

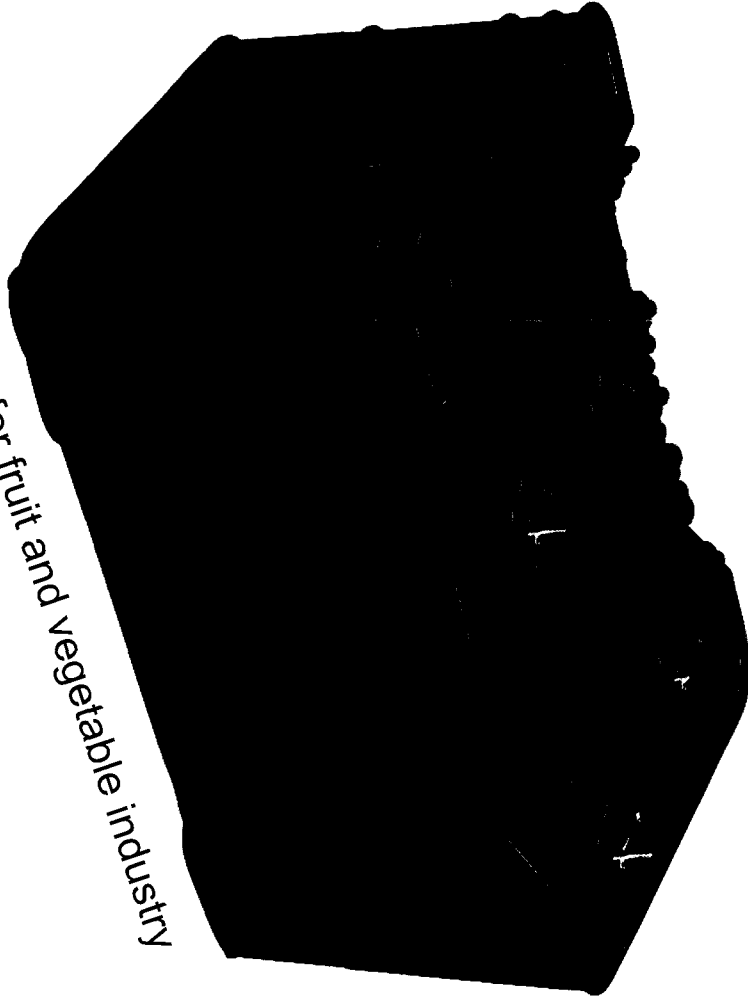


PRIMA PLASTICS LIMITED

15th Annual Report 2008-09

NEW INTRODUCED

for fruit and vegetable industry



for fish and meat industry





PRIMA PLASTICS LIMITED

BOARD OF DIRECTORS

Shri Bhaskar M. Parekh (Executive Chairman)

Shri Mulchand S. Chheda

Shri Krishnakant V. Chitalia

Shri Rasiklal M. Doshi

Shri Dilip M. Parekh (Managing Director)

BANKER

Corporation Bank

Bank of India

AUDITORS

M/s. G. P. Kapadia & Co.
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.
E-2, Ansa Indl. Estate, Saki Vihar Road, Andheri (E),
Mumbai – 400 072.

REGISTERED OFFICE

98/4 Prima House, Daman Industrial Estate,
Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210.

CORPORATE OFFICE

41, National House, Saki-Vihar Road,
Andheri (East), Mumbai - 400 072.

WORKS

Moulded Furniture Division:

- 98/4, Prima House, Daman Industrial Estate,
Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210.
- Door No.X/588-Q, Kinfra SIP, Survey No.508 (Part),
Block No.32, Nellad P.O., Mazhuvannur Village,
Ernakulam District, Kerala – 686 721.

Aluminium Composite Panel Division:

- 85/1, Prima House, Daman Industrial Estate,
Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210.

MARKETING DEPOTS

Jammu, Kanpur, Rohtak, Secunderabad, Trichy & Zirakpur (Punjab)

15th ANNUAL GENERAL MEETING

Date : September 05, 2009

Time : 10.30 a.m.

Venue : Hotel Sandy Resorts,
Devka Beach,
Nani Daman,
Daman (U.T.),
Pin - 396 210

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NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of **PRIMA PLASTICS LIMITED** will be held at Hotel Sandy Resorts, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210 on September 05, 2009 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2009, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Krishnakant V. Chitalia, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. G. P. Kapadia & Co., the retiring Auditors of the Company, as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as may be decided by the Board of Directors.

SPECIAL BUSINESS:

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

4. **"RESOLVED THAT** in accordance with the provisions of Section 314 and all other applicable provisions, if any of the Companies Act, 1956, (including any statutory modification(s) and re-enactments thereof, for the time being in force) and subject to the approval of Central Government and all other approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities, the consent of the Company be and is hereby accorded for Shri Pratik B. Parekh son of Shri Bhaskar M. Parekh, the Executive Chairman of the Company, to hold and continue to hold an office or place of profit as an employee of the Company on such remuneration and terms and conditions as may be decided by the Board with effect from October 01, 2009 on a monthly basic Salary of Rs. 40,000/- in the scale of Rs.40,000/- Rs.10,000/- - Rs. 100,000/- together with other pay, usual allowances and benefits.

"FURTHER RESOLVED THAT the Board be and is hereby authorized to decide within the overall limits specified in this regards, the exact remuneration to be paid to Shri Pratik B. Parekh, the terms and nature of his appointment as also the changes in his designation and remuneration, modify the terms and conditions of appointment from time to time and do all such acts, deeds, matters and things, make and execute all such applications, writings and instruments as the Board may in its absolute discretion deem necessary or desirable and delegate the said authority to any person(s) as the Board may deem fit in its discretion for the purpose of giving effect to this resolution without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution".

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

5. **"RESOLVED THAT** in accordance with the provisions of Section 314 and all other applicable provisions, if any of the Companies Act, 1956, (including any statutory modification(s) and re-enactments thereof, for the time being in force) and subject to the approval of Central Government and all other approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities, the consent of the Company be and is hereby accorded for Shri Paras B. Parekh son of Shri Bhaskar M. Parekh, the Executive Chairman of the Company, to hold and continue to hold an office or place of profit as an employee of the Company on such remuneration and terms and conditions as may be decided by the Board with effect from April 01, 2010 on a monthly basic Salary of Rs. 40,000/- in the scale of Rs.40,000/- Rs.10,000/- - Rs. 100,000/- together with other pay, usual allowances and benefits.

"FURTHER RESOLVED THAT the Board be and is hereby authorized to decide within the overall limits specified in this regards, the exact remuneration to be paid to Shri Paras B. Parekh, the terms and nature of his appointment as also the changes in his designation and remuneration, modify the terms and conditions of appointment from time to time and do all such acts, deeds, matters and things, make and execute all such applications, writings and instruments as the Board may in its absolute discretion deem necessary or desirable and delegate the said authority to any person(s) as the Board may deem fit in its discretion for the purpose of giving effect to this resolution without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution".

By Order of the Board of Directors

Mumbai
June 30, 2009

Bhaskar M. Parekh
Chairman

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The Instrument appointing a proxy to be valid must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item 4 & 5 of the Notice is annexed hereto.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from Saturday, August 29, 2009 to Saturday, September 05, 2009, both days inclusive.
4. The details of directors seeking reappointment at the Annual General Meeting as required under clause 49 of the Listing Agreement is annexed hereto.
5. All documents referred to in the Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
6. The members are requested to:
 - (a) Bring their copy of Annual Report and the attendance slips at the Meeting.
 - (b) Members desiring any information as regards the accounts are requested to write to the Company at least 10 days prior to the date of meeting to enable the Management to keep the information ready at the meeting.
7. Shareholders holding shares in dematerialized form should intimate change of their address, request for making nomination, if any, to their Depository Participant. Members who are holding shares in physical form are requested to notify regarding change in address, if any, to the Company's Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd., Unit: Prima Plastics Ltd., E-2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072 quoting their folio number.

"Our Registrar & Transfer Agent M/s. Bigshare Services Private Limited recently launched Gen-Next Investor Module i'Boss the most advanced tool to interact with shareholders. Please login into i'Boss (www.bigshareonline.com) and help them to serve you better."

ANNEXURE TO NOTICE:**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

As required by Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out the material facts relating to the business under Item No.4 & 5 of the accompanying Notice.

ITEM NO.4.

The Company seeks consents of the Members to hold office or place of profit under the Company and payment of Remuneration to Shri Pratik B. Parekh under the provisions of Section continue to 314 of the Companies Act, 1956.

Shri Pratik B. Parekh is presently looking after Marketing of ACP division in Northern region of India and the Company needs to carry lots of developmental activities to establish its products in the market. The Board of Directors has at their meeting held on June 30, 2009 recommended to reappoint Shri Pratik B. Parekh on following terms and conditions.

1. Basic Salary

Shri Pratik B. Parekh Rs.40,000/- per month in the scale Rs.40,000/- Rs.10,000/- Rs. 100,000/-

2. Perquisites and Benefits

In addition to the above, Shri Pratik B. Parekh shall be entitled individually to the following:

- (a) Leave Travel Concession for self and family, Medical re-imbursement as per the rules of the Company payable once in a year.
- (b) Leave, Leave encashment, Gratuity etc. as per the rule of the Company.

Payment of remuneration to a relative of Director attracts Section 314 of the Companies Act, 1956 and requires prior consent of the shareholders of the Company by way of Special Resolution and the approval of Central Government shall be required for the remuneration exceeding Rs.50,000/- per month, the Company will take such approval of Central Government when it will be required.

The Board of Directors recommends approval of Special Resolutions by the Shareholders.

Shri Bhaskar M. Parekh, Chairman of the Company is considered to be interested in this Resolution.

**ITEM NO.5**

The Company seeks consents of the Members to continue to hold office or place of profit under the Company and payment of Remuneration to Shri Paras B. Parekh under the provisions of Section 314 of the Companies Act, 1956.

Shri Paras B. Parekh is presently looking after Marketing of ACP division in Southern region of India and the Company needs to carry lots of developmental activities to establish its products in the market. The Board of Directors has at their meeting held on June 30, 2009 recommended to reappoint Shri Paras B. Parekh on following terms and conditions.

1. Basic Salary

Shri Paras B. Parekh Rs.40,000/- per month in the scale Rs.40,000/- Rs.10,000/- Rs. 100,000/- .

2. Perquisites and Benefits

In addition to the above, Shri Paras B. Parekh shall be entitled individually to the following:

- (a) Leave Travel Concession for self and family, Medical re-imbursment as per the rules of the Company payable once in a year.
- (b) Leave, Leave encashment, Gratuity etc. as per the rules of the Company.

Payment of remuneration to a relative of Director attracts Section 314 of the Companies Act, 1956 and requires prior consent of the shareholders of the Company by way of Special Resolution and the approval of Central Government shall be required for the remuneration exceeding Rs.50,000/- per month, the Company will take such approval of Central Government when it will be required.

