





New Arrivals



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)

BANKERS

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.

Aluminium Composite Panel Division:

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

MARKETING DEPOTS

Coimbatore, Jammu, Kanpur, Rohtak, Secunderabad, Vapi &
Zirakpur (Punjab)

MARKETING OFFICE

New Delhi

17TH ANNUAL GENERAL MEETING

Date : September 10, 2011

Time : 10.30 a.m.

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

CONTENTS:

→ Notice	2
→ Directors' Report, Management Discussion & Analysis Report.	4
→ Report on Corporate Governance	9
→ Auditors' Report	21
→ Balance Sheet	24
→ Profit & Loss Account	25
→ Cash Flow Statement.	26
→ Schedules Forming Part of the Accounts	27
→ Balance Sheet Abstract	40
→ Auditors' Report of Consolidated Financial Statement	41
→ Consolidated Balance Sheet.....	42
→ Consolidated Profit & Loss Accounts.....	43
→ Consolidated Cash Flow Statement.....	44
→ Schedules Forming Part of the Consolidated Accounts	45

NOTICE

Notice is hereby given that the Seventeenth 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 10, 2011 at 10.30 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2011, 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 declare dividend for the year 2010-11 on Equity Shares.
3. To appoint a Director in place of Shri Rasiklal M. Doshi, who retires by rotation and being eligible, offers him for reappointment.
4. 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.

Registered Office:

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

By Order of the Board of Directors

Mumbai
May 30, 2011

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 him and the proxy need not be a member of the Company. The Proxy form should be lodged with the Company at the Registered Office at least 48 hours before the schedule time of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote at the meeting.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from Monday, September 05, 2011 to Saturday, September 10, 2011 (both days inclusive) for the purpose of determining the eligibility of the Members to attend the Annual General Meeting and payment of Dividend.
4. The Board of Directors in their Meeting held on May 30, 2011 have recommended a dividend of Rupee 1/- per share on equity share of Rs.10/- each, which if approved at the Annual General Meeting, will be paid on or after September 15, 2011, to those members whose names shall appear on the Company's Register of members on September 04, 2011; in respect of the shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays and holidays, 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 etc. if any, to their Depository Participant. Members who are holding shares in physical form are requested to notify regarding change in address, Bank particulars, ECS details etc. 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, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072 quoting their folio number.

“Our Registrar & Transfer Agent, M/s. Bigshare Services Private Limited has an advanced tool to interact with shareholders. Please login into iBoss www.bigshareonline.com and help them to serve you better.”

8. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March 2010 and thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to “The Investor Education and Protection Fund” (IEPF) pursuant to Section 205C of the Companies Act, 1956.
9. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to Bigshare Services Private Limited, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company / Bigshare Services Pvt. Limited, will not entertain any direct request from such members for deletion or/ change in such bank details. While members holding shares in physical form may write to the Registrar & Share Transfer Agent / Company for any change in their addresses and bank mandates etc. and members holding shares in electronic form may write to their depository participants for immediate updating so as to enable the Registrar & Share Transfer Agent / Company to dispatch dividend warrants to the correct addresses.
10. Important Communication to Members.

The Ministry of Corporation Affairs (vide circular nos.17/2011 and 18/2011, dated April 21 and April 29, 2011 respectively) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their email id along with their folio no. / client id at investor@primaplastics.com or info@bigshareonline.com.

11. Additional information on Director seeking re-appointment at the forthcoming Annual General Meeting.

DETAILS OF DIRECTOR SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING
(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Shri Rasiklal M. Doshi
Age	82 years
Date of appointment	18-06-1996
Qualification	B.Com
Expertise in specific area	Vast experience in Finance & Manufacturing Industry with international exposures.
Other Directorships in Public Limited Co.	None
Number of Shares held	6,000 Equity Shares

Registered Office:

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

By Order of the Board of Directors

Mumbai
May 30, 2011

Bhaskar M. Parekh
Chairman

DIRECTORS' REPORT, MANAGEMENT DISCUSSION & ANALYSIS REPORT

Dear Shareholders,

Your Directors submit the 17th Annual Report along with the Audited Statement of Accounts of the Company for the year ended March 31, 2011.

