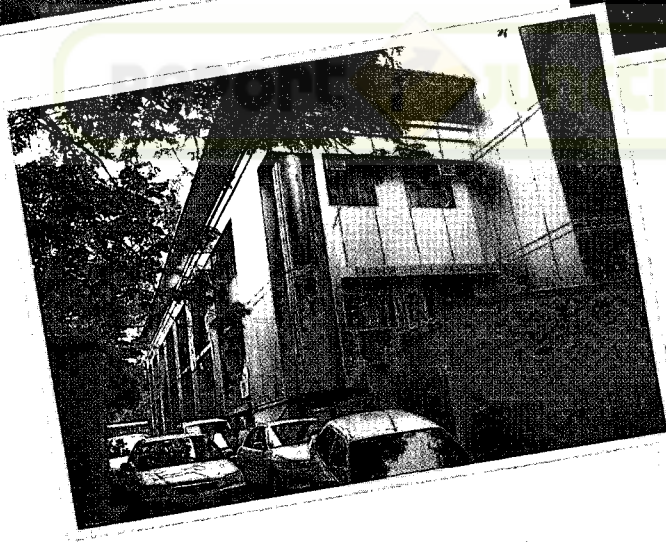
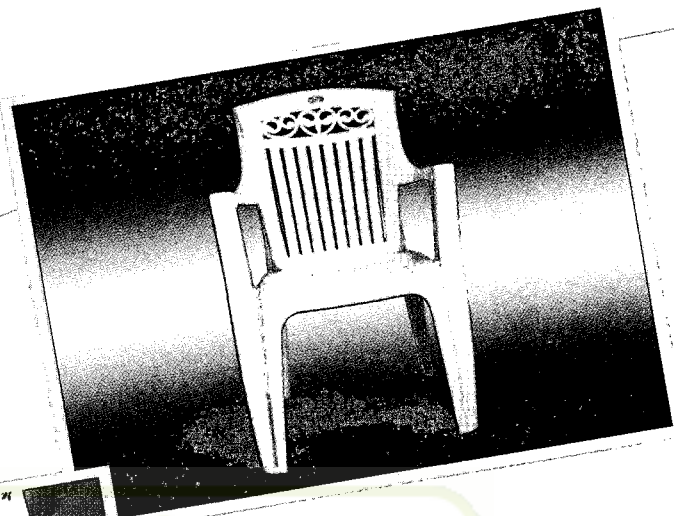


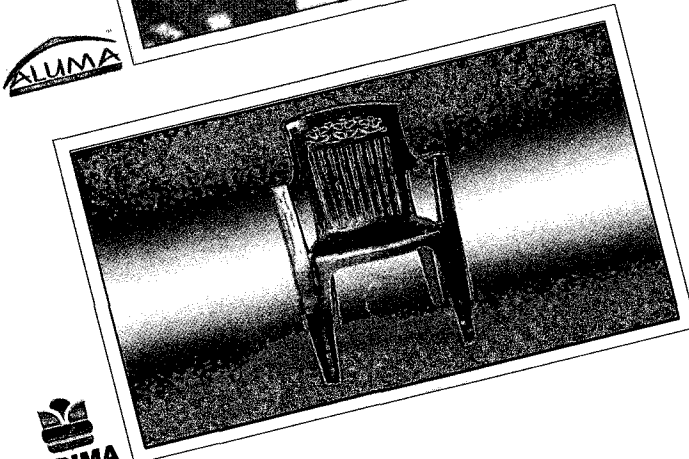
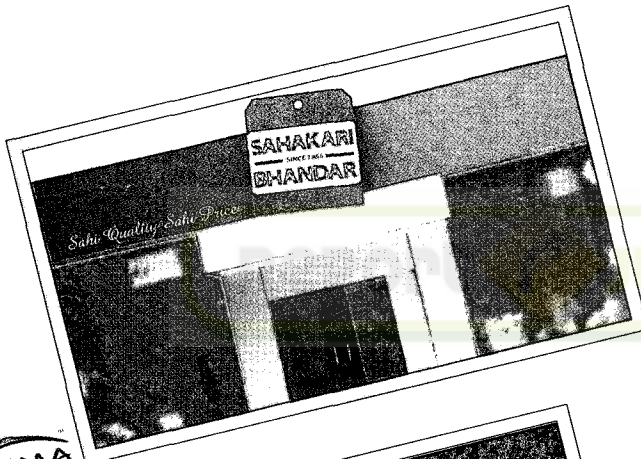
PRIMA PLASTICS LTD.