The Board of Directors recommends approval of Special Resolutions by the Shareholders.

Shri Bhaskar M. Parekh, Chairman of the Company is considered to be interested in this Resolution.

By Order of the Board of Directors

Bhaskar M. Parekh
Chairman

Mumbai
June 30, 2009

Registered Office:

98/4, Prima House,
Daman Industrial Estate,
Kadaiya, Nani Daman
Daman (U.T.), Pin - 396 210.

DETAILS OF DIRECTOR SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING	
(Pursuant to Clause 49 of the Listing Agreement)	
Name of Director	Shri Krishnakant V. Chitalia
Date of Birth	12-08-1939
Date of appointment	18-06-1996
Qualification	B.Com
Expertise in specific area	He has wide and varied experience in the field of Plastic, Electrical and Dairy products.
Other Directorships	Venlon Enterprises Limited.
Number of Shares held	5,295 Equity Shares

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors are pleased to present the 15th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2009.

(Rs. in Lacs)

FINANCIAL RESULTS	2008-2009	2007-2008
Gross Income	6,191.39	5,575.31
Profit before Interest, Depreciation and Tax	103.45	271.83
Less : Interest	73.70	57.48
Less : Depreciation	156.99	158.03
Profit /(Loss) before Taxation	(127.24)	56.32
Less : Current Tax	NIL	3.57
Less: Fringe Benefit tax	3.40	4.30
Less: Prior Period Tax written off	NIL	4.13
Profit/(Loss) after Tax	(130.64)	44.32
Add : Balance b/f from previous year	1,718.45	1,674.13
Balance available for appropriation	1,587.81	1,718.45
Appropriation :		
Balance c/f to Balance Sheet	1,587.81	1,718.45

DIVIDEND

In view of the Loss for the year under review, your Board of Directors has no option but to skip the dividend.

OPERATIONAL PERFORMANCE

The Financial year 2008-09 was a year of challenges and uncertainties for businesses across various segments of industry with financial crisis, volatile commodity prices, sharp movement in currencies, crashing stock markets and severe liquidity crisis.

Moulded Furniture:

The first and fourth quarter's performance of moulded furniture division was generally in line with expectations, the business in second & third quarters were adversely impacted by steep hike in petro products globally, fall out of the economic downturn and weak consumer sentiment. The results were also adversely affected due to restricted credit availability.

Consequently your company has managed to maintain the turnover of the division at Rs. 3,494.81 lacs as compared to Rs. 3,507.18 lacs in the previous year.

Aluminium Composite Panel (ACP):

The operation of your company's ACP Division was affected due to weak demand and falling Real Estate prices and prevailing economic uncertainties. The Company could able to maintain the turnover of ACP division at Rs. 880.97 lacs as compared to Rs. 876.15 lacs in the previous year.

Overall the Company's profit was also adversely affected due to foreign exchange fluctuation loss of Rs. 105.15 lacs on outstanding for imports of Raw Materials. Profit / (Loss) before tax of the Company was Rs. (127.24 lacs) as against Rs. 56.32 lacs in the previous year.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT.

As required by the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis and Corporate Governance Report, as approved by the Board of Directors, together with a certificate from the company's Auditors confirming the compliance with the requirements of Corporate Governance policies, are set out in the Annexure forming part of this Annual Report.

DIRECTORS

Shri Krishnakant V. Chitalia retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting. Brief resume of Shri Krishnakant V. Chitalia and nature of his experience is given in the Section on Notice elsewhere in the Annual Report.

BUSINESS OUTLOOK

The Moulded Furniture has been accepted widely as a value for money proposition with no economical substitute. The fact that the Indian Economy is opening up, the consumption across the middle income group and lower income group would be exponentially increasing, which will help the Industry and particularly your Company to achieve higher growth.



The evolution of the Indian Infrastructure Industries is the biggest opportunity today for ACP division. Large Corporates are entering into Real Estate market and only helping the market to develop and get more organized.

LISTING WITH THE STOCK EXCHANGE

The equity shares of the Company continue to remain listed with Bombay Stock Exchange Ltd. The listing fee payable to the Stock Exchange for the year 2009-2010 has been paid.

DIRECTORS' RESPONSIBILITY STATEMENT

The Director would like to assure the members that the financial statements for the year under review confirm in their entirety to the requirements of the Company Act, 1956.

As stipulated in Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the company hereby state and confirm that :

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- II. The selected accounting policies were applied consistently and the Directors made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended on that date;
- III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The annual accounts for the financial year ended March 31, 2009 have been prepared on a going concern basis.

AUDITORS & AUDITOR'S REPORT

The Auditors, M/s. G.P. Kapadia & Co., Chartered Accountants, Mumbai, will retire at the forthcoming Annual General Meeting. As recommended by the Audit Committee, the Board, at its meeting held on June 30, 2009 proposed their reappointment as Auditors for fiscal year 2008-2009.

The Company has received letter from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of the Section 226 of the said Act. The shareholders are requested to reappoint M/s. G.P. Kapadia & Co. as the Statutory Auditor.

The observations made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under section 217 of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

The Company does not have any employee drawing remuneration as stipulated under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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

Additional information regarding the conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956 is set out in a separate statement attached to this report and forms part of it.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposit covered under Section 58A of the Companies Act, 1956 from the Members or the Public during the year.

CORPORATE GOVERNANCE

A separate report on Corporate Governance and a certificate from the Auditors regarding compliance of conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, form part of this Annual Report of the Company.

APPRECIATION

The Board takes this opportunity to express its sense of gratitude to all the Customers, Shareholders, Government Departments, Bankers & Suppliers of the Company. The Board also wishes to record its appreciation to all the employees of the Company for their commitment and dedication.

For and on behalf of the Board

Mumbai,
June 30, 2009

Bhaskar M Parekh
Chairman

**ANNEXURE TO DIRECTORS' REPORT**

Additional information given as required under the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988.

I. CONSERVATION OF ENERGY**a) Energy conservation measures taken:**

The Company has been constantly taking step at all level establishing systems that ensure energy conservation, effective management and utilization of energy sources. While energy conservation at the manufacturing facilities is an ongoing process, during the year under review, several initiatives were undertaken by the facilities to reduce energy consumption.

b) Additional investments and proposals if any being implemented for reduction of consumption of energy.

The Company intends to install low energy consumption machines in its new investment plans and equipments to cut down consumption of energy.

c) Impact of measures at (a) and (b):

The impact of the above measures for reduction of energy consumption will result in saving of energy per kg of production.

d) Total energy consumption and energy consumption per unit of production as per Form A.

The requirement for Disclosure under Form A is not applicable to the Company for the year under review.

II. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION.**(A) RESEARCH & DEVELOPMENT (R&D).****1. Specific areas in which R&D has been carried out by the Company:**

The Company has in-house design department to develop new and innovative product and improving existing products. The designed department is directly working in the supervision and guidance of the Managing Director.

2. Benefits derived as a result of R&D:

The result of above efforts are in form of launch of new products at periodical intervals and offer varieties of product in the particular segment and also wide range of new and innovative colours.

3. Further Plan of action:

The Company plans to develop and introduce new range of products in the current year.

4. Expenditure on R&D:

a) Not Substantial.

(B) TECHNICAL ABSORPTION, ADAPTATION & INNOVATION.**1) Efforts in brief made towards technology absorption, adaptation and innovation.**

The Machines and moulds used for manufacturing products are regularly upgraded to manufacture novel products in line with the market trend and demand. The new investments are made in new technology upgraded machines & moulds.

2) Benefits derived as a result of the above efforts.

The Company able to give new & innovative designed product and has strong demand of its products in local as well as export market.

3) The Company has not imported any technology or processes know how.**III. FOREIGN EXCHANGE EARNING AND OUTGO:****1) Activities relating to exports initiative taken to increase exports; development of new exports market for products and services; and export plans:-**

The Company's products are well established in the exports market and repeated orders are received year after years from its existing foreign clients. The Company has won 11 top export awards from Plexcouncil of India in last 12 years which itself speaks of its performance on export front.

2) Total foreign exchange used and earned.**(Rs.)**

	2008-2009	2007-2008
Foreign Exchange earned (FOB) – (Finished Goods)	42,437,626	50,653,293
Foreign Exchange earned (Capital Goods)	855,000	NIL
Foreign Exchange used	68,627,057	23,738,607

For and on behalf of the Board

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

Industry Structure & Development:

Right from the beginning of second quarter of the year under review, the Indian as well as the global economy witnessed a high degree of uncertainty and slowdown. The recession in United States of America has impacted the fortunes of world economy and corporate across geographies.

The Indian economy too has affected in line with global economy and export demands have drastically reduced specially in certain sectors. Withdrawal of investment from Indian Stock Market by Foreign Institutional Investors and non availability of external borrowings have impacted growth of Indian Industries.

It is believed that with the stimulus packages announced by various governments to cope with recession, global recovery is expected in the year 2010. The Gross domestic products (GDP) growth in India during the financial year 2009-10 is expected to be around 6%. Due to various stimulus measures taken by the Government of India and the Reserve Bank of India, some of the indicators of economic health like auto sales, cement dispatches, steel production etc. have shown nascent signs of recovery recently.

Opportunities, Threats, Risks and Concerns:

Moulded Furniture:

The performance for the year was affected due to steep rise in raw material prices in two middle quarters of the financial years. The prices were shooting up from Rs. 78/- per kg. to Rs.103/- in those period. However, the prices came down sharply in last quarter to Rs.65/-.

The results of fourth quarter are encouraging and give the hope of better future in the year 2010. It is expected that the prices of raw material will stabilize with additional availability of polypropylene supply globally in the year 2010. Further to cope global recession, the government has announced stimulus package for Indian Industry which will help the companies to perform better.

Aluminium Composite Panel:

The real estate industry is currently passing through a turbulent phase with the global downturn & struggling economics, the Real Estate is one of the worst hit. The prices have reduced sharply and buyers were not ready to lift the properties at any price.

However there is reversal in sentiment and it is expected that the economy may improve from 2nd half of financial year 2009-10.

Opportunities & Challenges:

The present global economic scenario throws up opportunities for fundamentally strong companies with sound business ethics.

Your company has inherent strength to seize the opportunities due to strong brand image. Quality products combined with deep retail market penetration.

Performance Highlight.

Moulded Furniture:

The Company is well established in moulded furniture market and known for its brand and quality in local as well as International market. Despite the severe downturn in global market, volatile petro prices, poor consumer sentiments and the credit squeeze, the Company's turnover is maintained at Rs. 3,494.81 lacs. However the Company had suffered loss mainly due to volatile raw material prices and exchange losses.

Exports:

The exports of the company were suffered due to low demand and high raw material prices resulting high output cost. However the Company could get repeated order from existing client and achieved an export sale of Rs.465.84 lacs.

