Allotment of Convertible Warrants**

(a) Allotment of 53,50,000 Convertible Warrants

Pursuant to the approval of the Board of Directors at its meeting held on April 03, 2023 and approval of the members of the Company at their Extra-Ordinary General Meeting held on May 01, 2023 for preferential issue of convertible warrants, further pursuant to In-principle approval granted by BSE Limited vide their letter dated June 20, 2023 and upon receipt of an amount aggregating to Rs. 1,73,87,500/- (Rupees One Crores Seventy three Lakhs eighty Seven Thousand Five hundred only) at the rate of Rs. 3.25/- per warrant (being 25% of the issue price per warrant) as warrant subscription price, the Board of Directors of the Company in its meeting held on 03rd July, 2023 has considered and approved the allotment of 53,50,000 (Fifty Three Lakhs Fifty Thousand only) warrants on preferential basis at an issue price of Rs. 13/- per warrant (includes Face value of Rs. 5/- per warrant and Premium of Rs. 8/- per warrant), issue price of Rs. 13/- per warrant divided in to warrant subscription price of Rs. 3.25/- per warrant and the warrant exercise price of Rs. 9.75/- per warrant, aggregating to Rs. 6,95,50,000/- (Rupees Six Crore Ninety Five Lakhs Fifty Thousand Only) to person belonging to Promoter and non-promoter persons/ entities ('Allottees').

(b) Allotment of 17,25,000 Convertible Warrants

Pursuant to the approval of the Board of Directors at its meeting held on February 23, 2024 and approval of the members of the Company at their Extra-Ordinary General Meeting held on March 23, 2024 for preferential issue of convertible warrants, further pursuant to In-principle approval granted by BSE Limited vide their respective letter dated April 30, 2024 and upon receipt of an amount aggregating to Rs. 9,05,62,500/- (Rupees Nine Crores Five Lakhs Sixty Two Thousand Five hundred only) at the rate of Rs. 52.50/- per warrant (being 25% of the issue price per warrant) as warrant subscription price, the Board of Directors of the Company in it meeting held on 14th May, 2024 has considered and approved the allotment of 17,25,000 (Seventeen Lakhs Twenty Five Thousand only) warrants on preferential basis at an issue price of Rs. 210/- per warrant (includes Face value of Rs. 5/- per warrant and Premium of Rs. 205/- per warrant), issue price of Rs. 210/- per warrant divided in to warrant subscription price of Rs. 52.50/- per warrant and the warrant exercise price of Rs. 157.50/- per warrant, aggregating to Rs. 36,22,50,000/- (Rupees Thirty Six Crore Twenty Two Lakhs Fifty Thousand Only) to person belonging to non-promoter persons/ entities ('Allottees').

24. Vigil Mechanism / Whistle Blower Policy.

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 and Schedule V of SEBI (LODR) Regulations, 2015, the Company has established a vigil mechanism to provide appropriate avenues to the directors and employees to bring to the attention of the Management, their genuine concerns about behavior of employees.

During the financial year 2023-24, no cases under this mechanism were reported to the Company and/or to any of its subsidiaries/associate.

A copy of the Vigil Mechanism/Whistle Blower as approved by the board may be accessed at https://www.primeindustrieslimited.com/PIL%20WHISTLE%20BLOWER.pdf

25. BOARD EFFECTIVENESS

Familiarization Programme for Independent Directors

Your Company has in place a structured induction programme for induction of new Directors as well as other initiatives to update the existing Directors on a continuous basis. The Familiarization Programme of the Company provides information relating to the Company, operational activities, business model of the Company, geographies in which Company operates, etc. The programme also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme also provides information relating to the financial performance of the Company, budget and control process of the Company.

The familiarization program and other disclosures as specified under the Listing Regulations is available on the Company's website at: https://www.primeindustrieslimited.com/pil-familarisation-programme-for-independent-

directors.pdf

Evaluation of the Board's Performance

In terms of requirements of the Act read with the Rules issued thereunder and the Listing Regulations, the Board carried out the annual performance evaluation of the Board of Directors as a whole, Committees of the Board and individual Directors. Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board Engagement and Effectiveness. The Policy and criteria for Board Evaluation is duly approved by N&RC. Performance evaluation is facilitated by the Chairman of the Board who is supported by the Chairman of N&RC.

The process of Board Evaluation is conducted through structured questionnaires for the Board as a whole, Committees of the Board and individual Directors.

26. Particulars of loans, guarantees or investments under section 186.

During the year under review, The Company had made a strategic entry into manufacturing of Capital Goods and Special Products for Priority sectors like defence, Aerospace and nuclear industries by making investment in M/s Kay Bouvet Engineering Limited (KBEL) having its registered office address N-3 Addl MIDC Area Satara -415004, who is already engaged into manufacturing in this line of business.

As per MOU, the company along with another investors are required to invest by way of equity and loans up to a sum of Rs.125 crore in KBEL to settle the total dues of KBEL under OTS proposal with the banks. As per MOU the company has made investment in KBEL by acquiring 98,59,000 equity shares of Rs.10/- each of KBEL being 48.69% stake and paid Rs.2,46,47,500/- being Rs.2.50 per share.

The above transaction in the form of loans and Investment is within the limits as approved by the Shareholders of the Company.

27. Contingent Liabilities or commitment that may arise

KBEL has submitted the OTS proposal to settle the outstanding dues to various banks at Rs.125 crore. The company along with another investors called as "Investors" have entered into the Memorandum of Understanding dated 29.06.2023 (MOU) with the M/s Kay Bouvet Engineering Limited. As per MOU, the company along with another investors is required to invest by way of equity and loans up to a sum of Rs.125 crore in KBEL to settle the total dues of KBEL under OTS proposal with the banks. As per MOU the company has acquired 98,59,000 equity shares of Rs.10/- each of KBEL being 48.69% stake and paid Rs.2,46,47,500/- being Rs.2.50 per share.

Further, uncalled liability on 98,59,000 equity shares @ Rs.7.50 per share amounting to Rs.7,39,42,500/- will be brought by the company in the 12th month from the date of OTS Sanctioned by all lenders. The proposal of OTS is pending with the lenders.

The balance of Rs.102.64 Crores shall be brought by the Investors including the company jointly and severally in KBEL after the sanction of the OTS proposal based on the maximum of Rs.125 crore as mentioned in the MOU. In case OTS proposal is not sanctioned by all lenders then all the funds including Rs. 12.50 crore will be refunded to the Company.

28. Particulars of contracts or arrangements with related parties.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on dealing with materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: ***https://www.primeindustrieslimited.com/pil-policy-on-dealing-with-rpt.pdf***

29. Insider Trading Regulations.

Trading Practices In compliance with the SEBI Regulation on Prohibition of Insider Trading, the Company has in place a comprehensive Code of Conduct to Regulate, Monitor and Report Trading by Insiders, for its Directors and Senior Management Officers. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company. The Code specifies, among other

matters, that Directors and Designated Persons of the Company, as defined in the Code, can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and other material events as per the Code. The intimation of the closure of Trading Window, as per the SEBI Regulations on Prohibition of Insider Trading, is given to the Stock Exchanges before the end of every quarter with effect from the 1st day of the month immediately succeeding the end of every quarter till 48 hours after the declaration of financial results of the Company to the Stock Exchanges. The same is intimated to the Designated Persons as well.

These aforementioned Codes are posted on the website of the Company at the link: https://www.primeindustrieslimited.com/Code%20of%20Fair%20disclosure%20PIL%20Insider%20Trading%20Regulation%20SEBI%202015.pdf

30. Nomination and Remuneration Policy.

The Company's Nomination and Remuneration Policy formulated by the Nomination and Remuneration Committee deals with the appointment and remuneration of Directors and KMPs of the Company. The policy also covers the criteria for determining qualifications, positive attributes, independence of a Director and KMP. In terms of Section 134(3) (e) of Companies Act, 2013 the Nomination and Remuneration Policy of the Company is annexed herewith and forms part of this Annual Report.

Nomination and Remuneration Policy also published by the Company in its website at: https://www.primeindustrieslimited.com/nomination%20&%20remuneration%20PIL.pdf

31. Risk Management.

The Board of Directors of your Company has formulated the risk management policy which seeks to identify risks inherent in business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

The objective of Risk Management is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities. An enterprise-wide risk management framework is applied so that effective management of risks is an integral part of every employee's job.

The Board's role under the policy is to ensure framing, implementing and monitoring risk management plan, having in place systems for risk management as part of internal controls. It is the duty of Independent Directors to bring unbiased angle to the Board's deliberations on making risk management systems more robust.

Risk Management Policy also published by the Company in its website at: https://www.primeindustrieslimited.com/Risk%20management%20policy%20-%20PIL.pdf

32. Human Resources Development.

A Company's continued success depends on the ability to attract, develop and retain the best talent at every level. The Company's Human Resource (HR) Management practices are deep rooted in ensuring a fair and reasonable process for all- round development of its talent. The Company strives to maintain a skilled and dedicated workforce, representing diverse experiences and viewpoints.