(Rs. In Lacs)

FINANCIAL RESULTS	2010-2011	2009-2010
Gross Income	8,140.63	7,044.72
Profit before Interest, Depreciation and Tax	535.70	556.05
Less : Interest	46.52	35.89
Less : Depreciation	158.53	154.62
Profit/(Loss) before Taxation	330.65	365.54
Less : Current Tax	67.89	63.00
Profit /(Loss) after Tax	262.76	302.54
Add : Balance b/f from previous year	1,711.66	1,587.81
Balance available for appropriation	1,974.42	1,890.35
Appropriation :		
Balance c/f	1,974.42	1,890.35
Less : Proposed Dividend	110.00	110.00
Less: Dividend Tax	18.27	18.69
Less : General Reserve	50.00	50.00
Balance c/f to Balance Sheet	1,796.15	1,711.66

DIVIDEND

Based on the Company's performance, the Directors are pleased to recommend a dividend of Rs.1/- per Equity Share for the financial year ended March 31, 2011 amounting to Rs.128.27 lacs (inclusive of tax of Rs.18.27 lacs). The dividend has been paid by the Management by balancing the shareholders aspiration as well as growth objective by plans to invest in new manufacturing units / Joint Ventures.

TRANSFER TO RESERVES

The Company proposes to transfer Rs.50 lacs to the General Reserve out of the amount available for appropriations and an amount of Rs.1796.15 lacs is proposed to be retained in the Profit and Loss Account.

OPERATIONAL PERFORMANCE

The Indian Industries continued in growth trajectory inspite of slow revival in world economy overall. The main concern for India is inflation & higher crude prices. Your Company has delivered positive growth in sales & operation for both of its divisions.

Your Company achieved higher net sales in moulded furniture segment of Rs.5,247.48 lacs as against Rs.4,751.32 lacs in the last year. The growth in sales in percentage terms achieved is 10.44%. The Exports were higher at Rs.870.46 lacs as compared to Rs.794.94 lacs in last year. The growth in export in percentage term achieved is 9.50%. The moulded furniture division has earned a profit before interest of Rs.224.66 lacs from its operation.

The Sales of ACP Division were higher at Rs.646.48 lacs as compared to Rs.342.51 lacs in last year. The growth in sales in percentage term achieved is 88.75%. The ACP Division has earned a profit before interest of Rs.14.66 lacs as compared to loss of Rs.117.26 lacs in last year.

In institutional segment of ACP, where the Company has taken the maximum exposure is showing sign of slow recovery and expected to improve in the coming year. The Company has also taken necessary steps for starting retail business with dealer / distributor's network throughout India. It is expected that once implemented, the profit of your Company will improve substantially.

The Prices of Polypropylene were more volatile during the Financial Year 2010-11 as compared to previous years and impacted the margins of moulded furniture division.

The main raw material for ACP division is Coated Aluminum Coil and prices of the Aluminum are driven by global market and at present the prices are within the reasonable range. The Company mainly sources, its raw materials from China & other leading countries.

Overall the Company's performance is satisfactory and registered a profit before tax of Rs. 330.65 lacs.

RECOGNITIONS

The Company has been accorded the status of “EXPORT HOUSE” by the Ministry of Commerce & Industry for a period of five years, effective from 1st April, 2010 based on its past Export Performance.

SUBSIDIARY COMPANY

With a view to expand its business in UAE Countries (Gulf), the Company has incorporated “Prima Global (FZE)”, a wholly owned subsidiary of the Company at RAK SEZ Ras Al khaimah, UAE with an investment of AED 100,000/- (equivalent to Rs.1,244,324/-). The Company is yet to start its commercial operation.

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 2010 was Rs. 1432.32 (lacs) as compared to previous calendar year of Rs. 1314.93/- (lacs). The profit for the year after depreciation and tax was Rs. 341.27 (lacs) as compared to Rs. 346.61 (lacs) in the previous year. The Joint Venture Company has paid interest of Rs.35.73 (lacs) on unsecured loan granted by the Promoters.