Raw Material:

The main input of the moulded furniture is polypropylene and prices are directly linked to the prices of crude oil. The financial year 2008-09 has seen the steep high & steep low of crude oil prices in international market. However at the end of financial year it is established at \$ 65 per barrel and hence the prices of polypropylene is also stabilize by the end of the financial year.

Aluminium Composite Panel:

The Company entered the ACP market in the year 2006-07 and the efforts were made to cater the Real Estate market and in process established as brand "Aluma". However the slowdown in economy has impacted the end prices of Real Estate and credit squeeze in over all market. The sentiment of the market has improved and it is expected to further improvement in confidence from 2nd half of financial year 2009-10.

Raw Material:

The main raw material for ACP division is Coated Aluminum Coil and prices of the Aluminium are driven globally. At present the prices have come down due to slowdown of economy & other factors, which is favourable for the Company.

The Company mainly sources its raw material by import from China.

**Performance of Joint Venture :**

Prima Dee-lite Plastics Pvt. Ltd., a joint venture company set up at Cameroon with a local partner to produce and sale Plastic Moulded Articles in and around Cameroon and neighbouring countries. The turnover for the calendar year 2008 was INR 1171.08 lacs as compared to INR 815.65 lacs for the previous calendar year. The profit for the year after depreciation and tax was INR 49.41 lacs as compared to INR 43.48 lacs in the previous year. The J.V. Company has paid interest of INR 76.02 lacs on unsecured loan granted by the Company and declared 15% dividends for its calendar year 2008 performance.

In view of encouraging demands of the products, the J.V. Company has expanded production capacity in the current financial year.

Risk Management:

In terms of Clause 49 of the Listing Agreement with Stock Exchange, the Company has devised a risk management policy to enhance shareholder's value. The policy adopted by the Company aligns strategy, processes, people, technology and knowledge for evaluating and managing uncertainties faced by the Company and thereby leading to improvement and returns and our own value of the business.

The identified risk are reviewed and evaluated on continues basis and suitable strategies are framed to mitigate the same. The implementation of various strategies to control the said risk is monitored regularly. The Board reviews the Risk Management process periodically.

Foreign Exchange Risk:

The Company's policy is to systematically cover its foreign exchange risk considering prevalent conditions. Your Company opted not to follow Revised Accounting Standard 11 issued by Government of India in relation to accounting of exchange difference arising on reporting of foreign currency items due to currency sale fluctuation in order to be consistent in application of accounting policies.

Commodity Price Rise:

The Company is exposed to the risk of price fluctuation on raw material as well as finished goods in both of its products. The Company practically manages these risks in inputs through investment.

Risk Element in Individual Business.

Apart from the risks on account of foreign exchange and commodity price, both the business of the Company are exposed to certain operating business risk, which are managed by regular monitoring and collective actions.

Environment & Safety:

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

Internal Control System and their Adequacy:

The Company has a proper and adequate system of internal controls commensurate with its size and nature of operations. These controls are designed to provide reliable financial and operational information, ensure compliance of corporate policies and applicable statutory regulations and safeguard company assets.

The Audit Committee of the Board periodically meets to review the internal control comments of external auditors and remedial action taken. To further strengthen its systems, the Company implementing internal audit from the current year for efficient reporting and more robust controls.

Human Resource:

With the competition in all spheres of industry reaching unprecedented levels, companies are continuously reinvesting themselves in a bid to gain competitive advantage. Your Company firmly believes that its competitive edge is derived from its people who have been consistently achieving high standards of performance. With rapidly changing business environment, the Company needs to upgrade existing skills set and meet new challenges.

Cautionary Statement:

The management discussion and analysis statement made above are based on certain assumptions and expectations of future events, economic conditions, factor affecting raw materials and sales prices etc. The Company can not guarantee that these assumptions will be realized. It is therefore cautioned that the actual result may be different than those expressed herein above.

For and on behalf of the Board

Mumbai
June 30, 2009

Bhaskar M. Parekh
Chairman



CORPORATE GOVERNANCE

(a) Company's Philosophy

Corporate Governance essentially is a set of standards, which aims to improve the company's efficiency, effectiveness and social responsibility. The concept emphasizes on transparency, accountability, independence and integrity of the management, with focus on public interest in particular. It further inspires and strengthens investors' confidence by ongoing commitment to overall growth of the company.

The company's Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of listing agreement with stock exchanges, but also several voluntary practices at a superior level of business ethics, effective supervision and enhancement of shareholders' value.

The company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting shareholders trust while maximizing long-term corporate value.

(b) Board of Directors

Composition of Board.

The Company has an Executive Chairman and the number of Independent Directors exceeds one-half of the total number of Directors. None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees as specified in Clause 49 of the Listing Agreement with Stock Exchange.

Board Meetings.

The meetings of the Board are generally held at Mumbai and are scheduled well in advance. The Board Agenda is circulated to the Directors in advance.

The members of the Board have access to all information of the company and are free to recommend inclusion of any matter in agenda for discussion. The Board meets at least once in a quarter to review the quarterly results and other items on the agenda additional meetings are held, when necessary.

During the year under review, six Board Meetings of Directors were held on:

May 22, 2008, June 27, 2008, July 31, 2008, October 31, 2008, January 30, 2009 & March 24, 2009.

Board's Responsibilities.

The Board's mandate is to oversee the company's strategic direction, review and monitor performance, ensure regulatory compliance and safeguard the interests of stakeholders.

Role of Independent Directors.

The Independent Directors play an important role in deliberations at the Board and Committee meetings and bring to the company their expertise in the fields of finance, management, law and public policy.

Information placed before the Board of Directors.

All the information that is required to be made available, so far applicable to the Company, in terms of clause 49 of the Listing Agreement is made available to the Board of Directors.

Constitution of Board of Directors and Related Information.

The composition of directors and their attendance at the Board Meetings during the year and the last Annual General Meeting and also number of other directorships / membership of committees are as follows:

Name of Director	Position	Board Meetings attended during the year	Attendance at last AGM	Directorships in other companies incorporated in India
Shri Bhaskar M. Parekh	Executive Chairman	5	Absent	Nil
Shri Dilip M. Parekh	Managing Director	6	Present	Nil
Shri Mulchand S. Chheda	Independent Non-Executive Director	5	Present	4
Shri Rasiklal M. Doshi	Independent Non-Executive Director	5	Present	6
Shri Krishnakant V. Chitalia	Independent Non-Executive Director	6	Present	1



The Directors are not a member of any Committee in any other Company.

Shareholdings of Non-Executive Directors as on March 31, 2009 are as under:

Name	No. of ordinary shares held	% of Paid-up Capital
Mr. Krishnakant V. Chitalia	5,295	0.05
Mr. Mulchand S. Chheda	0	0.00
Mr. Rasiklal M. Doshi	6,000	0.05

Details of Director(s):

In compliance with Clause 49 IV (G) of Listing Agreement, brief resume, expertise and details of other directorships, membership in committees of directors of other companies and shareholding in the company of the Directors proposed to be reappointed are attached along with the Notice to the ensuing Annual General Meeting.

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the company.

All Board members and senior management personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Managing Director forms part of this Annual Report.

Committees of the Board

The Board has established various Committees such as the Audit Committee, Remuneration Committee, Management Committee, Investor's Grievances Committee and Share Transfer Committee. The minutes of Committee meetings are circulated and discussed in the Board meetings.

Audit Committee

Composition.

The Audit Committee has three Directors as members and two members of Committee are Independent Directors. The Managing Director is also a member for better representation of Management at the meeting.

All members of Audit Committee are financially literate and belong to fairly large business house.

The Chairman of Audit Committee has accounting or related financial management expertise and is an Independent Director.

The Chairman of the Audit Committee was present at Annual General Meeting to answer shareholders' queries.

The representative of the statutory auditors is invited to attend meeting of the Committee/Board.

Name of the Members and Chairman.

Sr. No.	Name of Member	Category	No. of Meetings Attended
1.	Shri Krishnakant V. Chitalia (Chairman)	Independent Director	4
2.	Shri Mulchand S. Chheda	Independent Director	3
3.	Shri Rasiklal M. Doshi (upto July 31, 2008)	Independent Director	2
4.	Shri Dilip M. Parekh (w.e.f. July 31, 2008)	Managing Director	2

Dates of Meeting.

June 27, 2008, July 30, 2008, October 30, 2008 & January 29, 2009.

Brief Description of the terms of reference.

The role and terms of reference of the Audit Committee specified by the Board are in conformity with the requirements of Clause 49 of the listing agreement as well as Section 292A of the Companies Act, 1956. The Committee acts as a link between the statutory, Internal control and the Board of Directors. The responsibilities of the Audit Committee include overseeing of the financial reporting process to ensure fairness, adequate disclosures and credibility of financial statements, recommendation of appointment and removal of statutory auditors, branch auditors, review of the adequacy of internal control systems.



The Audit Committee is authorized to:

1. Investigate any activity within its terms of reference.
2. Seek information from any employee.
3. Obtain outside legal or other professional advice.
4. Secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee.

The role of Audit Committee includes the following:

- Review of the company's financial reporting process and the disclosure of its financial information.
- Recommending to the Board, the appointment, reappointment of statutory auditors and fixation of audit fees and approving payments for any other services rendered by statutory auditors.
- Reviewing, with the management, the quarterly and annual financial statements before they are submitted to the Board for approval.
- Discussion with auditors periodically about internal control systems and ensure compliance of internal control systems.
- Reviewing the findings of any internal investigations into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit including the observations of the auditors, as well as post-audit discussion to ascertain any area of concern.
- To review the Management discussion and analysis of financial condition and results of operations.
- To review the significant related party transactions.
- And such other matters incidental or as may be delegated by the Board of Directors to the Committee from time to time.

Remuneration Committee

The Remuneration Committee consists of three Independent Directors. During the year under review, one meeting of the Remuneration Committee was held on June 26, 2008.

Sr.No.	Name of Member	Category	No. of Meeting Attended
1.	Shri Krishnakant V. Chitalia	Independent Director	1
2.	Shri Mulchand S. Chheda	Independent Director	Nil
3.	Shri Rasiklal M. Doshi	Independent Director	1

The function of the Remuneration Committee includes recommendation of appointment of Whole-Time Director(s) / Managing Director, evaluation of the performance of the Whole-Time Director(s) / Managing Director and recommendation to the Board of the remuneration to Whole-Time Director(s) / Managing Director / Independent Director(s) and such other functions as delegated by the Board from time to time.

Remuneration Policy

Payment of remuneration to the Executive Chairman and Managing Director is governed by the agreement executed between them and the company and is approved by the Board and the shareholders in terms of Schedule XIII to the Companies Act, 1956. Their remuneration structure comprises of salary, perquisites, allowances and contribution to provident fund and gratuity funds. The Non-Executive Directors are paid sitting fees for attending the meetings of the Board of Directors.