13th Annual Report 2006-07





Mr. Pratik Parekh from Prima Plastic Limited is receiving top Export Award for the year 2004-2005
Mr. Handique Hon'ble Minister of State for Chemicals and Fertilizers and Parliamentary affairs, Govt. of India.



Landmark
Project Of
Aluma



13th Annual Report 2006-2007

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-2/3, 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.

Aluminum Composite Panel Division:

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

MARKETING DEPOTS

Jammu, Nagpur, Kanpur & Trichy.

13th ANNUAL GENERAL MEETING

Date : September 22, 2007
 Time : 10.30 a.m.
 Venue : Hotel Sandy Resorts,
 Devka Beach,
 Nani Daman,
 Daman (U.T.), Pin - 396 210

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PRIMA PLASTICS LTD.**NOTICE**

Notice is hereby given that the 13th 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 22, 2007 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet of the Company as at March 31, 2007 and 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 Mulchand S. Chheda, 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:

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

"RESOLVED THAT in accordance with the provisions of Section 314(1B) 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 be and is hereby accorded to the Board of Directors of the Company to appoint Shri Paras B. Parekh to hold and continue to hold an office or place of profit under the Company as Chief Marketing Officer for a period of three years with effect from April 01, 2007 on a monthly basic salary of Rs.30,000/- in the scale of Rs.30,000/- - Rs.10,000/- - Rs.100,000/- together with other pay, usual allowances and benefits.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to sanction at its discretion one or more increments within the grade as it may deem fit and proper and to sanction at its discretion and in due course, promotion to Shri Paras B. Parekh to the next higher grade or grades together with usual pay and allowances as applicable to that grade.

FURTHER RESOLVED THAT the Board of Directors or its Committee thereof is authorized to agree to any modifications or variations that may be suggested by the Central Government and /or other appropriate authorities."

By Order of the Board of Directors

Mumbai
June 29, 2007

Bhaskar M. Parekh
Chairman

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 such 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 Register of Members and the Share Transfer Book of the Company will remain closed from Monday, September 17, 2007 to Saturday, September 22, 2007, both days inclusive.
3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item 4 of the Notice is annexed hereto.
4. The members are requested to:
 - (a) Bring their copy of Annual Report and the attendance slips at the Meeting.
 - (b) Write to the Company at least 10 days prior to the date of meeting for any information on accounts to enable the Management to keep the information ready at the meeting.
5. Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended, dividend remain unpaid or unclaimed for a period of 7 years will be transferred to the Investors' Education & Protection Fund (IEP Fund) of the Central Government. Accordingly all unclaimed and unpaid dividend up to financial year 1998-1999 have been transferred to IEP Fund. Final dividend for the financial year ended 31st March 2000, which remain unclaimed will be transferred to **"The Investors' Education and Protection Fund" (IEPF)** pursuant to Section 205C of the Companies Act, 1956 on or before 7th August 2007.

6. Members who are holding shares in physical form are requested to notify change in address, if any, to the Company's Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd., Unit: Prima Plastics Ltd., E-2/3, Ansa Industrial Estate, Saki Vihar Road, Andheri (East), Mumbai – 400 072 quoting their folio number. Shareholders holding share in dematerialized form should intimate change of their address, if any, to their Depository Participant.

DETAILS OF DIRECTOR SEEKING APPOINTMENT / REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (Pursuant to Clause 49 of the Listing Agreement)	
Name of Director	Shri Mulchand S. Chheda
Date of Birth	15-03-1939
Date of appointment	05-12-1994
Qualification	B.Com
Expertise in specific area	Vast experience in plastic industries.
Directorship in other Public Limited Companies	Nil
Membership of Committees in other Public Limited	Nil
Number of Shares held	Nil

ANNEXURE TO NOTICE:

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

ITEM NO.4 OF THE NOTICE.

The Company seeks consents of the Members 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(1)(b) of the Companies Act, 1956.

The Company's project to manufacturing Aluminium Composite Panel is undergoing a phase of settling in the market as brand name and still need lot of marketing efforts at National level. The Company seeks to engage Shri Paras B. Parekh to share additional responsibilities to look after Indian market and establish the brand. The Board of Directors has at their meeting held on June 29, 2007, recommended remuneration payable to Shri Paras B. Parekh on the following terms and conditions with effect from April 01, 2007.