The Company finds it imperative to follow policies and regulations that produce an unbiased work and safe work environment.

33. Report on Corporate Governance.

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. However, since the Company does not fulfill the criteria mentioned in Regulation 15(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliances with regard to corporate governance provisions are not applicable to the Company.

34. Corporate Social Responsibility.

The provisions of Section 135 of Companies Act, 2013 are not applicable on the Company.

35. Prevention of Sexual Harassment at Workplace.

The Company has Zero tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women working in the Company.

During the year under review, no complaints were received from any of the employees and no complaints were pending at the beginning of the year.

36. Directors' Responsibility Statement.

The Directors' Responsibility Statement referred to in clause (*c*) of sub-section (*3*) of Section 134 of the Companies Act, 2013, shall state that—

a) In the preparation of the annual accounts for the year ended 31st March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures and the annual accounts have been prepared in compliance with the provisions of the Companies Act, 2013.
b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d) The directors had prepared the annual accounts on a going concern basis; and
e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

37. Board Evaluation.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular no SEBI/CFD/CMD/CIR/P/2017/004 dated January 05, 2017, the Company has devised a formal process for annual evaluation of performance of the Board, its Committees and Individual Directors ("Performance Evaluation") which include criteria for performance evaluation of Non-Executive Directors and Executive Directors as laid down by the Nomination and Remuneration Committee and the Board of Directors of the Company. It covers the areas relevant to the functioning as Independent Directors or other Directors, Member of the Board or Committee of the Board.

The above criteria for evaluation were based on the Guidance Note issued by Securities and Exchange Board of India ('SEBI'). In a separate Meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Managing Director taking into account the views of Non-Executive Directors. The Nomination and Remuneration Committee reviewed the performance of the Board, its Committees and of the Directors.

The Board carried out annual performance evaluation of its own performance. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Committees. A consolidated report was shared with the Chairman of the Board for his review and giving feedback to each Director.

38. Managing Director (MD) and Chief Financial Officer (CFO) Certificate.

In terms of the Listing Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from the Chief Financial Officer and Managing Director of the Company, for the financial year 2023-24 with regard to the financial statements and other matters. The said certificate forms part of this Annual Report.

39. Dividend Distribution Policy.

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is not applicable on the Company.

40. Reporting of Frauds by Auditors.

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

41. Secretarial Standards of ICSI.

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the *Institute of Company Secretaries of India ('ICSI')* and that such systems were adequate and operating effectively.

42. Event Subsequent to the date of Financial Statement

Following is the event which has been happened subsequent to the date of financial Statement

The Board of Directors in its Meeting held on 14th May, 2024 has considered and approved the allotment of 17,25,000 (Seventeen Lakhs Twenty Five Thousand only) Convertible warrants on preferential basis at an issue price

of Rs. 210/- per warrant (includes Face value of Rs. 5/-per warrant and Premium of Rs. 205/- per warrant) to the allottees from whom warrant subscription price equivalent to 25% of issue price i.e. 210/- per warrant was received by the Company in Separate Account maintained by the Company for the issue of convertible warrants.

43. Miscellaneous

- Your company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- Your Company did not allot any sweat equity shares. Therefore, no disclosures as required under Rule 8(13)of Companies(Share Capital and Debentures) Rules,2014.
- During the financial year under review, no applications was made or proceeding initiated against the Company under the Insolvency and Bankruptcy Code, 2016 nor any such proceeding was pending at the end of the financial year under review.

44. Appreciation and Acknowledgement

Your directors are grateful to the Shareholders for their continued patronage and confidence in the Company over the past several years. Your directors also thank the Central and State Governments, other Statutory and Regulatory Authorities for their continued guidance, assistance, co-operation and support.

Your directors also wish to convey their sincere appreciation to all employees at all levels for their dedicated efforts and consistent contributions and cooperation extended and is confident that they will continue to contribute their best towards achieving still better performance in future to become a significant leading player in the industry.

Place: Ludhiana
Date : 29.08.2024

For and on behalf of the Board of Directors
Prime Industries Limited

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

Sd/-
(Rajinder Kumar Singhania)
Managing Director
DIN :00077540

Management Discussion & Business Analysis

Your company in order to optimize resources is undergoing a strategic transformation, primarily focusing on the dynamic capital goods segment. The first step in this direction was acquiring a stake in Kay Bovet engineering limited, marking our entry into the capital goods industry. Recognizing the capital goods sector's significance, especially in India's goal to become an 8 trillion-dollar economy, Company see promising opportunities ahead. This industry also plays a vital role in the defense domain. With this in mind, The Company is enthusiastic about the prospects in this segment.

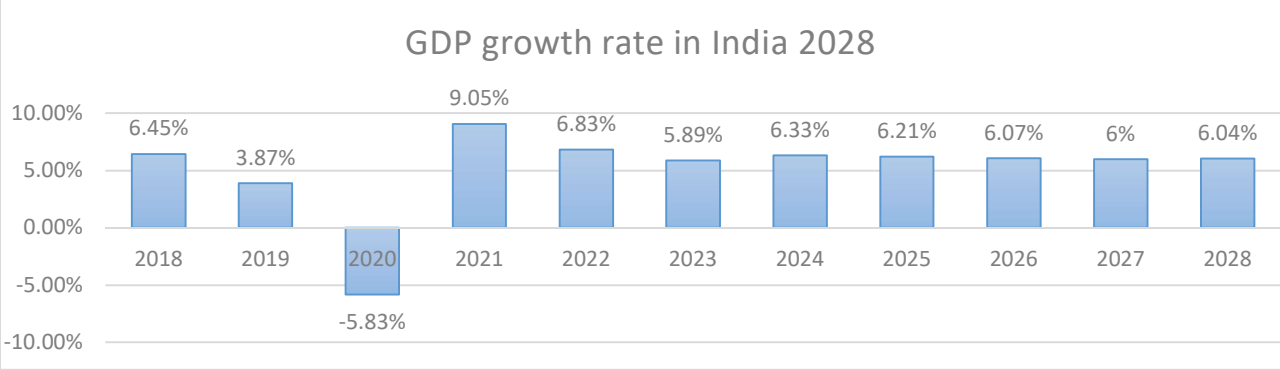
Indian Economy

The Indian economy holds the position of the fifth-largest in the world by nominal GDP and the third-largest based on purchasing power parity (PPP). It operates as a mixed economy, characterized by a significant public sector and a steadily expanding private sector. Notably, India's economic growth has been noteworthy, maintaining an average of 7.8% GDP growth annually, surpassing the Reserve Bank of India's (RBI) estimate of 7 per cent as projected in its April monetary policy review.

The World Bank predicted that India would remain the fastest-growing major economy globally though this growth rate is expected to slow down. According to the 'Global Economic Prospects' report, this moderation is mainly due to a slowdown in investment from a high base. However, investment growth is still expected to be stronger than previously envisaged and will remain robust over the forecast period, with strong public investment accompanied by private investment. The GDP growth forecast for India is estimated at 6.6% for FY 2024-25.

(Source: NSO, World Bank, PIB)

Overall, the Indian economy's recent growth trajectory has been marked by notable achievements and challenges, as reflected in its various economic indicators.



Capital Goods Sector

The capital goods industry has always been a frontrunner in India's growth story, significantly contributing to the nation's development. A new report by leading research analyst CRISIL Ratings expects the capital goods sector to maintain its growth momentum, predicting double-digit revenue growth in fiscal year 2025.

CRISIL Ratings published a report forecasting a 9-11% revenue growth for the capital goods sector in FY 2025. This growth is driven by the government's substantial investments in railways (including metro rail), defence, highways, and renewable energy. Additionally, private players are investing heavily in new projects and expanding existing ones.
SOURCE: https://tejimandi.com/blogs/feature-articles/capital-goods-sector-a-powerhouse-of-growth-in-fy-2025

In FY 2024, government spending on railways increased by 28%, while defence spending rose by 10%. Conventional sectors saw a 6-8% rise in capital expenditure, and investments in renewable energy capacity grew by 18%.

Defense and Space industries

The defense and space sectors in India hold immense significance within the country's economy, contributing substantially to GDP, employment, and technological innovation. Here's a breakdown of these sectors:

Defense Industry:

The Defence Budget for FY24 was Rs. 5,93,537.64 crore, constituting 13.18 per cent of the central government's expenditure.

- Capital allocations for modernization and infrastructure development increased to Rs 1,62,600 crore, a rise of Rs

10,230 crore (6.7 per cent) over previous year.
- 43 per cent increase in the capital budget of BRO to Rs 5,000 crore.
- 9 per cent increase in the allocation to DRDO, reaching Rs 23,264 crore for research & development in Defence.

Source: https://www.business-standard.com/budget/news/interim-budget-2024-defence-budget-under-modi-govt-from-2014-2023-124012900326_1.html

Space Industry:

India's space industry is experiencing rapid growth.

