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7th

ANNUAL REPORT







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PRIMA PLASTICS LTD

Performance at Glance

Rs. In Lacs

Year endind March 31,	2001	2000	1999	1998	1997	1996
Sales	5548	5510	5323	4417	2725	622
Other Income	27	14	19	7	1	0
Sales & Other Income	**5575**	**5524**	**5342**	**4424**	**2726**	**622**
Total Expenses	4801	4383	3876	3167	2136	489
Operating profit	**775**	**1141**	**1466**	**1257**	**590**	**133**
Interest	218	175	187	118	112	24
Depreciation	446	382	305	192	144	57
Profit Before Tax	**111**	**583**	**974**	**947**	**334**	**51**
Taxation	10	0	0	0	0	0
Profit after Tax	101	583	974	947	334	51
% to Total Income	2%	11%	18%	21%	12%	8%
Dividend in Rs.	0	220	275	275	0	0
Dividend Tax	0	24	30	28	0	0
Retained Earnings	101	339	668	644	334	51
Equity Capital	1100	1100	1100	1100	1100	1100
Reserves	2270	2169	1828	1160	516	182
	3370	**3269**	**2928**	**2260**	**1616**	**1282**
Misc Exps.	19	33	23	27	30	35
Shareholder's Fund	**3351**	**3236**	**2905**	**2233**	**1586**	**1247**
Term Loan	403	614	671	628	447	506
Working Capital Loan	510	896	359	64	141	0
Unsecured Loan	600	0	0	0	0	9
Debts	**1513**	**1510**	**1030**	**692**	**588**	**515**
Current Liabilities	142	460	408	382	299	116
TOTAL LIABILITIES	**5006**	**5206**	**4343**	**3307**	**2473**	**1878**
Fixed Assets (Net)	3094	3424	2576	1551	1216	1199
Capital Works in progress	3	6	243	411	221	0
Current Assets	1909	1776	1524	1345	1036	679
TOTAL ASSETS	**5006**	**5206**	**4343**	**3307**	**2473**	**1878**
Operating / Gross Income	14%	21%	27%	28%	22%	21%
Net Profit / Gross Income	2%	11%	18%	21%	12%	8%
Dividend	0%	20%	25%	25%	0%	0%
Current Ratio	1.53	1.31	1.99	3.02	2.35	5.44
DER	0.12	0.19	0.23	0.28	0.28	0.39
EPS	0.92	5.30	8.85	8.61	3.04	0.47
CEPS	4.97	8.78	11.63	10.36	4.35	0.99
Interest Coverage	3.61	6.54	7.94	10.97	5.32	5.72
DSCR	2.67	2.74	5.47	7.25	3.87	6.09

* not applicable to ratios.

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PRIMA

7th Annual Report 2000-2001

PRIMA PLASTICS LIMITED

DIRECTORS

Shri Manharlal V. Parekh
(Chairman & Managing Director)
Shri Mulchand S. Chheda
Shri Krishnakant Chitalia
Shri Rasiklal M. Doshi.
Shri Kirit Mehta
Shri Bhaskar M. Parekh (Whole-Time Director)
Shri Dilip M. Parekh (Executive Director)

BANKERS

Oman International Bank. s.a.o.g.
Corporation Bank.

AUDITORS

M/s Sharp & Tannan Associates.
Chartered Accountants.

REGISTERED OFFICE & WORKS - 1

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

WORKS - 2

Unit – II, 85/1, 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.
E-mail : primaplastics@yahoo.com primapla@bom3.vsnl.net.in

LISTED ON

Mumbai Stock Exchange.
Ahmedabad Stock Exchange.
Delhi Stock Exchange.

SHARE TRANSFER AGENT

Big Share Services Private Limited
E-2, Ansa Industrial Estate, Saki-Vihar Road, Andheri (East), Mumbai - 400 072.
E-mail : bigshare@bom7.vsnl.net.in

7th ANNUAL GENERAL MEETING

Date : August 25, 2001 • Time : 3.00 p.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 7th Annual General Meeting of the Members of PRIMA PLASTICS LIMITED will be held at Hotel Sandy Resort, Devka Beach, Nani Daman, Daman (UT), Pin – 396 210 on Saturday, August 25, 2001 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2001 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors & Auditors thereon.
2. To appoint a Director in place of Shri Kirit Mehta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Mulchand S. Chheda, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

   "RESOLVED THAT pursuant to Sec. 224 and other applicable provisions if any, of the Companies Act, 1956, M/s. G. P. Kapadia & Company, Chartered Accountants, Mumbai be and are hereby appointed as the Auditors of the Company, in place of retiring Auditor M/s Sharp & Tannan Associates, Chartered Accountants, Mumbai to hold Office from the conclusion of this meeting to until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors."

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Special Resolution.

   "RESOLVED THAT pursuant to the provision of Sec. 61 and other applicable provisions if any, of the Companies Act, 1956, and subject to such approvals and permissions as may be necessary, the consent of the members of the Company be and is hereby given to delist the Equity Shares of the Company from both Delhi and Ahmedabad Stock Exchanges".

   "RESOLVED FURTHER THAT the Management Committee of the Directors be and is hereby authorised to comply with the necessary formalities for delisting the Equity Shares of the Company from Delhi and Ahmedabad Stock Exchanges".