The encouraging performance of Joint Venture Company has boosted the confidence of both the Joint Venture Partners and initiatives have taken to expand the capacity by adding more Moulding Machines and also to diversify in to HDPE Woven Sack Bags business.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Accounts form part of this Annual Report.

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with Balance Sheet of the Company. The annual accounts of these subsidiary / Joint Venture Company and the related detailed information are available for inspection by any member at the registered office of the Company. The Company shall furnish a copy of details of annual accounts of subsidiary / Joint Venture Company to any member on demand.

MANAGEMENT’S DISCUSSION & ANALYSIS REPORT**OVERVIEW**

Global economic environment continues to remain quite volatile. In the current globalize economy; it is not possible to remain insulated from swings in the global economy. However, Government of India is quite alert and proactive to continuously guide the economy on a growth path in this tough period. The Indian entrepreneurs also have shown great resilience to ride through smoothly in this economic situation.

MOULDED FURNITURE

Prima is investing its resources in core business within India as well global joint ventures. It is also taking initiative to invest in latest technology and help to meet the economy of operations. These strategies are aimed to ensure consolidation of its market and to deliver long term growths.

Financial year 2010-11 was reasonable for moulded furniture except for increase in input prices. The demand for the product was on raise and stable. The Company has delivered the Financial & Operating Results in line with industry specific performance.

ALUMINIUM COMPOSITE PANEL

The Indian Real Estate has partially recovered in Financial Year 2010-2011. The Residential Segment demands were on raise due to overall shortage of affordable housing and metro cities have seen demand for premium housing projects. The Commercial Segment was slowly improving and demand for rental premises are raising due to overall increased economical activities.

BUSINESS OUTLOOK**MOULDED FURNITURE**

The Indian economy is expected to grow by more than 8% and there is all round growth in consumption due to overall increases in income of middle class. Your Company expects the growth in sales and setting up another manufacturing unit at Andhra Pradesh to meet its demand of Moulded Furniture. Your Company is well placed to take advantage of the sustained growth of our economy.

The per capita consumption of plastics in our country is very low when compared with western country’s consumption and it is bound to increase in years to come. Plastic moulded furniture is fast replacing conventional furniture made of woods and steel due to its various inherent advantages.

The supply of polymers is expected to ease with additional plants operational in recent past and the prices of polymers are expected in affordable range. There is also demand to remove antidumping duty on import of polymers imposed last year by the Government of India.

The introduction of GST is expected in a short span and will integrate the country economy in to one and provide level playing in every part of the country. This is expected to boost the growth of your Company’s business at pan India level. The Company expects to achieve 15-20 percent annual growth in turnover in medium term.

ALUMINIUM COMPOSITE PANEL

The Commercial real estate is showing some positive sign of revival and it seems that it may take little longer to recover the segment than expected earlier. With the small positive in commercial construction, your Company had taken fullest advantage and registered growth in sales by 88%. The growing Indian business and financial activities will lead to demand of commercial premises and recovery of this segment of Real Estate. The Management expects full fledged business in ACP Division in years to come.

The Company was selective in executions of Orders and register growth of 88% in turnover. The sales target is even though short of the managements expectation but confident to achieve higher sales in steady manner.

OPPORTUNITY

The Company has acquired an Industrial Plot at Andhra Pradesh to cater south eastern coast of India. The Company plans to start construction of Factory Building from 2nd quarter of 2011-2012 and to start commercial operation by end of this financial year.

The Company's present distributor's network is stable from past 2-3 years. The Company is focusing to expand its network to far off places to take advantage of GST regime.

The ACP products can be used in varied areas apart from commercial real estate. The Company may focus the other market of ACP by appointing nationwide dealer-distributor's network.

THREAT

With the rise in demand & overall industrial sentiment, the industry is witnessing many new entrants with low capital base & to serve the local market. The new players are prone to un-ethical practices in a temporary phase.

China is a major supplier of ACP globally and has influence in the market with excess supply and moderate price.

The real estate industry is known for excessive credit time.