The year 2024 was action-packed with significant missions including the Reusable Launch Vehicle Autonomous Landing Mission (RLV LEX) dated 02nd April, 2023, PSLV-C55/TeLEOS-2 Mission dated 22nd April, 2023, GSLV-F12/NVS-01 Mission dated 29th May, 2023, LVM3 M4 / Chandrayaan-3 Mission dated 14th July, 2023, PSLV-C56/DS-SAR Mission dated 30th july, 2023, PSLV-C57/Aditya-L1 Mission dated 02nd September, 2023, Gaganyaan TV-D1 Mission dated 21st October, 2023, PSLV-C58/XPoSat Mission dated 01st January, 2024, GSLV-F14/INSAT-3DS Mission dated 17th February, 2024, Reusable Launch Vehicle Autonomous Landing Mission (RLV LEX -02) dated 22nd March, 2024.

Source: https://www.isro.gov.in/Timeline.html

Nuclear industry

The nuclear industry holds a prominent position in India's energy landscape, contributing significantly to its energy mix with nuclear power. Based on the country's project timeline, Nuclear power generation is expected to increase rapidly during 2024-2026, with new plants totaling an estimated 4 GW of capacity entering commercial operation. NPCIL currently operates 24 nuclear reactors with a combined capacity of 8.1GW.

The Indian government has an ambitious goal of increasing nuclear power's share to 25% by 2050, one of the step in this direction was taken by India's Prime Minister Narendra Modi of two 700MW indigenously built reactors at Kakrapar in Gujarat in February 2024.

Souce:https://www.power-technology.com/news/india-18-nuclear-reactors-2032/#:~:text=NPCIL%20currently%20operates%2024%20nuclear,(KAPS%203%20and%204).

In conclusion, India's nuclear industry plays a vital role in its energy sector, offering the benefits of low carbon emissions and stable energy supply. The government is taking proactive steps to promote the industry's growth and intends to expand its nuclear power capacity to meet future energy demands.

(POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL & SENIOR EMPLOYEES)

BACKGROUND

Prime Industries Limited (hereinafter referred as the 'Company') practices a corporate culture that is based on the tenets of trusteeship, empowerment, accountability, control and ethical practices with transparency at its core for creation of maximum value for the stakeholders.

BRIEF OVERVIEW UNDER COMPANIES ACT 2013

{Section 178 & Companies [Meetings of Board and its Powers] Rules 2014}

- Constitution of the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior management personnel i.e. employees at one level below the Board including functional heads.

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors in its meeting held on 14th day of November 2014.

Definitions

"**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"**Key Managerial Personnel" means"**:

(i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;

(ii) Chief Financial Officer;

(iii) Company Secretary;

(iv) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;

(v) and such other officer as may be prescribed;

"**Senior Managerial Personnel**" means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management of rank equivalent to General Manager and above, including all functional heads.

Objective

The objective of the policy is to ensure that:-

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors, KMP and Senior Management.
- To devise a policy on Board diversity, composition and size.
- Succession planning for replacing Key Executives and overseeing their orientation and successful alignment with the philosophy of the Company.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Interview and Selection procedure.

   1) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
   2) The Company shall not appoint or continue the employment of any person as the M.D or Whole-time Director or a manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM / TENURE

Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Rotation: The Managing Director/Whole Time Director and other Non-Executive Directors of the Company shall be liable to retire by rotation subject to the employment agreement, if any signed between the company and such Directors of the Company at the time of appointment.

Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Rotation: An Independent Director shall not be liable to retire by rotation pursuant to the provisions of sub-sections (6) and (7) of section 152 of the Companies Act, 2013.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Listing Agreement.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing Director / Whole-time Directors:

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2. Remuneration to Non-Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause(b) above if the following conditions are satisfied:
   i. The Services are rendered by such Director in his capacity as the professional; and
   ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's HR Policy.
b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to

pension fund, pension schemes, etc. as decided from to time.

d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

(i) The ratio of the remuneration of the Managing Director to the median remuneration of the employees of the company for the financial year was Nil. No other Director of the Company is being paid any remuneration.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, if any, in the financial year.

Sr. No	Name of Director/KMP and Designation.	% increase in Remuneration in the Financial Year 2023-2024
1.	Mr. Rajinder Kumar Singhania (Managing Director/KMP)	Nil
2.	Ms. Alka Mishra (Company Secretary and Compliance Officer) (up to May, 2023)	N.A.
3.	Mr. Mohit Verma (Company Secretary and Compliance Officer) (w.e.f. : 25.01.2024)	N.A.
3.	Mr. Rajesh Kumar Kakar (Chief Financial Officer)	10.64%

(iii) The percentage decrease in the median remuneration of employees in the financial year: 9.66%, due to changes in Company Secretary and shifting of employees in Group Company.

(iv) As on 31st March, 2024, the Company has 8 permanent employees on the rolls of the Company.

(v) Average percentage increase made in the salaries of employees other than the managerial personnel in financial year 2023-24 was 17.77%. Whereas the increase in the managerial remuneration was 10.78% for the same financial year due to Change in Company Secretary.

(vi) Affirmed that the remuneration is as per the remuneration policy of the company.

Compliance Certificate by MD and Chief Financial Officer

Pursuant to regulation 17 (8) of SEBI (LODR) regulations, 2015, we hereby certify that:

a. We have reviewed the financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
   1. These statements do not contain any materially untrue 'statement or omit any material fact or contain statements that might be misleading;
   2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit committee:

   1. Significant changes, if any, in internal control over financial reporting during the year.
   2. Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
   3. That no instances of significant fraud have come to our notice.

For and on behalf of the Board of
PRIME INDUSTRIES LIMITED

Sd/-	**Sd/-**
Mr. Rajesh Kumar Kakar	**Rajinder Kumar Singhania**
Chief Financial officer	**Managing director**
	DIN – 00077540

Place: Ludhiana
Date: 29.08.2024

CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

I, Rajinder Kumar Singhania, Managing Director of "Prime Industries Limited" hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2024.

FOR PRIME INDUSTRIES LIMITED

Sd/-
(Rajinder Kumar Singhania)
Managing Director
DIN – 00077540

Place: Ludhiana
Date: 29.08.2024

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
PRIME INDUSTRIES LIMITED,
Master Chambers, 19, Feroze Gandhi Market,
Ludhiana-141001, Punjab (India).
CIN: L15490PB1992PLC012662

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Prime Industries Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, on test basis, for the financial year ended on 31st March, 2024, to the extent applicable and according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time.
d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and amendments from time to time; **Not applicable during the period under review.**
e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation`s, 2021; **Not applicable during the period under review.**
f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not applicable during the period under review** and
h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable during the period under review**

vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to, inter alia:
- All labour laws;

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

I. Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.
II. The Listing Agreement entered into by the Company with the BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

WE FURTHER REPORT THAT

The Board of Directors of the Company is duly constituted. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has undertaken following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. as detailed below:

- ***Issue and Allotment of 53,50,000 Convertible Warrants***

  The Shareholders of the Company in the Extra Ordinary General Meeting of the Company held on 01st May, 2023 has approved the issue of 53,50,000 warrants convertible into equity shares to the proposed allottees, on a preferential basis.

  Thereafter, The Board of Director of the Company in its meeting held on 03rd July, 2023 has approved the allotment of 53,50,000 warrants to the allottees.

  These Warrants will get converted into equity shares with the period of 18 months from the date of allotment upon payment of exercise price.

- ***Issue of 47,03,125 Convertible Warrants***

  The Shareholders of the Company in the Extra Ordinary General Meeting of the Company held on 23rd March, 2024 has approved the issue of 47,03,125 warrants convertible into equity shares to the proposed allottees, on a preferential basis.

  These Warrants will get converted into equity shares with the period of 18 months from the date of allotment upon payment of exercise price.

Place: Ludhiana
Dated: 10-08-2024

For Pooja M Kohli & Associates
Company Secretary in Whole Time Practice
Sd/-
(Pooja Mahajan Kohli)
Proprietor
CP No. 14836
UDIN: F007255F000947581
Peer review no. : 4815/2023

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'ANNEXURE A'

To,

The Members,
Prime Industries Limited,
Master Chambers, 19, Feroze Gandhi Market,
Ludhiana-141001, Punjab (India).
CIN: L15490PB1992PLC012662

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

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
6. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Place: Ludhiana
Dated: 10-08-2024

For Pooja M Kohli & Associates
Company Secretary in Whole Time Practice
Sd/-
(Pooja Mahajan Kohli)
Proprietor
CP No. 14836
UDIN: F007255F000947581
Peer review no. : 4815/2023

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Prime Industries Limited

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Prime Industries Limited ("the Company"), which comprise the balance sheet as at 31st March, 2024, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("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, 2024, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended as on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the 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 financial statements under the provisions of the Companies Act 2013 and the rules made thereunder, and we have fulfilled our other 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 audit 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 for the year ended 31st March, 2024. 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.

We have determined that there is no key audit matter to communicate in our report.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the IND AS financial statements and our

auditor's report thereon.

Our opinion on the IND AS 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 IND AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the IND AS 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 that fact. Since the other information has not been made available to us, we shall not be able to comments on this aspect.