By Order of the Board of Directors

Manharlal V. Parekh
Chairman & Managing Director

Mumbai
June 30, 2001

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

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 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. 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. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Item No. 4 & 5 of the Notice set out above, is annexed here to.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from August 23, 2001, to August 25, 2001 (both days inclusive).
4. The members are requested to :

(a) Bring their copy of Annual Report at the Annual General Meeting.

(b) Notify immediately change in their address, if any, to the Share Transfer Agent of the Company quoting their Folio Numbers.

(c) Send, in case of those members who have multiple folios in identical names or joint names in same order, all the share certificates to Share Transfer Agent of the Company for consolidation of all such shareholding into one account to facilitate better service.

(d) To write to the Company at least 7 days in advance, those desiring any information on the business to be transacted at the meeting or information regarding accounts of the Company, so as to enable the management to keep the information ready, as far as possible, at the meeting.

6) With a view to providing protection against fraudulent encashment of dividend warrants in future, the members are requested to provide their bank account number, name of the bank and address of the branch to enable the Company to incorporate the said details in the dividend warrants in future. Members are requested to provide these details quoting their folio number, to reach the Share Transfer Agent at the earliest.

(7) All the documents referred to in this Notice and the explanatory statement will be available for inspection by the members at the Registered Office of the Company between 10.30 a.m. to 1.00 p.m. on all working days except Thursday and holidays from the date hereto unto the date of the meeting.

ANNEXURE TO NOTICE :

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

ITEM NO. 4-

The members of the Company had at their Sixth Annual General Meeting held on May 27th, 2000 appointed M/s. Sharp & Tannan Associates, Chartered Accountants, Mumbai, as Auditors of the Company from the conclusion of that meeting, until the Conclusion of the next Annual General Meeting.

The retiring Auditors, M/s. Sharp & Tannan Associates, Chartered Accountants, Mumbai, have informed the Company that in order to extend more value added services in the area of Internal and Management Audit for which they are renowned, it would be more appropraite not to seek

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re-appointment as an Auditors of the Company at the forthcoming Annual General Meeting. It is proposed to appoint M/s. M/s. G. P. Kapadia & Company, Chartered Accountants, Mumbai as the Auditor's of the Company in place of out going Auditors.

The Board recommends the aforesaid appointment for approval by members.

None of the Directors of the Company is interested in this item of the accompanying notice.

ITEM NO. 5

As per the terms of prospects dated March 2, 1995, the Company had listed its Equity Shares with Mumbai (Regional Stock Exchange), Delhi & Ahmedabad Stock Exchanges. The Company's Equity Shares were hardly quoted / traded in Delhi & Ahmedabad Stock Exchanges from the date of listing. Therefore your Directors recommended to delist the Company's Equity Shares from Delhi & Ahmedabad Stock Exchanges.

None of the Directors of the Company is interested in the said resolution.

By Order of the Board of Directors

Manharlal V. Parekh
Chairman & Managing Director

Mumbai
June 30, 2001

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

DIRECTOR'S REPORT

The Directors have pleasure in presenting the Seventh Annual Report together with the Audited Statements of Accounts of the Company for the Financial Year ended March 31,2001.

FINANCIAL RESULTS	2000-2001 (Rs. in lakhs)	1999-2000 (Rs. in lakhs)
Gross Income:	5575.32	5530.35
Profit before Interest, Depreciation and Tax	774.52	1144.97
Less : Interest	218.08	179.31
Less : Depreciation	445.63	382.39
Profit before Taxation	110.81	583.27
Less : Provision for Tax	9.72	NIL
Net Profit after Tax	101.09	583.27
Add : Previous year Income (net)	0.00	1.60
	101.09	584.87
Add : Balance b/f from previous year	1338.08	1097.42
Balance available for appropriation	1439.17	1682.29
Appropriation :		
Transfer to General Reserve	25.00	100.00
Proposed Dividend	NIL	220.01
Tax on Dividend	NIL	24.20
Balance c/f to Balance Sheet	1414.17	1338.08

Performance of the Company

The Company could achieve very marginal growth in turnover from Rs. 5530 lakh in previous year to Rs. 5575 lakh for the year 2000-01. There has been reduction in gross margin from 21% to 14% and net margin from 11% to 2%.

During the year, the plastics moulded furniture industry experienced volatile increase in input prices. In the mid of the year, the input prices were higher by around 30% of what were in March 2000. Intense competition coupled with sluggish growth in demand restricted the Company from passing a part of the increased input costs which has resulted in to sharp reduction in its margin. It is observed that during the first quarter of the current financial year, the prices of inputs are stabilized. The Company expects better performance for the year 2001-2002.

Exports

During the year under review, the Company exported moulded furniture worth Rs. 295 lakh against 421 lakh during 1999-2000. Increase in custom duty and freight cost for the importing countries, rendered procurement of moulded furniture items from India unattractive. Local production in the importing countries also played a considerable role in reduction in exports sales of the Company. The contribution of the export sales to the gross income of the Company reduced from 8% to 5% during the year 2000-01.

Dividend

In order to conserve resources of the business, your directors recommend to skip the dividend for the year ended on March 31, 2001 (Previous year 20%).

Depositories

The trading of the Company's shares in dematerialised form has been made compulsory for all categories of investors w.e.f. April 2, 2001. The Company has already established connectivity with NSDL and CDSL through M/s Big Share & Services Pvt. Limited so as to facilitate the dematerialisation of its shares. The shares are available for dematerialisation under ISIN INE573B01016.

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