1. Basic Salary

Shri Paras B. Parekh Rs.30,000/- per month in the scale Rs.30,000/- 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:

- Leave Travel Concession for self and family, medical re-imbursement as per the rules of the Company payable once in a year.
- Leave, Leave encashment, Superannuation Fund, Gratuity etc. as per the rules of the Company.

As the monthly remuneration so recommended shall exceed Rs.20,000/- the provisions of Section 314(1B) of the Companies Act, 1956 would be attracted and accordingly the prior consent of the members.

Considering the qualification and skill possessed by Shri Paras B. Parekh, his appointment will be beneficial in the growth of the Company. Your Directors recommend the Special Resolutions for your approval.

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

By Order of the Board of Directors

Mumbai
June 29, 2007

Bhaskar M. Parekh
Chairman

Registered Office:

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

PRIMA PLASTICS LTD.**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors are pleased to present the 13th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2007.

(Rs. In Lakhs)

FINANCIAL RESULTS	2006-2007	2005-2006
Gross Income	4,637.23	3,578.98
Profit before Interest, Depreciation and Tax	241.58	197.24
Less : Interest	42.74	10.01
Less : Depreciation	162.45	181.88
Profit before Taxation	36.39	5.35
Less: Prior Period Adjustment	16.83	—
Less : Provision for Tax – Current	2.06	—
Add: Provision for Deferred Tax	-6.02	6.02
Less: Fringe Benefit tax	3.34	3.77
Profit after Tax	8.14	7.60
Add : Balance b/f from previous year	1,665.99	1,658.39
Balance available for appropriation	1,674.13	1,665.99
Appropriation :		
Balance c/f to Balance Sheet	1,674.13	1,665.99
Add: Deferred Tax Assets	(234.56)	234.56
Balance c/f to Balance Sheet	1,439.57	1,900.55

In view of marginal profit for the year under review, your Board of Directors has decided to skip the dividend.

OPERATIONAL PERFORMANCE

The Indian economy witnessed robust growth in Financial Year 2006-07. It continued to be a high growth economy, second only to China. Your company also shared its due from overall development in economy inspite of higher material cost and reprocessed products from unorganized players in moulded furniture division.

The financial year 2006-07 was one for turnaround of financials at Prima. As compared to a decline in turnover during the period from financial year 2001-02 to 2005-06, Prima achieved positive growth in turnover by 28.67% during the year. While 9.30% of the growth was contributed by the moulded furniture division. Prima's focused efforts on exports growth continued to bear fruits with the export jumped by 61.24%. The Plexcouncil of India announced Top Export award and your Company secured first position in the Financial Year 2004-05 and second position in the Financial Year 2005-06 for the exports from the Company.

ACP division is giving clear signal of better performance in numbers in coming years. The Company has already commenced operations for its ACP under its trade mark "**ALUMA**". Aluma business has achieved a turnover of Rs.587.78 lacs as compared to last year of Rs.6.75 lacs (one month operation). The ACP division has succeeded in establishing the brand in the market and getting response from big players in the construction industry. However due to scale of operation, it has suffered marginal losses in the financial year under review.

Prima Dee-Lite Plastics Pvt. Ltd. at Cameroon has fared well. It has achieved a turnover of INR 875.70 lacs & net loss of INR 3.87 lacs in its first year of operation ended on December 31, 2006 and it's now focusing on export market at neighbouring countries. The Company forsee as better sales & return from this Joint Venture in following years.

DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act 1956, the Board of Directors of the Company confirms to the best of their knowledge 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 have been prepared on a going concern basis.

AUDITORS

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 29, 2007 proposed their reappointment as Auditors for fiscal year 2007-2008. You are requested to consider their appointment.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

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.

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 the Annual Report of the Company.

APPRECIATION

The Board takes this opportunity to express its sense of gratitude to all the customers, shareholders, government departments, financial institutions, 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 29, 2007

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. CONVERSION OF ENERGY.

a) Energy conversation measures taken:

The Company has taken adequate measure to optimize utilization of energy at all its plants and energy saving devices are used to reduce the consumption.