Responsibilities of Management and those charged with governance for the financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the 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 pinion. 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 Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional skepticism 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 with reference to Financial Statements 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 year ended 31st March 2024 as applicable 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.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including the statement of other comprehensive income, the cash flow statement and statement of change in equity dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian accounting Standard specified under section 133 of the Act, read with Companies (Indian Accounting Standards) rules 2015 as amended.

e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (i)(viii) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g) 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".

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us;

I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 to the financial statements.

II. The Company did not have any outstanding long-term contracts including derivative contracts as at 31st March, 2024 for which there were any material foreseeable losses: and

III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

IV. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

V. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

VI. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (h) (iv) and (d) (v) contain any material mis-statement.

VII. The Company has neither declared nor paid any dividend during the year.

VIII. Based on our examination which included test checks, the Company has used accounting Softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

For C.S Arora & Associates
Chartered Accountants
FRN 015130N

Sd/-
Chanchal Singh
Partner
Membership No. 090835
UDIN: 24090835BKFFAW7040

Place: Ludhiana
Date: 30th May, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company is not having Intangible Assets, Accordingly paragraph 3(i)(a)(B) of the Order is not applicable.

(b) Property, plant and equipment have been physically verified by the management during the year at reasonable intervals and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory which are held in dematerialized/physical form, has been verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification that were 10% or more in the aggregate for each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits, from banks or Financial Institutions on the basis of security of current assets, accordingly the provisions of clause 3(ii)(a) of the Order is not applicable to the company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. During the year the company has granted loan, the detail is stated in sub-clause (a) below:

(a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has no subsidiary and Joint Venture.

The Company has granted loans to the associate company as below:

Particular		Amount
Aggregate Amount during the year *	Loan or Advances	39.38 Mn
Balance outstanding of loan as at balance sheet date	Loan or Advances	1.99 Mn

* Represents the Maximum balance during the year, due to frequent transactions in the loan Account.

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loan to the parties other than subsidiaries, Joint Ventures and associates. As below:

Particular		Amount
Aggregate Amount during the year	Loan or Advances	345.93 Mn
Balance outstanding of loan as at balance sheet date	Loan or Advances	227.07Mn

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) 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 overdue amount for more than ninety days in respect of loans given.

(e) 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 loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the over dues of existing loans given to the same party

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 read with Section 186 and 186 of the Act, with respect to loans, investments, guarantees and security as applicable.

(v) The company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder .We are informed that no order has been passed by the company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other Tribunal.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii)

a) According to the information and explanations given to us and on the basis of our examination of the record of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Service tax, cess and any other statutory dues applicable to it. We are informed that the provisions of Sales Tax, service tax Value Added Tax ,duty of Custom and duty of Excise are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it were in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute, except following:-

Statement of Disputed Dues

Name of the Statute	Nature of the Dues	Amount (Rs. In millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Sales Tax Act	Sales Tax	9.00	Financial year 2002-03	Punjab & Haryana High Court	NIL

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix)

(a) Based on our audit procedures and as per the information and explanations given by the management, we are of

the opinion that the Company has not defaulted in repayment of loans or other borrowing or in the payment of Interest there on to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been utilized for long term purposes by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the Course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints, if any, received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv)

(a)Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b)We have considered the internal audit reports of the Company issued till date for the period under audit, if any

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)

(a) According to the information and explanations given to us and based on our examination of the records of the

company, the company is not required to be registered under section 45-lA of the Reserve Bank of lndia Act, 1934.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Company does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit, however the company has incurred cash losses Rs.5.45 lacs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For C.S Arora & Associates
Chartered Accountants
FRN 015130N

Sd/-
Chanchal Singh
Partner
Membership No. 090835
UDIN: 24090835BKFFAW7040

Place: Ludhiana
Date: 30th May, 2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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 Prime Industries Ltd ('the Company') as of 31st March, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2024, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI). 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 were 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 on 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 authorizations of management and directors of the company; and (3)provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2024 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 C.S Arora & Associates
Chartered Accountants
FRN 015130N

Sd/-
Chanchal Singh
Partner
Membership No.
090835
UDIN: 24090835BKFFAW7040

Place: Ludhiana
Date: 30th May, 2024

BALANCE SHEET AS AT 31ST MARCH, 2024				
	Particulars	**Note**	**As at 31st March, 2024**	**As at 31st March, 2023**
	ASSETS			
1	**Non-current assets**			
a	Property, Plant & Equipment's and Intangible assets	**3**	10,680	10,680
b	Investment Property	**4**	-	30,656,250
c	Financial assets			
	Investments	**5**	24,647,500	130,232,507
d	Deferred Tax Assets (Net)	**6**	45,871	46,054
e	Other non-current assets	**7**	525,788	510,367
	Total non-current assets		**25,229,839**	**161,455,858**
2	**Current assets**			
a	Inventories	**8**	2,155,985	7,460,216
b	Financial assets			
	(I) Cash and cash equivalents	**9**	260,098,175	85,042,049
	(ii) Short term loan and advances	**10**	229,058,553	-
	(iii) Other financial assets	**11**	1,031,349	335,239
c	Other current assets	**12**	-	14,750,000
	Total current assets		**492,344,062**	**107,587,504**
	Total		**517,573,901**	**269,043,362**
	EQUITY AND LIABILITIES			
	Equity			
a	Equity share capital	**13**	78,633,500	78,633,500
b	Other equity	**14**	144,075,980	125,364,699
	Total equity		**222,709,480**	**203,998,199**
2	**Liabilities**			
	(i) Non-current Liabilities			
	Provision	**15**	132,257	126,209
	(ii)Current liabilities			
a	Financial liabilities			
	i) Trade Payables			
	- Total outstanding dues of micro enterprises and small enterprises		-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	(ii) Short term borrowings	**16**	64,996,875	26,967,534
	(iii) Other financial liabilities	**17**	222,565,289	781,420
			287,562,164	27,748,954
b	Other current liabilities	**18**	7,170,000	37,170,000
	Total current liabilities		**294,732,164**	**64,918,954**
	Total		**517,573,901**	**269,043,362**

The accompanying notes are an integral part of the financial statements

As per our Report of even date
For C.S. Arora & Associates
Chartered Accountants
Firm Registration Number 015130N

Sd/-
(Chanchal Singh)
Partner
Membership Number 090835
Place: Ludhiana,
Date: 30th May 2024

For and on behalf of the Board of Prime Industries Limited

Sd/-	**Sd/-**
Rajinder Kumar Singhania	**Harjeet Singh Arora**
Managing Director	**Director**
DIN-00077540	**DIN-00063176**
Sd/-	**Sd/-**
Mohit Verma	**Rajesh Kumar Kakar**
Company Secretary	**Chief Financial Officer**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

	Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
	Revenue from operations	**19**	15,594,917	56,072,200
	Other income	**20**	139,444,683	20,918,399
I.	**Total income**		**155,039,600**	**76,990,599**
II.	**Expenses :**			
	Purchases of Stock in Trade	**21**	5,056,980	57,138,335
	Changes in Inventories of finished stock	**22**	5,304,230	(1,378,080)
	Employee benefit expense	**23**	2,103,860	1,788,967
	Finance cost	**24**	20,308,371	2,145,486
	Depreciation and amortization expense	**3**	-	2,120
	Other expenses	**25**	3,851,309	1,559,792
	Total expenses		**36,624,750**	**61,256,620**
III.	**Profit/Loss) before tax (I-II)**		118,414,850	15,733,979
IV.	**Tax expense:**			
	- Current tax expense for current year		10,000,000	-
	- Excess/Less Provision of earlier Years		-	-
	- Deferred tax		183	37,884
	Total of tax expenses		10,000,183	37,884
V.	**Profit/(Loss) for the year (III-IV)**		108,414,667	15,696,095
VI.	***Other Comprehensive Income***			
	A Items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		-	-
	B Items that will be reclassified to profit or loss		(107,090,886)	(19,872,917)
	Subtotal (B)		(107,090,886)	(19,872,917)
VII.	**Total Other Comprehensive Income (A+B)**		(107,090,886)	(19,872,917)
VIII.	**Total comprehensive income for the year (V+VII)**		1,323,781	(4,176,822)
	Earnings per share (RS.)	26		
	Basic - Par value of Rs 5 per share		6.93	1.00
	Diluted - Par value of Rs 5 per share		5.27	1.00
	The accompanying notes are an integral par of the financial statements			

As per our Report of even date

For C.S. Arora & Associates
Chartered Accountants
Firm Registration Number 015130N

Sd/-
(Chanchal Singh)
Partner
Membership Number 090835

Place: Ludhiana,
Date: 30th May 2024

For and on behalf of the Board of Prime Industries Limited

Sd/-	**Sd/-**
Rajinder Kumar Singhania	**Harjeet Singh Arora**
Managing Director	**Director**
DIN-00077540	**DIN-00063176**
Sd/-	**Sd/-**
Mohit Verma	**Rajesh Kumar Kakar**
Company Secretary	**Chief Financial Officer**