Details of Remuneration paid to Executive Chairman / Managing Director.

(Rs.)

Name of Director	Salary	Allowances & Perquisites	Contribution to PF	Total
Shri Bhaskar M. Parekh (Executive Chairman)	1,150,000	450,000	57,600	1,657,600
Shri Dilip M. Parekh (Managing Director)	1,080,000	450,000	50,400	1,580,400



Details of Remuneration paid to Independent Directors.

(Rs.)

Name of Director	Sitting Fees Paid	Total
Shri Mulchand S. Chheda	23,100	23,100
Shri Rasiklal M. Doshi	23,100	23,100
Shri Krishnakant V. Chitalia	28,100	28,100

Investors' Grievances Committee

The Investors' Grievances Committee consists of three Directors. During the year under review, four meetings of the Investors' Grievances Committee were held on May 05, 2008, July 28, 2008, October 30, 2008 and January 29, 2009.

Sr.No.	Name of Member	Category	No. of Meeting Attended
1	Shri Mulchand S. Chheda	Independent Director	3
2	Shri Bhaskar M. Parekh	Executive Chairman	4
3	Shri Dilip M. Parekh	Managing Director	4

The function and powers of the Committee include approval and rejection of transfer or transmission of shares, issue of duplicate certificates, review and redressed the Complaints of Shareholder & investors relating to transfer of shares and non-receipt of Annual Report etc. The Committee meets once in three month.

The work relating to Share Transfer etc. is looked after by M/s. Bigshare Services Private Limited. The minutes of the Investors' Grievances Committee are periodically placed before the Board of Directors.

Name of the Compliance Officer.

Mr. Manoj K. Toshniwal, Manager is the Compliance Officer in terms of Clause 47 of the Listing Agreement. .

Investors' Service.**Details of complaints regarding shares for the year 2008-2009.**

Nature of Complaint	Number of complaints	Number redressed
Non-Receipt of Demat Credit	2	2
TOTAL	2	2

Management Committee

In addition to the above Committee, the Board has also constituted a Management Committee to review and guide the Company on various operational matters. During the year under review, Nine Meetings of the Committee were held on May 05, 2008, June 16, 2008, September 01, 2008, November 03, 2008, November 15, 2008, December 22, 2008, January 12, 2009, February 16, 2009 & February 23, 2009.

The Composition and attendance details are given below:

Sr.No.	Name of Member	Category	No. of Meeting Attended
1	Shri Bhaskar M. Parekh	Executive Chairman	9
2	Shri Dilip M. Parekh	Managing Director	9
3	Shri Mulchand S. Chheda	Independent Director	1

General Body Meetings:**Date, time and venue of the last three Annual General Meetings (AGM).**

Financial year (ended)	Name of Meetings	Date & Time	Venue
March 31, 2006	Twelfth Annual General Meeting	September 25, 2006, 3.00 p.m.	Hotel Sandy Resorts, Daman.
March 31, 2007	Thirteenth Annual General Meeting	September 22, 2007, 10.30 a.m.	Hotel Sandy Resorts, Daman.
March 31, 2008	Fourteenth Annual General Meeting	September 20, 2008, 10.30 a.m.	Hotel Sandy Resorts, Daman.


SPECIAL RESOLUTION PASSED IN PREVIOUS THREE ANNUAL GENERAL MEETINGS (AGMs).

Date of AGM	Details of Special Resolution
September 25, 2006.	To appoint a relative of director at an office or place of profit u/s 314(IB)
September 22, 2007.	To appoint a relative of director at an office or place of profit u/s 314(IB)
September 20, 2008	None

Passing of resolution by Postal Ballot:

No item of business, which required the Members approval through Postal Ballot was transacted during 2008-2009. Accordingly, the Companies (Postal Ballot) Rules 2001 is not applicable to the Company during the said year.

(C) Disclosure:
Related Party Transaction.

The Company follows the following policy in disclosing the related party transactions to the Audit Committee.

- A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.
- Details of material individual transactions with related parties, which are not in the normal course of business, if any, are placed before the Audit Committee.

Transactions with related parties entered in the ordinary course of business have been disclosed in Note 11 of the Notes to accounts of Schedule 20 to the Accounts of the Company as at March 31, 2009.

There is no materially significant transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the company at large.

Risk Management

Business risk evaluation and management is an ongoing process within the Company. During the year under review, an exercise on 'Risk Assessment and Management' was carried out by the management.

Details of non-compliance

Details of non-compliance by the Company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any Statutory Authority on any matter related to Capital Market.

The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

Compliance of Mandatory and Non-Mandatory requirements

Details of compliance with Mandatory and Non-Mandatory requirements and adoption of the non-mandatory requirements of clause 49 of the listing agreement.

Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditors or Practicing Company Secretaries regarding compliance of conditions of corporate governance as stipulated in the Clause and annex the certificate with the Director's Report, which is sent annually to all the shareholders. The company has obtained a certificate from its Auditors to this effect and the same is given as an annexure to the Directors' Report.

The Clause further states that the non-mandatory requirements may be implemented as per the discretion of the company. The company has constituted Remuneration Committee, which is a non-mandatory requirement.

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

CEO/CFO certification

Certificate from Mr. Dilip M. Parekh, Managing Director in terms of Clause 49(V) of the Listing Agreements with the Stock Exchanges for the financial year ended March 31, 2009 was placed before the Board of Directors of the company in its meeting held on June 30, 2009.

**Means of Communication:****Quarterly Results.**

The company's shares are listed on Bombay Stock Exchange Ltd.

The company has also published the financial results within 48 hours of the conclusion of the Board Meeting in at least one daily newspaper circulating the whole or substantially the whole of India and in one newspaper published in the language of the region, where the registered office of the company is situated. The company informs the stock exchanges where its securities are listed about the date of the Board Meeting at least seven days in advance and also issues immediately an advertisement in at least one national newspaper and one regional language newspaper about the aforesaid Board Meeting.

The quarterly results of the Company were announced within a month from the end of each quarter and the audited annual results were announced within three months from the end of the financial year generally published in Financial Express in Mumbai and Ahmedabad Edition in Gujarat.

The financial results displayed on Securities and Exchange Board of India's website: www.sebiedifar.nic.in.

General Shareholders' Information.

1.	Date, Time & Venue of AGM	September 05, 2009 at 10.30 a.m. at Hotel Sandy Resorts, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210.
2.	Financial Calendar:	
	Financial Year	April 01, 2009 to March 31, 2010.
	Annual Results of previous year	June 30, 2009.
	Mailing of Annual Reports	August 10, 2009
	First Quarter Results	By end of July, 2009.
	First Quarter Limited Review	By end of August, 2009.
	Second Quarter Results	By end of October, 2009.
	Second Quarter Limited review	By end of November, 2009.
	Third Quarter Results	By end of January, 2010.
	Third Quarter Limited Review	By end of February, 2010.
3.	Book Closure	The Register of Members will remain closed for transfer from August 29, 2009 to September 05, 2009 (inclusive of both days).
4.	Name & Address of Registrar & Transfer Agent	M/s. Bigshare Services Pvt. Ltd., E-2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400 072.
5.	Listing	The Company's shares are listed and traded on the Stock Exchange, Mumbai
6.	Stock Code: Stock Exchange of Mumbai	530589
7.	ISIN No. (Demat No.): NSDL & CDSL	INE573B01016

Market Price Data of Prima: High each month during last financial year.

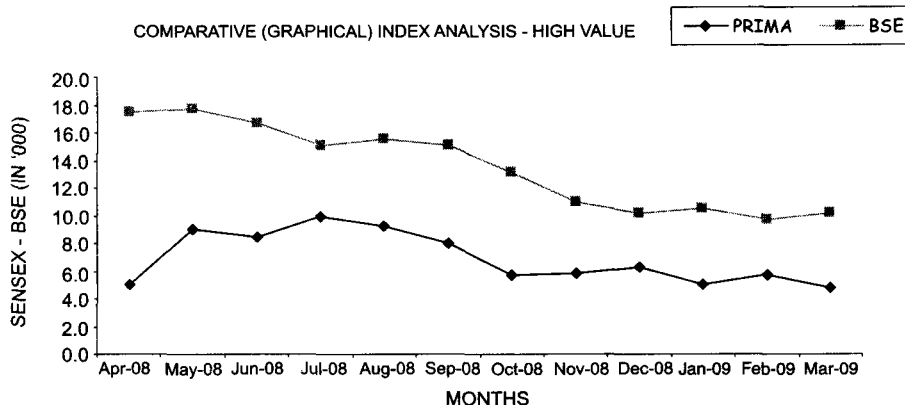
Month	April '08	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan'09	Feb.	March
High	05.04	09.05	08.48	10.00	09.30	08.00	05.75	05.85	06.25	04.98	05.69	04.81

BSE Sensex Data: High each month during last financial year.

Month	April '08	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan'09	Feb.	March
High	17480.74	17735.70	16632.72	15130.09	15579.78	15107.01	13203.86	10945.41	10188.54	10469.72	9724.87	10127.09



COMPARATIVE (GRAPHICAL) INDEX ANALYSIS - HIGH VALUE



Distribution of Shareholding by ownership, March 31, 2009

Category		No. of Shares Held	% of Shareholding
A.	Promoter's holding		
	a) Indian Promoters	5,167,030	46.97
	b) Persons acting in concert	1,311,613	11.92
	Sub-Total	6,478,643	58.89
B.	(i) Non-Promoters Holding		
	a) Mutual Funds and UTI	2,300	0.02
	b) Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Inst.)	-	-
	Sub-Total	2,300	0.02
	(ii) Others		
	a) Private Corporate Bodies	382,143	3.47
	b) Indian Public	3,638,519	33.08
	c) NRIs/ OCBs	498,865	4.54
	Sub-Total	4,519,527	41.09
	Grand Total ...	11,000,470	100.00

Distribution of Shareholding by size, March 31, 2009

Number of Shares	Number of Shareholders	Shareholders %	Number of Shares held	Shareholding %
1 - 500	4,847	84.19	813,163	07.39
501 - 1000	438	7.61	384,015	03.49
1001 - 2000	207	3.60	326,179	02.97
2001 - 3000	106	1.84	276,788	02.52
3001 - 4000	29	0.50	102,100	00.93
4001 - 5000	30	0.52	143,055	01.30
5001 - 10000	46	0.80	344,744	03.13
10001 and above	54	0.94	8,610,426	78.27
TOTAL	5,757	100.00	11,000,470	100.00

As on 31 March 2009, Shares held in physical and dematerialised form.

Physical	714,135	6.49%
Dematerialised	10,286,335	93.51%
Total	11,000,470	100.00%

Plant Locations:

The Company's two manufacturing units for moulded furniture are located at Daman, (U.T.) and Kerala and manufacturing unit for Aluminium Composite Panel is located at Daman.