Internal Control System and Their Adequacy

The Company's internal control systems, commensurate with the size of the Company and nature of its business, has well defined policies and procedures ensuring that all transactions are authorized, recorded and correctly reported, all assets are safeguarded and protected against loss from unauthorized use or disposition, reducing wastages and maintenance of proper accounting records for ensuring accuracy and reliability of its financial information. As a matter of proactive planning, the Board has also constituted an Audit Committee which meets periodically to review the financial performance and the accuracy of financial records

The management duly considers and takes appropriate action on the recommendations made by the statutory auditors and the Audit Committee of the Board of Directors.

Risk Management

The Company is exposed to risks from market fluctuations of foreign exchange, commodity prices, business risk etc. The risks outlined below are not exhaustive and for information only. The Board and the Audit Committee periodically review the risk management procedures.

Foreign Exchange Risk

The Company exposed to volatility in the Exchange Rate. The Company makes payment in foreign currency for import of machinery and other item including raw materials. Considering the nature of business of the Company, except by way of hedge may not be available to the Company and hence the volatility in foreign currency rates is consistently addressed by ensuring adequate cover by way forward contract. The Company does not deal in derivate transaction as a matter of policy.

Commodity Price Rise

The Company is exposed to the risk of price fluctuation on raw materials as well as finished goods in its entire product. The Company manages these risks in input their inventory management, input through buyer credit etc. However impact on price risk on finished goods is minimal due to its brand image and marketing network.

Business Risks

The Company developed new products to meet the growing demand and customers need. Although the competition in the market may be increasing, your Company is able to control the same by strategic planning and improved manufacturing process. Besides continues R&D activities undertaken by the Company contribute to minimization of the risk.

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.

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.

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.

Human Resource

We believe that people are the backbone of the organization and hence we lay great emphasis on optimizing their performance. The Company provides employees with a fair and equitable work environment and support from the peers to develop their capabilities. The Company strongly believes that its team of capable and committed manpower, which is its core strength, is the key factor behind all achievements and trusting them with the freedom to act and to take responsibility success. Occupational health and safety are given the utmost importance in the Company. The relationship between the Company and the employees were cordial and the Company experienced peace and harmony through out the year.

DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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 for the year ended March 31, 2011, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there has been no material departure;
- II. The Directors have selected such accounting policies and applied them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the Company for the year ended on that date;
- III. The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate system and control for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. Directors have prepared the Annual Accounts on a going concern basis.

AUDITORS & AUDITOR'S REPORT

M/s. G.P. Kapadia & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

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

ENERGY CONSERVATION

The Company continues to emphasize on energy conservation at the stage of selections of plant, equipment to optimize energy consumption and by installing necessary power saving equipments.

Energy cost is one of important cost of operation and all necessary steps are taken to achieve better energy and avoid wastage of energy.

RESEARCH & DEVELOPMENT

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

TECHNICAL ABSORPTION, ADAPTATION & INNOVATION

The Company has not imported any technology or processes know how. The Machines and moulds used for manufacturing products are regularly upgraded to cater variety products in line with the market trend and demand. The new investments are made in new technology upgraded machines & moulds.

As a result, the Company is able to give new & innovative designed product and has created strong demand of its products in export market.

II. 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 12 top export awards from "PLEXCONCIL" of India in last 14 years, during the year, the Company has exported worth Rs. 870.46 lacs (Rs.794.94 lacs last year) which itself speaks of its performance on export front.

2) Total foreign exchange used and earned.

(Rs.)

	2010-2011	2009-2010
Foreign Exchange earned (FOB) – (Finished Goods)	77,849,953	72,746,223
Foreign Exchange earned (Capital Goods)	NIL	5,17,000
Foreign Exchange used	69,285,899	65,439,668

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

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

ACKNOWLEDGEMENT

The Directors thank the Company's customers, vendors, investors and banks for their support to the Company.

The Directors also thanks the Governments of other countries, Government of India, State Governments in India and concerned Government Departments/Agencies for their co-operation.

CAUTIONARY STATEMENT

Certain statements in the reports of the Board of Directors and Management's discussions and analysis may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since Company's operations are influence by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

For and on behalf of the Board

Mumbai,
May 30, 2011

Bhaskar M Parekh
Chairman