Cash Flow Statement for the year ended 31st March, 2024

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
A. Cash flow from operating activities				
Net Profit/Loss() before tax and extraordinary items		118,414,850		15,733,979
Adjustments for:				
Depreciation and Loss on Sale of Fixed Assets	-		2,120	
Profit on sale of Investments	(108,861,746)		(8,652,921)	
Interest Income	(30,475,625)		(3,131,108)	
Interest Paid	20,307,487		2,142,456	
		(119,029,884)		(9,639,453)
Operating profit before working capital changes		(615,034)		6,094,526
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	5,304,230		(1,378,080)	
Other financial assets	(696,110)		547,628	
Other non-current assets	(15,421)		-	
Other Current Assets	14,750,000		561,297	
Adjustments for increase / (decrease) in operating liabilities:				
Other financial liabilities	221,789,917		(1,737,403)	
Other current liabilities	(30,000,000)		30,000,000	
		211,132,616		27,993,442
		210,517,582		**34,087,968**
Cash from from extraordinary items		**-**		**-**
Cash generated from operations		210,517,582		34,087,968
Net income tax (paid) / refunds		(10,000,000)		-
Net cash flow from operating activities (A)		**200,517,582**		**34,087,968**
B. Cash flow from investing activities				
Purchase of fixed assets		-		-
Sale of fixed assets		-		-
Purchase of Investment		(24,647,500)		-
Sale of investment		162,659,618		12,111,299
Net cash flow (used in) investing activities (B)		**138,012,118**		**12,111,299**
C. Cash flow from Financing activities				
Interest income		30,475,625		3,131,108
Interest Paid		(20,307,487)		(2,142,456)
Short term borrowings		38,029,341		(72,899,746)
short term loan and advances		(229,058,553)		-
Money received against share warrants		17,387,500		
Net cash flow (used in) financing activities (C)		**(163,473,574)**		**(71,911,094)**
Net Increase/(decrease) in Cash and cash equivalents (A+B+C)		**175,056,126**		**(25,711,826)**
Cash and cash equivalents at the beginning of the year		85,042,049		110,753,875
Cash and cash equivalents at the end of the year		**260,098,175**		**85,042,049**

As per our Report of even date
For C.S. Arora & Associates
Chartered Accountants
Firm Registration Number 015130N

Sd/-
(Chanchal Singh)
Partner
Membership Number
090835

Place: Ludhiana,
Date: 30th May 2024

For and on behalf of the Board of Prime Industries Limited

Sd/-
Rajinder Kumar Singhania
Managing Director
DIN-00077540

Sd/-
Harjeet Singh Arora
Director
DIN-00063176

Sd/-
Mohit Verma
Company Secretary

Sd/-
Rajesh Kumar Kakar
Chief Financial Officer

Statement Of Changes in Equity For the Year ended 31st March, 2024

A. Equity Share Capital

Particulars	**Rs.**
	Amount
Balance as at 1 April 2022	78,633,500
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2023	78,633,500
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2024	78,633,500

B. Other Equity **Rs.**

Particulars	**Reserves & Surplus**		**Items of other comprehensive income**	**Money received against share Warrants**	**Total**
	Capital Reserves	**Retained Earning**	**Debt/Equity instruments through OCI**		
Balance as at 1 April 2022	9,249,500	(6,671,782)	126,963,803	-	129,541,521
Profit/ (Loss) for the year	-	15,696,095	-	-	15,696,095
Other Comprehensive Income / (Loss)	-	-	(19,872,917)	-	(19,872,917)
Balance as at 31 March 2023	**9,249,500**	**9,024,313**	**107,090,886**	**-**	**125,364,699**
Profit/(Loss) for the year	-	108,414,667	-	-	108,414,667
Other Comprehensive Income / (Loss)	-	-	(107,090,886)	-	(107,090,886)
Money received against share warrants	-	-	-	17,387,500	17,387,500
Balance as at 31 March 2024	**9,249,500**	**117,438,980**	**-**	**17,387,500**	**144,075,980**

As per our Report of even date

For C.S. Arora & Associates
FRN: 015130N

For and on behalf of the Board of Prime Industries Limited

Sd/-
Rajinder Kumar Singhania
Managing Director
DIN-00077540

Sd/-
Harjeet Singh Arora
Director
DIN-00063176

Sd/-
(Chanchal Singh)
Partner
Membership Number 090835
Place: Ludhiana
Date: 30th May 2024

Sd/-
Mohit Verma
Company Secretary

Sd/-
Rajesh Kumar Kakar
Chief Financial Officer

Notes forming part of financial statements for the year ended 31st March, 2024

1. Corporate Information

Prime Industries Limited (the Company) is a public company and is incorporated under the provisions of the Companies Act, applicable in India. Its shares are listed on the Bombay Stock Exchange. The registered office of the company is located at Master Chambers, 19, Feroze Gandhi Market Ludhiana, Punjab.

2. Significant Accounting Policies

a. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the 2013 Act.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements have been prepared on a going concern basis. The Company presents its Balance Sheet, the Statement of Changes in Equity, the Statement of Profit and Loss and disclosures are presented in the format prescribed under Division II of Schedule III of the Companies Act, as amended from time to time that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Rounding of amounts

These financial statements are presented in Indian Rupees (INR)/ (RS), which is also its functional currency and all values are rounded to the nearest Rupees.

b. Presentation of financial statements

The Company prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division II of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'. The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature. The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those based on management's estimates.

c. Revenue Recognition

Fee and commission income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognised as and when they are due.

Recognition of interest income on loans

The Company follows the mercantile system of accounting and recognized Profit/Loss on that basis. Interest income is recognized on the time proportionate basis starting from the date of disbursement of loan.

Rental Income

Income from operating leases is recognised in the Statement of profit and loss as per contractual rentals unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

Dividend and interest income on investments

Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Interest income from investments is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established.

d. Property, Plant and Equipment (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Buildings	60 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Computer	3 Years
Vehicles	8 Years

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

e. Inventories

Inventories are valued at the lower of cost and the net realisable value.

f. Investment property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of profit and Loss in the same period.

g. Financial instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

i Initial recognition

Financial assets are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss)

are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in the statement of profit and loss.

ii Subsequent measurement

Financial assets are classified into the following specified categories: amortized cost, financial assets at fair value through profit and loss (FVTPL), Fair value through other comprehensive income (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

Debt Instrument

Amortized Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.

b. The asset's contractual cash flows represent solely payments of principal and interest. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

The Company measures its equity investments at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income, there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to statement of profit and loss.

Derivative financial instruments

Derivative financial instruments are classified and measured at fair value through profit and loss.

iii Derecognition of financial assets

A financial asset is derecognised only when

i) The Company has transferred the rights to receive cash flows from the asset or the rights have expired.

ii) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriatebasis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than twelve-months ECL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (dpd) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 days past due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days past due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets that are subject to impairment for significant increase in credit risk.

Write-off

Loans and debt securities are written-off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off.

Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the Balance Sheet as follows:

• For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;

• For debt instruments measured at FVTOCI: no loss allowance is recognized in the Balance Sheet as the carrying amount is at fair value.

Financial liabilities and equity instruments

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized on the purchase, sale, issue or cancellation of the Company's own equity instruments. Net Gain/ loss on fair value changes includes the effect of financial instruments held at fair value through Profit or loss (FVTPL) for continuing and discontinuing portfolio.

Financial liabilities

i Classification

Financial liabilities are recognized when Company becomes party to contractual provisions of the instrument. The Company determines the classification of its financial liability at initial recognition. All financial liabilities are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss. The Company classifies all financial liabilities at amortized cost or fair value through profit or loss.

ii Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

i) Financial liabilities measured at amortized cost

ii) Financial liabilities measured at FVTPL (fair value through profit or loss)

i) Financial liabilities measured at amortized cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

ii) Financial liabilities measured at fair value through profit or loss

After initial recognition financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included in finance costs in the statement of profit and loss.

iii De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

iv Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in FY 2022-23 and until the year ended March 31, 2024.

i. Employee benefits

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Contribution to provident fund and ESIC

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss.

Gratuity -

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

j. Finance costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowings.

k. Taxation - Current and deferred tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle

l. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable

that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as on asset if it is virtually certain that reimbursements will be received and amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

m. Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss.

Where the Company is the lessor

Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished.

n. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

o. EarningPer Share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

p. Exceptional items

In certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, Such income or expenses are classified as an exceptional item and accordingly, disclosed in the financial statements.

q. Significant accounting judgments, estimates and assumptions

In the application of the Company's accounting policies, which are described as stated above, the Directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of uncertainty

In the application of the Company accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

a. Useful lives of depreciable tangible assets

Management reviews the useful lives of depreciable/amortizable assets at each reporting date.

b. Fair Value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability, or

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarized below:

Level 1 financial instruments - Those financial instruments where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those financial instruments where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those financial instruments that include one or more unobservable input that is significant to the measurement as whole.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

c. Contingent Liability

In ordinary course of business, the Company faces claims by various parties. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial

statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

d. Impairment testing

Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered or on more detailed reviews of individually significant balances. Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

Impairment of non-financial assets, wherever applicable

The Company assesses at each balance sheet date whether there is any indication that non-financial asset may be impaired due to events or changes in circumstances indicating that their carrying amounts may not be realised. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

e. Tax

The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

Accruals for tax contingencies require management to make judgments and estimates in relation to tax related issues and exposures.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognized.