**Address for Correspondence:**

1. Investors can communicate at the following address:

Mr. Manoj Toshniwal – Compliance Officer,
M/s. Prima Plastics Limited,
41, National House, Saki-Vihar Road, Andheri (E), Mumbai – 400 072.
Tel. No.+ 91 22 - 2857 4768 / 2857 4769 * Fax No. + 91 22 - 2857 2859 *
E-mail: primapla@bom3.vsnl.net.in

2. M/s. Bigshare Services Pvt. Ltd.,
Unit : Prima Plastics Limited,
E-2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072.
Tel.No.+ 91 22 - 2847 0652/40430200 * Fax No.+ 91 22 - 2847 5207 * E-mail: ansar@bigshareonline.com * Website:
www.bigshareonline.com

Shareholder holding shares in Demat mode should address all their correspondence to the respective Depository Participants.

Share Transfer System:

Share Transfer Committee meets once in a week, if documents are complete in all respects, the company's Registrar & Transfer Agents process, register the transfers and return the transferred share certificate to the shareholders, within 30 days from the date of lodgement. The delegated authority as mentioned earlier attends to the share transfer formalities and approves the share transfers at least once in a week.

Code of Conduct:

A declaration to this effect signed by the Managing Director is given below:

I, Dilip M. Parekh, Managing Director of Prima Plastics Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, for the year ended March 31, 2009.

For Prima Plastics Limited

Mumbai
June 30, 2009

Dilip M. Parekh
Managing Director

Certificate on Corporate Governance**To the Shareholders of Prima Plastics Limited**

1. We have examined the compliance of conditions of corporate governance by **Prima Plastics Limited**, for the year ended on March 31, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. In our opinion and to the best of our information and according to information and the explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with Stock Exchanges have been complied within all material respects by the Company and that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the shareholders grievances/allotment and transfer committee of the Board.

For **G.P. Kapadia & Co.**
Chartered Accountants

Mumbai
June 30, 2009

Kirit N. Mehta
Partner
M. No. 15759

AUDITORS' REPORT

To,

**The Members of
Prima Plastics Limited**

We have audited the attached Balance Sheet of **PRIMA PLASTICS LIMITED**, as at March 31, 2009 and also the Profit & Loss Account of the Company, for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date and annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

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

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of the sub section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in the paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2) In our opinion, proper Books of Account, as required by law, have been kept by the Company, so far as it appears from our examination of the Books.
- 3) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.
- 4) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- 5) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2009 from being appointed as a Director of the Company under section 274 (1)(g) of the Companies Act, 1956.
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes appearing in schedules therein, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company, as at March 31, 2009; and
 - b. In the case of the Profit & Loss Account, of the Loss for the year ended on that date.
 - c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For G. P. Kapadia & Co.
Chartered Accountants

Mumbai
June 30, 2009

Kirit N. Mehta
Partner
M. No.15759

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our Report of even date on the accounts of Prima Plastics Limited for the year ended March 31, 2009:

1. In respect of its fixed assets:
 - (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the Management at reasonable intervals having regard to size of company and nature of its assets and no material discrepancies have been noticed during such verification.
 - (c) In our opinion the disposal of fixed assets during the year does not affect the going concern assumption.
2. In respect of its inventories:
 - (a) As explained to us, physical verification of inventories has been conducted by the management, at reasonable intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures followed for physical verification of inventories, by the management, are reasonable and adequate, in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. As explained to us, there is no material discrepancies noticed on physical verification of inventory, as compared to book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to / from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.



- a) According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the clauses 4(iii)(b), (c) & (d) of the Order are not applicable.
- b) According to the information and explanation given to us and in our opinion, the rate of interest, wherever applicable and the other terms and conditions were not prima facie prejudicial to the interest of the Company.
- c) The loan taken by the Company were fully repaid during the year, the payment of principle amount and interest, wherever applicable, on aforesaid loans were regular.
- d) There were no overdue amounts in respect of aforesaid loan taken by the Company.
- e) According to information and explanation given to us, during the year, the company has taken unsecured loans aggregating to Rs.80 lacs in one transaction from a party covered in the register maintained under Section 301 of the Companies Act, 1956. There were no outstanding as on March 31, 2009.
- f) According to information and explanation given to us, in our opinion, the interest and the other terms and conditions of the unsecured loans taken from a party listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
- g) According to the information and explanation given to us, the Company is regular in repaying the principal amounts as stipulated/called.
4. In our opinion and according to the information given to us, there are adequate internal control procedures, commensurate to the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. (a) According to the information and explanations given to us, the transactions that needs to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
(b) According to the information and explanations given to us, the transactions entered in the register maintained under Section 301 are at market prices for such goods and materials or the prices at which transactions for similar goods have been made with other parties.
6. The Company has not accepted any deposit from the public to which the provisions of sections 58A and 58AA of Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 do not apply.
7. The Company needs to strengthen Internal Audit system commensurate to the size of the Company and nature of the business.
8. According to the information & explanation given to us, and based on primary verification of records the company has maintained cost records under Section 209 (1) (d) of the Companies Act, 1956, However we have not carried out detailed study of cost records.
9. In respect of statutory dues:
 - a. According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Statutory Dues applicable to it with the appropriate authorities. There were no arrears as at March 31, 2009 for a period of more than six months from the date they became payable.
 - b. In our opinion and according to the information and explanations given to us, there are no dues in respect of Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess that have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, bank.
12. Based on our examination of records and the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a Nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
14. According to the information and explanations given to us, the Company is not dealing or trading in Shares, Securities, debentures and other investments. Accordingly, paragraph 4(xiv) of the Order is not applicable.
15. According to the information and explanation given to us and records examined by us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the company has not borrowed any money on term loan.
17. 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 used for long term investments.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. The company has not issued debenture during the year.
20. The company has not raised any money by public issue during the year.
21. According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For G. P. Kapadia & Co.
Chartered Accountants



BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	As At 31-03-2009 Rs.	As At 31-03-2008 Rs.
I. SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	110,004,700	110,004,700
Reserves & Surplus	2	242,517,274	255,580,773
		<u>352,521,974</u>	<u>365,585,473</u>
Loan Funds			
Secured Loans	3	21,954,674	26,835,787
Unsecured Loans	4	17,205,590	14,703,252
		<u>39,160,264</u>	<u>41,539,039</u>
TOTAL		<u><u>391,682,238</u></u>	<u><u>407,124,512</u></u>
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	381,333,849	377,177,226
Less : Depreciation		<u>248,002,583</u>	<u>235,581,249</u>
Net Block		133,331,266	141,595,977
Capital Work-in-Progress		<u>2,328,460</u>	<u>1,906,155</u>
		<u>135,659,726</u>	<u>143,502,132</u>
Investments	6	23,222,627	23,217,980
Current Assets, Loans & Advances			
Inventories	7	84,997,719	108,592,326
Sundry Debtors	8	123,411,013	127,969,163
Cash & Bank Balances	9	15,744,724	13,540,104
Loans & Advances	10	58,554,124	59,215,310
		<u>282,707,580</u>	<u>309,316,903</u>
Less : Current Liabilities & Provisions			
Current Liabilities	11	49,907,695	68,912,503
Net Current Assets		<u>232,799,885</u>	<u>240,404,400</u>
TOTAL		<u><u>391,682,238</u></u>	<u><u>407,124,512</u></u>
Significant Accounting Policies and Notes forming part of the Accounts	20		

As per our Report of even date attached

For and on behalf of the Board

For **G. P. Kapadia & Co.**
Chartered Accountants

Bhaskar M. Parekh
Chairman

Kirit N. Mehta
Partner

Mumbai
June 30, 2009

Dilip M. Parekh
Managing Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

	Schedule	For the year ended 31-03-2009 Rs.	For the year ended 31-03-2008 Rs.
INCOME			
Sales(Net)	12	437,578,249	438,333,431
Other Incomes	13	10,235,166	2,282,111
Increase/(Decrease) in Stock	14	(10,590,206)	4,653,258
TOTAL		437,223,209	445,268,800
EXPENDITURE			
Cost of Materials/Trading Purchases	15	296,699,071	305,379,755
Operating and Other Expenses	16	84,456,031	74,661,314
Employees' Emoluments and Benefits	17	20,768,358	18,636,403
Selling and Distribution Expenses	18	23,165,543	17,498,269
Interest & Financial Expenses	19	9,159,379	7,657,113
Depreciation	5	15,698,702	15,803,255
TOTAL		449,947,084	439,636,109
PROFIT			
Profit for the year Before Exceptional Item		(12,723,875)	5,632,691
Prior Period Adjustment / Exceptional Item		NIL	NIL
Profit before tax		(12,723,875)	5,632,691
Provision For Tax – Income Tax		NIL	357,200
– Fringe Benefit Tax		339,624	430,200
– Prior Period Tax		NIL	413,172
Net Profit after Tax		(13,063,499)	4,432,119
Balance of Profit brought forward		171,844,487	167,412,368
Balance carried to Balance Sheet		158,780,988	171,844,487
Significant Accounting Policies and Notes forming part of the Accounts	20		

As per our Report of even date attached

For and on behalf of the Board

For **G. P. Kapadia & Co.**
Chartered Accountants

Bhaskar M. Parekh
Chairman

Kirit N. Mehta
Partner

Mumbai
June 30, 2009

Dilip M. Parekh
Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	For the year ended 31-03-2009 Rs.	For the year ended 31-03-2008 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and after exceptional items	(12,723,875)	5,632,691
Adjustment:		
Depreciation	15,698,702	15,803,255
Interest	7,370,263	5,748,220
Provision for Gratuity drawn from reserves	NIL	(1,843,714)
(Profit) / Loss on Sale of Assets	(92,824)	329,140
(Profit) / Loss on Sale of Investments	NIL	(1,665,026)
Dividend Income	(1,638,948)	(199,462)
Interest Income	(8,393,988)	(605,289)
Other Income	(109,406)	(2,102,605)
Operating Profit before working capital changes	109,924	21,097,210
<u>Changes in Current assets and liabilities</u>		
Trade Receivables	4,558,150	(37,857,075)
Loans and Advances	(3,895,168)	19,774,580
Inventories	23,594,607	(19,544,368)
Trade Payable and Provision	(19,004,808)	38,678,353
Income Tax Paid	(339,624)	(1,200,572)
<u>Net Cash Inflow / (Outflow) from Operations (A)</u>	5,023,081	20,948,128
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8,826,166)	(12,325,728)
Sale of Fixed Assets	1,484,999	1,267,592
Capital Work-in-Progress	(422,305)	1,677,432
Purchase of Investment	(4,647)	526,969
Movement in Loans and Advances	4,556,354	(2,320,826)
Interest, Dividend & Other Income	10,142,342	2,907,356
<u>Net Cash Inflow from Investing Activities (B)</u>	6,930,577	(8,267,205)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(7,370,263)	(5,748,220)
Proceeds from Unsecured Loans	2,502,338	(12,041,286)
Repayment of Working Capital	(4,881,113)	9,764,535
<u>Net Cash Inflow / (Outflow) from financing Activities (C)</u>	(9,749,038)	(8,024,971)
<u>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</u>	2,204,620	4,655,952
Cash & Cash Equivalents as at March 31, 2009	15,744,724	13,540,104
Cash & Cash Equivalents as at March 31, 2008	13,540,104	8,884,152

As per our Report of even date attached .