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

Necessary investments are planned to cut down consumption of energy. New investments are made in lasted more efficient and energy saving machines.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The measure initiated by the Company 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 Company is not covered under Specific Industries.

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:

- a) Reduction in cost of production by

PRIMA PLASTICS LTD.

- i) Developing and applying alternate raw material mix, pigments usage of fillers etc.
- ii) Identify and produce item most suitable to specific machine.
- b) Development on new design & products.
- 2. Benefits derived as a result of R&D:**
 - a) Innovative designs and colours introduced.
 - b) Reduction in cost.
 - c) Improvement in quality.
 - d) Improvement in productivity.
- 3. Further Plan of action:**
 - a) To improve further on raw material mix, compounding process, parameters to get benefit of higher productivity at lower cost of conversion.
 - b) To develop and introduce new range of products.
- 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 Company adopts latest technology for contingent manufacturing operation. 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. Its products strong demand of its products in export market.
- 3) The Company has not imported any technology or process 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 export market and repeated orders are received year after years from its existing foreign clients. The Company has won 10 top export awards from Plexcouncil of India (7 first position & 3 second position) in last 10 years which itself speaks of its performance on export front.

- 2) Total foreign exchange used and earned.

	(Rs.)	
	2006-2007	2005-2006
Foreign Exchange earned (FOB) – (Finished Goods)	49,317,826	29,940,127
Foreign Exchange earned (Capital Goods)	3,476,127	1,419,000
Foreign Exchange used	25,644,522	11,850,281

For and on behalf of the Board

Mumbai
June 29, 2007

Bhaskar M. Parekh
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT:

Business Outlook: - Moulded Furniture:

The moulded furniture industry have shown sign of improvement inspite of high cost of raw material and continues flooding of reprocessed goods by unorganized sector. The Industry overcome from various disturbing factors like confusion of Vat implementation, consumers non-awareness about quality & branded products. The moulded furniture market present an opportunity to the manufacturers of branded products and set to increase particularly the middle income group and rural segments,.

Aluminium Composite Panel:

The Indian economy grew at a steeped up rate for past four consecutive years and main driver of growth were the manufacturing. Infrastructure and construction sector. Besides boom in construction sector, the new and modern structures are exteriorly designed with toughen glass and Alluminium Composite Panel. The ACP preferences are not just restricted up to construction sector, it has made roads in interior designs, furniture, signboard, hoarding etc. Your Company is planning to expand the business by setting up backward integration project of Coil Colour Coating Plant in coming years.

Opportunities, Threats, Risks and Concerns:

Moulded Furniture:

The moulded furniture industry is characterized by intense competition, volatile input cost, substandard products with reprocessed material from unorganized sectors and regionalization of business.

Creation of a strong brand is essential apart from setting up regional manufacturing facilities, introduction of innovative products and penetration in rural market and middle income group.

Aluminium Composite Panel:

At present, the demand gap for ACP is met with import from China. However, many new players are attracted to the business due to various tax and other incentives offered by few northern states of India and competition is inevitable.

The Company must develop insights in to the needs of their customers. This forms the basis of Industry strategy including design of the product, its delivery format, pricing and communication.

Financial Performance:

(Rs. in Lakhs)

Description	For the Year Ended 31-03-2007	For the Year Ended 31-03-2006
Gross Turnover	4,563.88	3,505.70
Profit before Interest, Depreciation & Tax	241.58	197.24
Interest	42.74	10.01
Depreciation	162.45	181.88
Profit before Taxation	36.39	5.35
Prior Period Adjustment	16.83	-
Provision for Taxation-Current Tax	2.06	-
Provision for Deferred Tax	-6.02	6.02
Fringe Benefit tax	3.34	3.77
Profit after Tax	8.14	7.60
EPS (in Rs.)	0.07	0.06
Cash EPS (in Rs.)	1.55	1.73

PRIMA PLASTICS LTD.**Internal Control System and their Adequacy:**

The Company has an internal control system commensurate with its size and the nature of the business and meeting the following objectives:

- ⇒ Efficient use and safeguarding of the assets
- ⇒ Compliance with the statutes, policies and procedures
- ⇒ Transactions being accurately recorded and promptly reported.

The internal audit reports along with the report of the status of the implementations of the recommendations contained therein are reviewed by the audit committee of the board on a regular basis.

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 29, 2007

Bhaskar M. Parekh
Chairman

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