NOTE FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 Property, Plant & Equipment's and Intangible assets

Particulars	Computer	Furniture & Fixture	Office Equipment	Total
Gross carrying value:-				
As at April 01, 2022	66,500	721,993	1,660,678	2,449,171
Additions during the year	-	-	-	-
Disposals/deductions during the year	-	-	-	-
As at 31 March, 2023	66,500	721,993	1,660,678	2,449,171
Additions during the year	-	-	-	-
Disposals/deductions during the year	-	-	-	-
As at 31 March, 2024	66,500	721,993	1,660,678	2,449,171
Accumulated Depreciation:-				
As at April 01, 2022	63,175	712,643	1,660,553	2,436,371
Additions during the year	-	2,120	-	2,120
Disposals/deductions during the year	-	-	-	-
As at 31 March, 2023	63,175	714,763	1,660,553	2,438,491
Additions during the year	-	-	-	-
Disposals/deductions during the year	-	-	-	
As at March 31, 2024	63,175	714,763	1,660,553	2,438,491

Net carrying value:-				
As at March 31, 2023	3,325	7,230	125	10,680
As at March 31, 2024	3,325	7,230	125	10,680

Note 4 Investment In Property

Particulars	As at 31st March,2024	As at 31st March,2023
Investment In Property	-	30,656,250
Total	**-**	**30,656,250**

Note 5 Investments

	As at 31st March,2024			As at 31st March,2023		
Particulars	**At Fair value through Profit or Loss / OCI**	**Others (at cost)**	**Total**	**At Fair value through Profit or Loss / OCI**	**Others (at cost)**	**Total**
Equity Instruments NIL (Previous year 1083916) Equity shares of Rs.5/- each fully paid up in Master Trust Limited	-	-	-	130,232,507	-	130,232,507
9859000 (Previous year NIL) Partly paid up Equity shares of Rs.10/- each in Kay Bouvat Engineering Limited Rs. 2.50 paid per share	-	24,647,500	24,647,500	-	-	-
TOTAL	**-**	**24,647,500**	**24,647,500**	**130,232,507**	**-**	**130,232,507**

Note 6 Deferred tax:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred tax assets -		
Related to Fixed Assets	12,585	14,287
Related to gratuity	33,286	31,767
Total	**45,871**	**46,054**

Note 7 Other Non-current Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance income tax (net of provision for tax)	525,788	510,367
Total	525,788	510,367

Note 8 Inventories

Particulars	As at 31st March, 2024	As at 31st March, 2023
Stock-in-trade (acquired for trading)	2,155,985	7,460,216
Total	**2,155,985**	**7,460,216**

Note 9 Cash and cash equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash in hand	16,900	6,900
Balances with banks		
In current accounts	260,081,275	85,035,149
Total	**260,098,175**	**85,042,049**

Note 10 Short Term Loans and Advances

Particulars	As at 31st March, 2024	As at 31st March, 2023
Loans and advances Unsecured, considered good - To related parties Others	 1,992,329 227,066,224	
Total	**229,058,553**	-

Note 11 Other financial Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposit	139,687	139,687
Others	891,662	195,552
Total	**1,031,349**	**335,239**

Note 12 Other Current Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance against purchase of Land - To Related Party	-	14,750,000
Total	**-**	**14,750,000**

Note 13 Equity Share Capital

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised 40000000 (16000000) Equity Share of Rs.5/- each	200,000,000	80,000,000
Issued		
15800000 Equity Share of Rs.5/- each	79,000,000	79,000,000
Subscribed and Fully paid up		
15653400 Equity Share of Rs.5/- each	78,267,000	78,267,000
Amount of Forfeited Shares	366,500	366,500
Total	**78,633,500**	**78,633,500**

13.1 Movements in Equity Share Capital

Reconciliation of the Equity Shares Outstanding

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the reported year	15,653,400	15,653,400
Changes in the equity share capital during the year	-	-
Balance at the closing of the reported year	**15,653,400**	**15,653,400**

13.2 The Company has only one class of equity shares having a par value of Rs.5/- per share. Each share holder is eligible for one vote per share.

13.3 Detail of share holders Holding more than 5% shares

Name of the Share Holders	As at 31st March,2024		As at 31st March,2023	
	Number of Shares Held	%/ of Holding	Number of Shares Held	%/ of Holding
Rajinder Kumar Singhania	2,350,306	15.01	3,391,804	21.67
Harneesh Kaur Arora	1,615,141	10.32	2,656,400	16.97
Convexity Solutions and Advisors Private Limited	-	-	828,000	5.29
G.S Auto Leasing Limited	-	-	825,208	5.27
Shivalik Securites Private Limited	-	-	1,127,012	7.20
Saintco India Private Limited	827,500	5.29	1,000,000	6.39

13.4 Shares held by promoters at the end of the year

Particulars	Equity Share Capital			Equity Share Capital		
	As at 31st March, 2024			As at 31st March, 2023		
	No. of Shares	% of holding	% Change during the year	No. of Shares	% of holding	% Change during the year
Rajinder Kumar Singhania	2,350,306	15.01	30.73	3,391,804	21.67	-
Harneesh Kaur Arora	1,615,141	10.32	39.19	2,656,400	16.97	-
Jashanjyot Singh Arora	450,000	2.87	-	450,000	2.87	-
Harjeet Singh Arora	133,902	0.86	-	133,902	0.86	-
Chirag Singhania	100,000	0.64	-	100,000	0.64	-
Puneet Singhania	100,000	0.64	-	100,000	0.64	-
Parveen Singhania	100,000	0.64	-	100,000	0.64	-
Saintco India Private Limited	827,500	5.29	17.21	1,000,000	6.39	-
Arora Financial Services Private Limited	220,600	1.41	-	220,600	1.41	-
Master Trust Limited	107,276	0.69	-	107,276	0.69	-
Crescent Investments	488,169	3.12	26.07	6,60,100*	4.22	-

* Share Holding of Bluecircle Investments 319300, Singhania Properties 161000 and Sanawar Investments 100000 have been merged into Crescent Investments, Pursuant to Merger/Amalgamation Order No. 233/171/T-3/2021/4541 Passed by the Regional Director, Northern Region, New Delhi under the Provision of Section 233 of the Companies Act, 2013, on dated 05/07/2022

Note 14 Other Equity

Particulars	As at 31st March, 2024	As at 31st March, 2023
a) Capital reserves	9,249,500	9,249,500
b) Money received during the year towards issue of Convertible Warrants*	17,387,500	-
c) Debt/ Equity Instrument through OCI	-	107,090,886
c) Retained Earning	117,438,980	9,024,313
Total	**144,075,980**	**125,364,699**

* During the financial year 2023-24, The Company has allotted 5350000 convertible warrants on preferential basis pursuant to approval of Board of Directors in its Board Meeting held on 03rd July, 2023.

(b) Other Equity

Particulars	Reserve & Surplus		Other Comprehensive Income	Money received against share warrants	Total
	Capital Reserve	Retained Earnings			
Balance as at April 1, 2022	9,249,500	(6,671,782)	126,963,803	-	129,541,521
Profit/(Loss) for the year	-	15,696,095	-	-	15,696,095
Other comprehensive income for the year	-	-	(19,872,917)	-	(19,872,917)
Balance as at March 31, 2023	**9,249,500**	**9,024,313**	**107,090,886**	**-**	**125,364,699**
Profit/(Loss) for the year	-	108,414,667	-	-	108,414,667
Other comprehensive income(Loss) for the year	-	-	(107,090,886)	-	(107,090,886)
Money received against share warrants	-	-	-	17,387,500	17,387,500
Balance as at March 31, 2024	**9,249,500**	**117,438,980**	**-**	**17,387,500**	144,075,980

Note 15 Provision

Particulars	As at 31st March,2024	As at 31st March,2023
Provision for employee benefits	132,257	126,209
Total	**132,257**	**126,209**

Note 16 Short -Term Borrowings

Particulars	As at 31st March,2024	As at 31st March,2023
Loans and advance from related parties		
Unsecured Considered Good	12,205,739	25,231,579
Other loans and advances		
Unsecured Considered Good	52,791,136	1,735,955
Total	**64,996,875**	**26,967,534**

Note 17 Other Financial Liabilities

Particulars	As at 31st March,2024	As at 31st March,2023
- Statutory Dues	2,110,182	233,854
- Other Liabilities	220,455,107	547,566
Total	**222,565,289**	**781,420**

Note 18 Other Current Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance against sale of Land		
- advance from related parties	-	30,000,000
- advance form others	7,170,000	7,170,000
Total	**7,170,000**	**37,170,000**

Note 19 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Securities/Land	15,594,917	56,072,200
Total	**15,594,917**	**56,072,200**