For and on behalf of the Board

For **G. P. Kapadia & Co.**
Chartered Accountants

Bhaskar M. Parekh
Chairman

Kirit N. Mehta
Partner

Mumbai
June 30, 2009

Dilip M. Parekh
Managing Director

**Schedules Forming Part of the Balance Sheet As at March 31, 2009**

	As at 31-03-2009 Rs.	As at 31-03-2008 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised :		
1,20,00,000 Equity Shares of Rs.10/- each	120,000,000	120,000,000
Issued, Subscribed & Paid up :		
1,10,00,470 Equity Shares of Rs.10/- each fully Paid up	110,004,700	110,004,700
	110,004,700	110,004,700
SCHEDULE 2		
RESERVES & SURPLUS :		
General Reserve :		
Balance as per last Balance Sheet	70,656,286	72,500,000
Less : Employee retirement benefits adjusted [Refer Note]	NIL	1,843,714
Balance carried forward	70,656,286	70,656,286
Share Premium :		
Balance as per last Balance Sheet	13,080,000	13,080,000
Profit & Loss Account	158,780,988	171,844,487
	242,517,274	255,580,773
SCHEDULE 3		
SECURED LOAN :		
Working Capital Borrowings from Banks	21,622,047	25,922,438
Working Capital Borrowing from Bank is secured by hypothecation of Stock, Book debts, Immovable Properties and Other Assets.		
Vehicle Loans	332,627	913,349
The Vehicle Loans are secured by hypothecation of respective Vehicles.		
	21,954,674	26,835,787
SCHEDULE 4		
UNSECURED LOAN:		
Bills Discount from banks	17,205,590	14,703,252
	17,205,590	14,703,252

SCHEDULE 5
FIXED ASSETS:

(Rs.)

	Freehold Land	Leasehold Land	Buildings	Plant & Machineries	Furniture & Fixtures	Equipments	Vehicles	Total	Previous Year
GROSS BLOCK									
As on 01-Apr-08	6,571,240	1,041,581	64,629,836	286,157,378	8,577,070	4,700,789	5,499,332	377,177,226	367,509,339
Additions during the Year	-	-	-	8,582,937	16,100	227,129	-	8,826,166	12,325,728
Deletions during the Year	-	-	-	(4,579,473)	-	(67,785)	(22,285)	(4,669,543)	(2,657,841)
As on 31-Mar-09	6,571,240	1,041,581	64,629,836	290,160,842	8,593,170	4,860,133	5,477,047	381,333,849	377,177,226
DEPRECIATION									
Up to 01-Apr-08	-	21,450	17,017,763	209,232,670	4,661,601	3,086,588	1,561,177	235,581,249	220,839,103
For the Year	-	10,725	2,070,115	12,270,639	533,100	294,054	520,069	15,698,702	15,803,255
Adjustment during the year	-	-	-	(3,222,289)	-	(33,738)	(21,341)	(3,277,368)	(1,061,109)
Up to 31-Mar-09	-	32,175	19,087,878	218,281,020	5,194,701	3,346,904	2,059,905	248,002,583	235,581,249
NET BLOCK									
As at 31-Mar-09	6,571,240	1,009,406	45,541,958	71,879,822	3,398,469	1,513,229	3,417,142	133,331,266	141,595,977
As at 31-Mar-08	6,571,240	1,020,131	47,612,073	76,924,708	3,915,469	1,614,201	3,938,155	141,595,977	146,670,236



Schedules Forming Part of the Balance Sheet As at March 31, 2009

	As at 31-03-2009 Rs.		As at 31-03-2008 Rs.	
	No. of Shares		No. of Shares	
SCHEDULE 6				
INVESTMENTS:				
LONG TERM INVESTMENTS:				
Equity Shares (Quoted)				
Nilkamal Ltd.	15086	2,693,876	15086	2,693,876
Provogue (India) Ltd.	74210	7,892,623	14842	7,892,623
Reliance Power Ltd.	139	39,150	87	39,150
S B & T International Ltd.	370	22,509	370	22,509
Poddar Developers Ltd. (Wearology Ltd.)	10070	2,366,899	10000	2,362,252
		<u>13,015,057</u>		<u>13,010,410</u>
TRADE INVESTMENT:				
Equity Shares (Unquoted)				
Prima Dee-Lite Plastics Pvt. Ltd.				
Equity shares of Cameroon FCFA 10,000/- each amounting to FCFA 115,000,000/-	11500	10,207,570	11500	10,207,570
		<u>23,222,627</u>		<u>23,217,980</u>
Market Value of Quoted Shares		3,597,548		20,126,399
SCHEDULE 7				
INVENTORIES:				
(As valued and certified by the Management)				
Finished Goods		42,443,273		53,033,479
Raw Material (Including Goods in Transit)		41,229,010		53,860,344
Stores , Spares and Packing Materials		1,325,436		1,698,503
		<u>84,997,719</u>		<u>108,592,326</u>
SCHEDULE 8				
SUNDRY DEBTORS:				
(Unsecured, considered good, except otherwise stated)				
- Over Six months		52,463,276		28,409,050
- Others		75,669,161		100,726,803
		<u>128,132,437</u>		<u>129,135,853</u>
Less: Provision for Doubtful Debts		4,721,424		1,166,690
		<u>123,411,013</u>		<u>127,969,163</u>

**Schedules Forming Part of the Balance Sheet As at March 31, 2009**

	As at 31-03-2009 Rs.	As at 31-03-2008 Rs.
SCHEDULE 9		
CASH & BANK BALANCES:		
Cash on Hand	140,014	143,250
Balance with Scheduled Banks in :		
– Current Accounts	8,159,086	6,770,430
– Deposits/Margin Money	7,445,624	6,626,424
	<u>15,744,724</u>	<u>13,540,104</u>
SCHEDULE 10		
LOANS & ADVANCES:		
(Unsecured, considered good, except otherwise stated)		
Advance recoverable in cash or kind or for value to be received	19,791,238	13,181,283
Deposits	5,426,541	5,588,030
Balance with Central Excise	3,458,688	8,676,961
Unsecured Loan to Prima Dee-Lite Plastics Pvt. Ltd.	20,236,842	24,793,196
Advance to Creditors	9,640,815	6,975,840
	<u>58,554,124</u>	<u>59,215,310</u>
SCHEDULE 11		
CURRENT LIABILITIES & PROVISIONS:		
Current Liabilities:		
Sundry Creditors		
(i) Total outstanding dues of Micro enterprises and Small enterprises (Note 4 of Notes to Accounts of schedule 20)	NIL	NIL
(ii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises.	34,204,362	55,301,534
Advances from Customers	5,211,598	1,587,605
Other Liabilities	10,491,735	11,666,164
	<u>49,907,695</u>	<u>68,555,303</u>
Provisions		
Provision for Income Tax	NIL	357,200
	<u>49,907,695</u>	<u>68,912,503</u>



Schedules Forming Part of Profit & Loss Account for the year ended March 31, 2009

	For the year ended 31-03-2009 Rs.	For the year ended 31-03-2008 Rs.
SCHEDULE 12		
SALES:		
Sales	562,320,181	498,513,310
Export Sales	46,583,510	56,735,626
	<u>608,903,691</u>	<u>555,248,936</u>
Less :		
Inter Divisional Transfer	112,126,212	51,702,615
Duties and Taxes	59,199,230	65,212,890
Sales (Net)	<u>437,578,249</u>	<u>438,333,431</u>
SCHEDULE 13		
OTHER INCOME:		
Interest on F/D and Others	791,610	536,742
Profit / (Loss) on Sale of Assets	92,824	(329,140)
Dividend Income (from Joint Venture Company)	1,552,689	NIL
Interest on Loan (from Joint Venture Company)	7,602,378	NIL
Miscellaneous Income	195,665	2,074,509
	<u>10,235,166</u>	<u>2,282,111</u>
SCHEDULE 14		
INCREASE/(DECREASE) IN STOCKS:		
Closing Stock of Finished Goods	42,443,273	53,033,479
Less : Opening Stock of Finished Goods	53,033,479	48,380,221
	<u>(10,590,206)</u>	<u>4,653,258</u>
SCHEDULE 15		
COST OF MATERIALS:		
Opening Stock of Raw Materials	53,860,344	3,9018,553
Add : Purchases (Including Goods in Transit)	270,115,891	304,995,747
	<u>323,976,235</u>	<u>344,014,300</u>
Add: Trading Purchases	13,951,846	15,225,799
	<u>337,928,081</u>	<u>359,240,099</u>
Less : Closing Stock of Raw Materials	41,229,010	53,860,344
	<u>296,699,071</u>	<u>305,379,755</u>

**Schedules Forming Part of Profit & Loss Account for the year ended March 31, 2009**

	For the year ended 31-03-2009 Rs.	For the year ended 31-03-2008 Rs.
SCHEDULE 16		
OPERATING AND OTHER EXPENSES:		
Consumption of Stores & Packing Materials	4,819,520	3,705,564
Power & Fuel	13,899,435	15,766,137
Rent	3,176,750	2,773,692
Repairs to Building	391,575	485,454
Repairs to Machinery	5,151,528	5,810,339
Repairs to Others	1,636,825	780,497
Postage and Telegram	428,520	403,208
Rent, Rates & Taxes	339,765	48,917
Labour and Others Charges	8,029,840	9,869,496
Insurance	1,117,170	3,293,356
Telephone Expenses	1,605,049	1,941,656
Auditors' Remuneration - Audit Fees	97,000	97,000
- Tax Audit Fees	23,000	23,000
Printing and Stationery	941,165	848,606
Carriage Outward	12,021,537	12,528,543
Directors' Remuneration	3,130,000	1,970,000
Exchange (Gain) / Loss	10,515,014	(1,961,131)
Travelling Expenses	2,147,401	2,490,297
Provision for Doubtful Debts	3,554,734	1,166,690
Excise Duty on Finished Goods	1,953,692	5,251,421
Miscellaneous Expenses	9,476,511	7,368,572
	<u>84,456,031</u>	<u>74,661,314</u>
SCHEDULE 17		
EMPLOYEES' REMUNERATION AND BENEFITS:		
Salaries, Wages and Bonus	18,907,922	17,055,795
Contribution to Provident Fund	1,067,926	1,059,983
Workmen and Staff Welfare Expenses	792,510	520,625
	<u>20,768,358</u>	<u>18,636,403</u>
SCHEDULE 18		
SELLING AND DISTRIBUTION EXPENSES:		
Advertisement & Publicity	1,018,249	896,015
Brokerage & Commission	1,254,528	442,723
Sales Discount & Others	20,892,766	16,159,531
	<u>23,165,543</u>	<u>17,498,269</u>
SCHEDULE 19		
INTEREST AND OTHER FINANCIAL EXPENSES:		
Interest on Working Capital/Vehicle Loans/Others	7,370,263	5,748,220
Financial Expenses	1,789,116	1,908,893
	<u>9,159,379</u>	<u>7,657,113</u>

**SCHEDULE "20"****A. Statement of significant Accounting Policies:****1. Basis of Preparation of Financial Statement.**

The Company maintains its accounts on accrual basis following the historical cost convention. The Company generally follows the mercantile system of accounting and recognizes the income expenditure on an accrual basis except those with significant uncertainties and the financial statements are prepared in accordance with accounting standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government in term of section 211 (3C) of the Company Act, 1956.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires estimates and assumptions to be made that affect the reported amounts of income and expenses during the reported period and the reported amount of assets and liabilities on the date of the financial statements differences, if any, between actual results and estimates is recognized in the period in which the results are known / materialized.