Note 20 Other Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit(Loss) on sale of Investments in Securities/Land	108,861,746	8,652,921
Interest Income	30,475,625	3,131,108
Other Income	107,313	9,134,370
Total	**139,444,683**	**20,918,399**

Note 21 Purchase of stock in trade

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of Securities	5,056,980	57,138,335
Total	**5,056,980**	**57,138,335**

Note 22 Changes in Inventory

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Stock	7,460,216	6,082,136
Less: Closing Stock	2,155,986	7,460,216
Net	**5,304,230**	**(1,378,080)**

Note 23 Employee benefits expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salary, Wages , Other Allowances & Gratuity	2,103,860	1,788,967
Total	**2,103,860**	**1,788,967**

* Includes gratuity amounting to Rs.132257.00 (Year ended 31st March, 2023: Rs. 126209.00)

Note 24 Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on:		
Borrowings	20,307,487	2,142,456
Other borrowing costs		
- Bank Charges	884	3,030
Total	**20,308,371**	**2,145,486**

Note 25 Other expenses		
Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Travelling & Conveyance	1,255	14,535
Fee & Taxes	2,447,245	456,592
Legal & Professional Charges	364,000	550,400
Postage & Telegram, Telephone & Telex	400,092	170,158
Insurance Charges	8,375	10,022
Other General Exp	580,342	322,685
Payment to Auditors		
As auditors - statutory audit	40,000	29,400
For taxation matters	10,000	6,000
Total	**3,851,309**	**1,559,792**
Note 26 Computation of Earnings Per Share (EPS)		
Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
A) Basic		
(i) Net Profit attributable to shareholders	108,414,667	15,696,095
(ii) Adjusted weighted average equity shares	15,653,400	15,653,400
Basic EPS (`)	6.93	1.00
B) Diluted		
(i) Net Profit attributable to shareholders	108,414,667	15,696,095
(ii) Adjusted weighted average equity shares	20,573,575	15,653,400
Diluted EPS (`)	5.27	1.00
Note 27 Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006		
Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
(a) Amount remaining unpaid to suppliers as at the end of year		
- Principal amount	-	-
- Interest due thereon	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of	-	-

disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		

Note: The amounts have been determined to the extent micro and small enterprises have been identified on the basis of information available with the company.

Note 28 Segment Information

In the opinion of the management, there is only one reportable business segment as envisaged by Ind AS 108 on 'Operating Segment' issued by Institute of Chartered accountant of India. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

Note 29 Tax Expense

29.1 Deferred tax Assets (Net)

Financial year ended March 31, 2024

Particulars	**Opening Balance**	**Recognised in profit or loss**	**Recognised in OCI**	**Closing Balance**
Deferred tax Assets				
Related to gratuity	31,767	1,519	-	33,286
Difference in Carrying Amount of Fixed Assets	14,287	(1,702)	-	12,585
Deferred tax assets	**46,054**	**(183)**	**-**	**45,871**

Financial year ended March 31, 2023

Particulars	**Opening Balance**	**Recognised in profit or loss**	**Recognised in OCI**	**Closing Balance**
Deferred tax Assets				
Related to gratuity	83,938	(52,171)	-	31,767
Difference in Carrying Amount of Fixed Assets	-	14,287	-	14,287
Deferred tax assets	**83,938**	**(37,884)**	**-**	**46,054**

29.2 Tax expense recognized in profit or loss

Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
- Current tax expense for current year	10,000,000	-
- Deferred tax	-	-
- Current tax expense relating to prior years	183	37,884
Total Tax expense recognized	**10,000,183**	**37,884**

29.3 Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate:

Particulars	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
Profit before tax	118,414,850	15,733,979
Tax at the Indian Tax Rate of 25.168%	29,802,650	3,959,927
Effect of income that is taxable at lower rates	(19,802,650)	(3,858,396)
Effect of expenses that are non-deductible in determining taxable profit	-	14,986
Effect of expenses that are deductible in determining taxable profit	183	5,521
Effect of income that is exempt from taxation	-	(84,154)
Total tax expense recognized in profit or loss	**10,000,183**	**37,884**

29.4 Tax expense recognized in other comprehensive income

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Gain/(loss) on Fair Valuation of Equity instruments carried at FVOCI	-	-
Brought Forward Losses	-	-
Provision for doubtful debt/advances	-	-
Others	-	-
Total	-	-

Note 30 Financial Instruments and Financial Risk Management

30.1 Classification of Financial instruments

Particulars	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
	Amortized Cost	FVTOCI	FVTPL	Amortized Cost	FVTOCI	FVTPL
Financial Assets						
Investments	24,647,500	-	-	-	130,232,507	-
Cash and cash equivalents	260,098,175	-	-	85,042,049	-	-
Short term loan and advances	229,058,553	-	-	-	-	-
Other financial assets	1,031,349	-	-	335,239	-	-
Total	**514,835,577**	-	-	**85,377,288**	**130,232,507**	-
Financial Liabilities						
Short term borrowings	64,996,875	-	-	26,967,534	-	-
Other financial liabilities	222,565,289			781,420	-	-
Total	**287,562,164**			**27,748,954**	-	-

The management assessed that cash and cash equivalents and bank balances, loans and advances, other financial assets, certain investments, trade payables and other financial liabilities approximate their fair value largely due to the short-term maturities of these instruments. Difference between carrying amount and fair value of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the year presented.

30.2 Fair value hierarchy

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements)

Level 1:

Quoted prices in an active market: This level of hierarchy includes financial instruments that are measured by reference to quoted prices (unadjusted) in active markets for identical instruments.

Level 2:

Valuation techniques with observable inputs: This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3:

Valuation techniques with unobservable inputs: This level of hierarchy includes instruments measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

30.3 Financial Risk Management

This note explains the risk which company is exposed to and policies and framework adopted by the company to manage these risks. The Company's activities expose it mainly to the market risk, credit risk and liquidity risk.

The monitoring and management of such risks is undertaken by the senior management of the Company. There are appropriate policies and procedures in place through which such financial risks are identified, measured and managed by the Company. The Audit Committee and the Board are regularly apprised of these risks and measures used to mitigation these risks.

a. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of adverse changes in market rates and prices such as currency risk, interest rate risk, other price risk etc.

(i) Currency Risk

Currently company does not have transaction in foreign currencies and hence the company is not exposed to currency risk

(ii) Interest rate Risk

Since the Company does not have any significant financial assets or financial liabilities bearing floating interest rates, any change in interest rates would not have any significant impact on the financial statements of the Company.

(iii) Price Risk

The company is exposed to price risk arising from investments held by the company and classified in the balance sheet either as at fair value through profit or loss or at fair value through other comprehensive income. To manage its price risk arising from investments, the company diversifies its portfolio in equity, debt, money market and other instruments (including through funds). The Company also has strategic asset allocation benchmarks and risk limits.

Sensitivity analysis

The paragraph below summaries the impact of increase/decrease in the prices of investments held at the end of the year on the company's profit and other comprehensive income for the year. The analysis is based on the assumption that prices of investments are increased or decreased by 5% with all other variables held constant:

(i) In respect of investments measured at fair value through other comprehensive income, other comprehensive income for the year ended 31st March , 2024 would have been increased/decreased by 1.23Mn (31st March, 2023: 6.51 Mn) as a result of the changes in prices of investments.

b. Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counter-party fails to meet its contractual obligations.

Financial instruments that are subject to concentrations of credit risk principally consist of receivables, cash and cash equivalents, bank deposits, investments in debentures, mutual funds & other funds and other financial assets.

The maximum exposure to credit risk was Rs.490.19 Mn and Rs. 85.38 Mn, as at March 31, 2024 and March 31, 2023 respectively, being the total carrying value of loans and advances, cash and cash equivalents, trade receivables, Investments (excluding equity investments) balances with bank and other financial assets.

To manage the credit risk, the credit worthiness of the receivables is evaluated on an ongoing basis and investment is made only after considering counterparty risks based on multiple criteria including Tier I capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and deposit base of banks and financial institutions etc. These risks are monitored regularly as per its risk management program.

As at the end of the reporting period, all the investments have been fair valued and receivables, bank balances and other financial assets are considered to be good.

c. Liquidity Risk

"Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Group consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial
liabilities including estimated interest payments as at :"

Financial Liabilities	As at 31st March, 2024			
	Amount	Less than 1 year	1-5 years	More than 5 years
Short term borrowings	64,996,875	64,996,875	-	-
Other financial liabilities	222,565,289	222,565,289	-	
	287,562,164	**287,562,164**	**-**	**-**

Financial Liabilities	As at 31st March, 2024			
	Amount	Less than 1 year	1-5 years	More than 5 years
Short term borrowings	26,967,534	26,967,534	-	-
Other financial liabilities	781,420	781,420	-	-
	27,748,954	**27,748,954**	-	-

Note 31 Maturity pattern of assets and liabilities

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-current assets						
Property, Plant & Equipment's and Intangible assets	-	10,680	10,680	-	10,680	10,680
Investment Property	-	-	-	-	30,656,250	30,656,250
Financial assets					-	
Investments	-	24,647,500	24,647,500	-	130,232,507	130,232,507
Deferred Tax Assets (Net)	-	45,871	45,871	-	46,054	46,054
Other non-current assets		525,788	525,788		510,367	510,367
Total non-current assets	**-**	**25,229,839**	**25,229,839**	**-**	**161,455,858**	**161,455,858**
Current assets						
Inventories	2,155,985	-	2,155,985	7,460,216	-	7,460,216
Financial assets						
(i) Cash and cash equivalents	260,098,175	-	260,098,175	85,042,049	-	85,042,049
(ii)Short term loan and advances	229,058,553	-	229,058,553	-	-	-
(iii) Other		-			-	335,239

financial assets	1,031,349		1,031,349	335,239		
Other current assets	-	-	-	14,750,000	-	14,750,000
Total Current assets	**492,344,062**	**-**	**492,344,062**	**107,587,504**	**-**	**107,587,504**
Current liabilities						
Financial liabilities						
(I) Short term borrowings	64,996,875		64,996,875	26,967,534		26,967,534
(II) Other financial liabilities	222,565,289	-	222,565,289	781,420	-	781,420
Other current liabilities	7,170,000	-	7,170,000	37,170,000	-	37,170,000
Total current liabilities	**294,732,164**	**-**	**294,732,164**	**64,918,954**	**-**	**64,918,954**

Note 32 Contingent liabilities and Commitments

a) Balance of Sundry Debtors, creditors, loans & advances are subject to confirmation and reconciliation if any.

(b) The Company has received notice from the Honorable High Court of Punjab & Haryana that sale tax department has filed an appeal against the order of tribunal by which demand of Rs.90,01,582 of Sales Tax against the company was dismissed by tribunal related to assessment year 2002-03. No provision has been made in books of accounts as in the opinion of the management the appeal is not maintainable.

(c) The Company is involved in other small legal proceedings for claims related to the ordinary course of its business. In respect of these claims, the company believes, these claims do not constitute material litigation matters and with its meritorious defense the ultimate disposition of these matter will not have material adverse effect on its financial statements. In view of the management and the legal advice sought, no provision is required to be made in case litigation against/by the company. Therefore, provision for the same has not been provided in the books of accounts.

(d)The company is making its strategic entry into manufacturing of Capital Goods and Special Products for Priority sectors like defence, Aerospace and nuclear industries by investing in M/s Kay Bouvet Engineering Limited(KBEL) having its registered office address N-3 Addl. MIDC Area Satara -415004, who is already engaged into manufacturing in this line of business. KBEL availed fund and non-fund based facilities and working capital facility from various banks etc. KBEL has submitted the OTS proposal to settle the outstanding dues at Rs.125 crore. The company along with another investors called as "Investors" have entered into the Memorandum of Understanding dated 29.06.2023 (MOU) with the M/s Kay Bouvet Engineering Limited. As per MOU the company along with another investors is to invest by way of equity and loans up to a sum of Rs.125 crore in KBEL to settle the total dues of KBEL under OTS proposal with the banks. As per MOU the company has acquired 98,59,000 equity shares of Rs.10/- each of KBEL being 48.69% stake and paid Rs.2,46,47,500/- being Rs.2.50 per share. Further, uncalled liability on 98,59,000 equity shares @ Rs.7.50 per share amounting to Rs.7,39,42,500/- will be brought by the company within the 12th month from the date of OTS Sanctioned by all lenders. Further as required by the lenders, the company has deposited interest free amount of Rs.12.50 crore in a separate bank account of KBEL with IDBI Bank. The proposal of OTS is pending with the lenders.

The balance of Rs.102.64 Crores shall be brought by the Investors including the company jointly and severally in KBEL after the sanction of the OTS proposal based on the maximum of Rs.125 crore as mentioned in the MOU. All funds including Rs.12.50 Crore will be refunded to the company if the OTS proposal based on the maximum amount of Rs.125 Crores is not sanctioned by all the lenders.

Note 33

In the opinion of the Board, all the current assets, Loans & advances having the value on realization in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise.

Note 34

Sales of Securities/ Land amounting to Rs. 1,55,94,917/- (Previous Year Rs. 5,60,72,200/-) includes sale of securities of Rs. 55,04,917/- (Previous Year Rs. 5,60,72,200/-) and sale of Land Rs. 1,00,90,000/- (Previous Year NIL). Other Incomes Rs.1,07,313/- includes Lease Rent Rs. 1,07,313/-(Previous Year Lease Rent Rs.3,34,370/-and Rs. 88,00,000 received from settlement of old dispute/debt) .

Note 35

Detail of Investments and Loan and advances covered under the provision of Section 186 of the Act, are given in the note No.5 and 10 to the Financial Statement.

Note No. 36

Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	**Key Management Personnel and their Relatives**
Master Trust Limited	**KMP**
Master Capital Services Limited	Mr. Rajinder Kumar Singhania
Master Insurance Brokers Limited	Mr. Rajesh Kumar Kakar
Master Commodity Services Limited	Mr. Mohit Verma
H.A. Share & Stock Brokers Private Limited	
Master Infrastructure & Real Estate Developers Limited	**Relatives of KMP**
Master Portfolio Services Limited	Mr. Puneet Singhania
Master Share & Stock Brokers Private Limited	Mr. Chirag Singhania
H.K Arora Real Estate Service Private Limited	Mrs. Rohila Singhania
Amni Real Estate Private Limited	Mrs. Isha Singhania
Matria Estate Developers Private Limited	
Master Trust Wealth Private Limited	
Crescent Investments	
Saintco India Private Limited	
Eminent Buildwell Private Limited	
Master Projects Private Limited	
Arora Financial Services Pvt. Limited	
Irage Mastertrust Investment Managers LLP	
Avisa Real Estate Services LLP	
Rajinder Kumar Singhania HUF	
Puneet Singhania HUF	
Harjeet Singh Arora HUF	

Transactions with related parties

Particulars	**Associates**	**KMP**	**Relatives of KMP**	**Total**
Interest Earned	2,24,57,449	-	-	2,24,57,449
Previous year	(30,73,699)	-	-	(30,73,699)
Interest Paid	11,99,596	-	-	11,99,596
Previous year	(10,46,354)			(10,46,354)
Purchase	10,38,700	-	-	10,38,700
Previous year	(4,85,23,000)			(4,85,23,000)
Sale	1,46,52,070	-	-	1,46,52,070
Previous year	(3,54,17,550)			(3,54,17,550)

Director Remuneration Previous year		12 (12)		12 (12)
Balances outstanding at the end of the year:				
Receivables Previous year	19,92,329 (-)	- -	- -	19,92,329 (-)
Payables Previous year	1,22,05,739 (2,52,31,579)	-	-	1,22,05,739 (2,52,31,579)

Note 37 Ratios

Sr. no.	Ratios	Numerator	Denominator	Current year	Previous year	Variance
1	Current Ratio	Current Asset	Current Liabilities	1.67	1.65	1%
2	Debt-Equity Ratio	Total Debt	Total Equity	0.29	0.13	124%
3	Debt Service Coverage Ratio	Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	6.83	8.34	-18%
4	Return on Equity Ratio,	Profit for the year	Total Equity	48.68%	7.69%	533%
5	Inventory turnover ratio	Income From Trading of Securities/Land	Average Inventory	2.14	0.05	4181%
6	Trade Receivables turnover ratio	Income From Trading of Securities/Land	Average Trade Receivable	-	-	-
7	Trade payables turnover ratio	Income From Trading of Securities	Average Trade Payable	-	-	-
8	Net capital turnover ratio	Revenue from Operations	Working Capital	0.08	1.61	-95%
9	Net profit ratio	Net Profit After Tax	Total Income	69.93%	20.39%	243%
10	Return on Capital employed,	Earnings before Interest & Tax	Net Worth+Total Debt	0.62%	0.08%	679%
11	Return on investment	Investment Gain	Average Investment	1.17	0.05	2247%

Note 38.	ADDITIONAL REGULATORY INFORMATION AS PER DIVISION III SCHEDULE III OF COMPANIES ACT, 2013
	a) No funds have been advanced or loaned or invested by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. b) No funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. c) The Company does not have any long-term contracts including derivative contracts for which there are any material forseeable losses. d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. e) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988). f) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender. g) During the year, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. h) There are no transactions which have not been recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. i) There are no charges or satisfaction yet to be registered with the registrar of companies during the year. j) The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year. k) Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility is not applicable to the company.

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

As per our Report of even date

For C.S. Arora & Associates
Chartered Accountants
Firm Registration Number 015130N

Sd/-
(Chanchal Singh)
Partner
Membership Number: 090835

Place: Ludhiana,
Date: 30th May 2024

For and on behalf of the Board of Prime Industries Limited

Sd/-	**Sd/-**
Rajinder Kumar Singhania	**Harjeet Singh Arora**
Managing Director	**Director**
DIN-00077540	**DIN-00063176**
Sd/-	**Sd/-**
Mohit Verma	**Rajesh Kumar Kakar**
Company Secretary	**Chief Financial Officer**