3. Recognition of Income and Expenditure.

- i) Revenue from sale of products is recognized when all the significant risks and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods. The sales for the year are net of inter-unit transactions, excise duty and Value Added Tax. Accordingly, the purchases are also given net of inter-unit transactions.
- ii) Revenue/Income and Cost/Expenditure are generally accounted on accrual as they are earned or incurred, except in case of significant uncertainties.
- iii) Liability for Excise duty and Custom duty payable on stock in bonded warehouse at the year end is provided for.
- iv) Dividend income is recognized when the right to receive the same is established.
- v) Interest income is accrued over the period of loan/deposit/investment.

4. Fixed Assets.

Fixed Assets are stated at cost comprises of Purchase / acquisition price, import duties, taxes and any directly attributed cost of bringing the asset to its working condition for its intended use. Financing cost on borrowings for acquisition or construction of fixed assets, for the period up to the date of acquisition of fixed assets or when the assets are ready to be put in use/ the date of commencement of commercial production, is included in the cost of fixed assets less Cenvat availed. .

5. Impairment of Assets.

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

6. Investments.

Long-term investments are stated at cost. Provision is made for diminution, other than temporary, in the value of Investments.

7. Depreciation.

- i) Depreciation on Fixed Assets has been provided on straight-line method at the rates and in the manner specified in schedule XIV to the Companies Act, 1956, except in the case of leasehold land, which is amortised for the remaining period of lease. Additions made to assets, the value of which is less than Rs.5,000/- each and the aggregate of such additions made during the year does not exceed ten percent of its Gross Block, 100% of the same has been written off.
- ii) Depreciation on addition to assets or on sale / discernment of assets, is calculated pro rata from the date of such addition or up to the date of such sale / discernment, as the case may be,
- iii) Assets like mobile phones; telephone instruments etc. are fully write off in the year of purchase / acquisition.

8. Valuation of Inventories.

Inventories of Raw Materials, Packing Materials and Finished goods (including Goods for trade) are valued 'at cost or net realizable value' whichever is lower and stores and spares are valued at cost. Materials in transit are valued at cost to date. Cost comprises all cost of purchase, appropriate direct production overheads and other cost incurred in bringing the inventories to their present location and condition. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods. The cost formula used for determination cost is on the basis of 'First in First out'.



9. Taxes on Income.

I. Current Tax Provision

Current Tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for self-off in subsequent years (as per tax laws), is recognized as an asset by way of credit to the Profit and Loss Account only if there is convincing evidence of its realization. At each Balance Sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realization. Provision for Fringe Benefit Tax is made on the basis of the fringe benefits provided/deemed to have been provided during the year at the rates and values applicable to the relevant Assessment Year.

II. Deferred Tax Provision

Deferred tax is recognized, on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to the consideration of prudence, are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

10. Foreign Currency Transactions.

The reporting currency of the Company is Indian Rupee.

- (i) Foreign currency transactions during the year are recorded at the rates of exchange prevailing at the date of transaction. Exchange gains or losses realized and arising due to translation of the foreign currency monetary items outstanding at the year end are accounted in the profit and loss account.
- (ii) Forward Exchange Contracts: In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, premium or discounts are amortized as expense or income over the life of the contract. Exchange difference on such contracts is recognized in the profit and loss account in the year in which the exchange rate changes. Profit or loss arising on cancellation or renewal of such forward exchange contracts are recognized as income or as expense for the year.

11. Employee Benefits.

Short Term Employee Benefits: All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.

Post Employment / Retirement Benefits: Contribution to Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred.

Defined Benefit Plan:

Gratuity: Gratuity liability is covered under the Gratuity-cum-Insurance Policy of Life Insurance Corporation of India (LIC). The present value of the obligation is determined an actuarial valuation. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. The amount funded by the Trust administered by the Company under the aforesaid Policy, is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on a net basis.

12. Contingencies / Provisions :

The liabilities which are contingent in nature are not provided in the Accounts. However, the same has been stated by way of the notes to accounts.

13. Segment Reporting

The company operates in two segments namely: I- Moulded Furniture II – Aluminium Composite Sheet. Segments have been identified and reported taking into account the nature of the product, the differential risk and return of the segment, the organizational structure and the internal financial reporting system.

B. Notes on Accounts.

1. Contingent Liabilities not provided for:

	31.3.2009 Rs.	31.3.2008 Rs.
a) Guarantees given by the Company's Bankers	3,989,620	3,575,000



2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance payment) Rs. NIL (previous year of **Rs. 4,826,067/-**)
3. Remuneration to the Directors of the Company (including the Managing Director) paid or provided in accordance with section 198 of the Companies Act, 1956.

Since the Company does not pay any commission on its net profits, the computation of net profits under section 349 of the Companies Act, 1956 is not required to be appended.

	31.3.2009 Rs.	31.3.2008 Rs.
Salary & Allowances	2,885,000	1,825,000
Provident Funds dues	108,000	108,000
Bonus	245,000	145,000

4. There is no supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This information and that given in Schedule 11- "Current Liabilities and Provisions" has been determined based on the details regarding the status of the supplier obtained by the Company.
5. In the opinion of the management, the Current Assets, Loans and Advances are expected to realize at least amount at which they are stated, if realized in the ordinary course of business and provision of all known liabilities have been adequately made in accounts.
6. Previous year's figures are regrouped, reclassified and recast wherever necessary to conform to this year's classification. Figures in brackets pertain to previous year.
7. Additional information pursuant to schedule VI of the Companies Act, 1956.

- a. Licensed Capacity and Installed Capacity in TPA (as per the certificate from the Management).

Particulars	2008-2009	2007-2008
Plastic Injection Moulded Items (in TPA) Installed Capacity	8,600	8,600
Aluminium Composite Sheet (Sq. mtr. In thousand) Installed Capacity	900	900

- b. Break up of Finished Goods Plastic Injection Moulded Items:

Particulars	2008-2009		2007-2008	
	Pcs.	Rs.	Pcs.	Rs.
Opening Stock	235,344	39,938,516	262,949	40,386,958
Actual Production	1,751,228		1,906,794	
Purchase of Trading Goods	74,734	13,379,580	85,860	15,225,799
Sales *	1,888,512	330,687,614	2,020,259	349,387,672
Closing Stock	172,794	27,542,586	235,344	39,938,516

- c. Break up of Finished Goods Aluminium Composite Sheet Items:

Particulars	2008-2009		2007-2008	
	Sq. Feet	Rs.	Sq. Feet	Rs.
Opening Stock	221,968	13,094,963	125,533	7,993,263
Actual Production	1,127,015		1,227,361	
Purchase of Trading Goods	3,120	572,266	NIL	NIL
Sales *	1,086,423	88,000,216	1,130,926	87,531,344
Closing Stock	265,680	14,900,687	221,968	13,094,963



* Sales Excludes	Kgs.	Rs.	Kgs.	Rs.
Sale of Raw Materials	266,900	18,428,744	7,100	376,389
Sale of Scrap	37,165	461,675	63,578	1,038,026
Total	304,065	18,890,419	70,678	1,414,415

d. Consumption of Raw Materials in Furniture Item :

Particulars	2008-2009		2007-2008	
	Kgs.	Rs.	Kgs.	Rs.
Polypropylene	3,567,179	219,101,318	4,094,693	221,242,295
Purchase of Trading Items		13,379,580		15,225,799
Others		2,235,976		2,791,861
Total	3,567,179	234,716,874	4,094,693	239,259,955

e. Consumption of Aluminium Composite Sheet Items

Particulars	2008-2009		2007-2008	
	Kgs.	Rs.	Kgs.	Rs.
Aluminium Coil	246,093	41,625,892	264,188	45,799,975
Purchase of Trading Goods		572,266		NIL
Other		19,784,039		20,319,825
Total	246,093	61,982,197	264,188	66,119,800

f. Details of imported and indigenous Raw Material consumed (Rs.).

	%	2008-2009 Rs.	%	2007-2008 Rs.
Imported	20.12	59,709,690	17.41	53,173,111
Indigenous	79.88	236,989,381	82.59	252,206,644
Total	100.00	296,699,071	100.00	305,379,755

g. Value of Import on CIF basis.

	2008-2009 (Rs.)	2007-2008 (Rs.)
Raw material	46,926,487	59,934,725
Capital goods	7,852,701	7,859,910

h. Expenditure in Foreign Currency.

	2008-2009 (Rs.)	2007-2008 (Rs.)
Travelling Expenses	180,180	392,038
Others	1,232,738	1,104,326



I Earnings in Foreign Exchange

	2008-2009 (Rs.)	2007-2008 (Rs.)
Export of Finished Goods on FOB basis	42,437,626	50,653,293
Export of Capital Goods	855,000	NIL

8. Segment have been identified in line with the Accounting Standard on segment reporting (AS-17) taken into account of Companies Organization structure as well as differential risks and returns of these segment.

Segment Information for the year ended March 31, 2009

(Rs. in Lacs)

	Particulars	Year Ended Audited 31-03-2009	Year Ended Audited 31-03-2008
A.	Segment revenue		
	Plastic Moulded Furniture	3,500.76	3,519.49
	Aluminium Composite Sheet	883.85	870.63
	Others	NIL	NIL
	Revenue from operations	4,384.61	4,390.12
B.	Segment results		
	Profit (+) / Loss (-) before interest and tax		
	Plastic Moulded Furniture	(44.40)	143.38
	Aluminium Composite Sheet	(84.78)	(26.52)
	Total	(129.18)	116.86
	Less : Financial Expenses	91.59	76.57
	Add : Un-allocable Income	93.53	16.03
	Profit / (Loss) before tax	(127.24)	56.32
C.	Other Information		
	Segment Assets		
	Plastic Moulded Furniture	2,716.02	3,030.34
	Aluminium Composite Sheet	1,393.57	1,414.76
	Unallocated Corporate Assets	306.31	315.27
	Total Assets	4,415.90	4,760.37
	Segment Liabilities		
	Plastic Moulded Furniture	259.01	342.38
	Aluminium Composite Sheet	240.07	346.23
	Unallocated Corporate Liabilities	391.60	415.39
	Total Liabilities	890.68	1,104.00
	Capital Expenditure		
	Plastic Moulded Furniture	86.35	113.98
	Aluminium Composite Sheet	23.05	21.11
	Unallocated Capital Expenditure	2.14	7.23
	Total	111.54	142.32
	Depreciation		
	Plastic Moulded Furniture	124.74	127.14
	Aluminium Composite Sheet	20.40	20.69
	Unallocated Depreciation	11.85	10.20
	Total	156.99	158.03



9. The proportionate share of assets, liabilities, income & expenditure as on December 31, 2008 based on audited accounts of Prima Dee-Lite Plastics Pvt. Ltd. (50% Joint Venture) are stated as under:

Particulars	Cameroon FCFA 31-12-2008	Indian Rs. 31-12-2008	Cameroon FCFA 31-12-2007	Indian Rs. 31-12-2007
LIABILITIES				
Loan Funds	200,000,000	20,442,073	256,575,374	24,785,338
Current Liabilities	119,152,719	12,178,643	14,483,594	1,399,124
ASSETS				
Fixed Assets – Net Block	188,039,156	19,219,551	183,532,550	17,729,356
Current Assets	263,182,194	26,899,948	207,601,217	20,054,404
INCOME				
Sales and operating income	573,656,809	58,633,672	422,666,165	40,829,809
EXPENDITURE				
Manufacturing and other expenses	498,055,384	50,906,423	334,688,921	32,331,154
Depreciation	51,429,085	5,256,586	60,632,262	5,857,113
PROFIT (LOSS) FOR THE PERIOD	24,172,340	2,470,663	27,344,982	2,641,542

10. As per Accounting Standards 22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, the company has unabsorbed depreciations which is to be carry forward as per the provisions of the Income Tax Act, 1961, and also other deferred tax assets. The Management of the Company considered its prudent not to be recognized any deferred tax assets in the current year.

The break up of Net Deferred Tax Assets are as under :

Timing Differences on account of	As on March 31, 2009 Rs. in Lacs	As on March 31, 2008 Rs. in Lacs
Deferred Tax Assets		
1. Unabsorbed depreciation	431.60	395.45
2. Disallowance in earlier year u/s. 43 B of the Income Tax Act.	7.11	7.30
3. Provisional for doubtful debts/Loans	16.05	3.97
4. Provision for Employee benefit (AS-15)	8.43	6.27
Total	463.19	412.99
Deferred Tax Liabilities		
1. Difference between book depreciation and depreciation under Income Tax Act. 1961	174.20	182.55
Net deferred tax Assets	288.99	230.44

11. Related party disclosure.

Related party disclosures as required under Accounting Standard on ‘Related Party Disclosure’ issued by the Institute of Chartered Accountants of India are given below:

- A. Name of the related parties and descriptions of relatives.

Joint Venture Company

Prima Dee-Lite Plastics Pvt. Ltd.

**Key Management personnel**

Mr. Bhaskar M. Parekh

Mr. Dilip M. Parekh

Mr. Pratik B. Parekh

Mr. Paras B. Parekh

Entities over which the key management personnel and/ or their relatives are able to exercise significant influence.

Firms (Where the Director has substantial interest).

- i) M/s. Classic Plastics
- ii) M/s. Sanya Plastics
- iii) M/s. National Plastics Allied Industries

B. The following transactions were carried out with the related parties in the ordinary course of business.

	Amount (Rs.) 2008-2009	Amount (Rs.) 2007-2008
Key Management Personnel		
Remuneration to Directors	3,238,000	2,078,000
Remuneration to Relatives	980,000	820,850
Other Entities		
Purchase of Services	2,606,575	3,976,400
Purchase of Raw Materials	5,979,225	2,479,175
Loan accepted by the Company	8,000,000	20,479,100
Rent deposit	3,000,000	3,000,000
Payment of rent	2,160,000	1,949,421
Reimbursement of expenses	67,246	78,262
Sale of Raw Material	741,224	424,064
Interest Paid on Loan	338,822	930,561
Joint Venture Company.		
Investment equity of Prima Dee-Lite Plastics Pvt. Ltd.	10,207,570	10,207,570
Unsecured loan paid to Prima Dee-Lite Plastics Pvt. Ltd.	20,236,842	24,793,196

C. Balance receivable / payable at the end of the year

	Amount (Rs.) 2008-2009	Amount (Rs.) 2007-2008
Other Entities		
Rent Deposit (Dr.)	3,000,000	3,000,000
Joint Venture Company		
Unsecured loan paid to Prima Dee-Lite Plastics Pvt. Ltd.	20,236,842	24,793,196



12. Disclosures under Accounting Standard 15 on Employee benefits:

Defined benefit plan disclosures:

		As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
1.	Change in benefit obligations:		
	Present value of obligation, beginning of the year	1,815,690	1,632,297
	Interest Cost	150,378	122,422
	Service Cost	343,609	341,540
	Benefit Paid	(122,130)	(369,385)
	Actuarial (gain) / Loss	293,133	88,816
	Present Value of obligation, as at end of the year	2,480,680	1,815,690
2.	Change in Plan Assets.		
	Fair value of plan assets at beginning of the year	598,413	230,154
	Expected return on plan assets	67,444	28,798
	Employer's Contribution	455,478	708,846
	Benefit Paid	(122,130)	(369,385)
	Fair Value of plan assets at the end of the year	999,205	598,413
	Excess of (obligation over plan assets/plan assets over obligation) (Accrued liability)/Prepaid benefit	(1,481,475)	(1,217,277)
3.	Expenses Recognized in statement of Profit & Loss		
	Interest Cost	150,378	122,422
	Current Service Cost	343,609	341,540
	Expected return on plan assets	(67,444)	(28,798)
	Net Actuarial (gain) / Loss recognized in the year	293,133	88,816
	Expenses recognized in statement of Profit & Loss	719,676	523,980
4.	Category of Assets as at March 31, 2008		
	Insurer managed funds	999,205	598,413
	Total	999,205	598,413
5.	Assumptions used in accounting for the gratuity plan	%	%
	Discount Rate	8	8
	Salary escalation rate	5	5
	Expected rate of return on plan assets	8	8

13. Earning per Share (EPS)

	2008-2009	2007-2008
Numerator-Net Profit as disclosed in Profit & Loss A/c	(13,063,499)	4,432,119
Denominator-Weighted avg. number of Equity Shares outstanding Basic/Diluted	110,004,700	110,004,700
EPS- Basic/Diluted (in Rs.)	(1.19)	0.40
Nominal Value of Shares (in Rs.)	10	10



DETAILS AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 ARE GIVEN BELOW:

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1) REGISTRATION DETAILS

REGISTRATION NO. : L25206DD1993PLC001470
STATE CODE : 56
BALANCE SHEET DATE : 31.3.2009

2) CAPITAL RAISED DURING THE YEAR

PUBLIC ISSUE : Nil
RIGHTS ISSUE : Nil
BONUS ISSUE : Nil
PRIVATE PLACEMENT : Nil

3) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

TOTAL LIABILITIES : Rs. 391,682,238
TOTAL ASSETS : Rs. 391,682,238

SOURCES OF FUNDS

PAID UP CAPITAL : Rs. 110,004,700
RESERVES AND SURPLUS : Rs. 242,517,274
SECURED LOANS : Rs. 21,954,674
UNSECURED LOANS : Rs. 17,205,590

APPLICATION OF FUNDS

NET FIXED ASSETS : Rs. 135,659,726
INVESTMENTS : Rs. 23,222,627
NET CURRENT ASSETS : Rs. 232,799,885
MISC. EXPENSES : NIL

4) PERFORMANCE OF THE COMPANY

TURNOVER AND INTER DIVISIONAL TRANSFER : Rs. 608,903,691
NET TURNOVER : Rs. 437,578,249
TOTAL EXPENDITURE : Rs. 450,302,124
PROFIT / (LOSS) BEFORE TAX : Rs. (12,723,875)
PROFIT / (LOSS) AFTER TAX : Rs. (13,063,499)
DIVIDEND RATE : NIL
EARNINGS PER SHARE : (1.19)

5) GENERIC NAMES OF FOUR PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

ITEM CODE NO : 9401-00
PRODUCT DESCRIPTION : PLASTIC MOULDED CHAIRS
ITEM CODE NO : 9403-00
PRODUCT DESCRIPTION : PLASTIC MOULDED TABLES
ITEM CODE NO : 76061190
PRODUCT DESCRIPTION : ALUMINIUM PANEL SHEET

Signature to schedule 1 to 20 as per our report attached.

For and on behalf of the Board

For **G. P. Kapadia & Co.**
Chartered Accountants

Bhaskar M. Parekh
Chairman

Kirit N. Mehta
Partner

Mumbai
June 30, 2009

Dilip M. Parekh
Managing Director

**PRIMA PLASTICS LIMITED**

Regd. Office: 98/4, Prima House, Daman Industrial Estate, Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210.

I hereby record my presence on the 15th Annual General Meeting of the Company held on Saturday, September 05, 2009
Time: 10.30 a.m. * Venue: Hotel Sandy Resorts, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210.

NAME OF THE ATTENDING SHAREHOLDER (IN BLOCK LETTER)

NAME OF THE PROXY (TO BE FILLED IN IF THE PROXY ATTENDING INSTEAD OF THE SHAREHOLDER)

SIGNATURE OF THE SHAREHOLDER / PROXY

Ledger Folio / Client ID Number _____ No. of shares held _____

Note: Shareholders / Proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the gate, affixing their signatures on them.

PRIMA PLASTICS LIMITED

Regd. Office: 98/4, Prima House, Daman Industrial Estate, Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210.

I/We _____

of _____

being a member/members of PRIMA PLASTICS LIMITED hereby appoint _____

_____ of _____

or failing him _____ of _____

as my/our Proxy to attend and vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company to be held on Saturday, September 05, 2009 * Time: 10.30 a.m. * Venue: Hotel Sandy Resorts, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210.

Dated this _____ day of _____ 2009.

Ledger Folio / Client ID Number _____ Signature _____

Affix a
1 Rupee
Revenue
Stamp

Note: The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

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Prima and Aluma Net Work





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