

# 11<sup>th</sup> ANNUAL REPORT

2004-2005

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# 11th Annual Report 2004-2005

## PRIMA PLASTICS LIMITED

**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)

**11th ANNUAL GENERAL MEETING**

Date : September 10, 2005  
 Time : 10.30 A.M.  
 Venue : Hotel Sandy Resort,  
 Devka Beach, Nani Daman,  
 Daman (U.T.), Pin-396 210

**BANKER**

Corporation Bank.

**AUDITORS**

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

**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**

- Unit-I :- 98/4, Prima House, Daman Industrial Estate,  
 Kadaiya, Nani Daman, Daman (U.T.), Pin 396 210.
- Unit-II:- 85/1, Prima House, Daman Industrial Estate,  
 Kadaiya, Nani Daman, Daman (U.T.), Pin 396 210.
- Unit-III:- Door No.X/588-Q, Kinfra SIP, Survey No.508 (Part),  
 Block No.32, Nellad P.O., Mazhuvannur Village,  
 Ernakulam District, Kerala - 686 721.  
 (Under Construction)

**MARKETING DEPOTS**

Jammu, Kolkata, Ludhiana, Nagpur & Kanpur.

**JOINT VENTURE ABROAD**

Cameroon (W. Africa)

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## NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Members of PRIMA PLASTICS LIMITED will be held at Hotel Sandy Resort, Devka Beach, Nani Daman, Daman (U.T.), Pin: 396 210 on Saturday, September 10, 2005 at 10.30 a.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, 2005 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 Rasiklal M. Doshi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. G. P. Kapadia & Co., the retiring Auditors of the Company, as 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, the following resolution which will be proposed as an Ordinary Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. Bhaskar M. Parekh as **"Executive Chairman"** of the Company for a period of five years with effect from July 01, 2005 on the terms and conditions including remuneration as set out in the Agreement dated June 27, 2005 entered into by the Company with him, submitted to the Meeting."

5. To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. Dilip M. Parekh as **"Managing Director"** for a period of five years with effect from July 01, 2005 on the terms and conditions including remuneration as set out in the Agreement dated June 27, 2005 entered into by the Company with him, submitted to the Meeting."

By Order of the Board of Directors

Mumbai  
June 27, 2005.

**Dilip M. Parekh**  
Managing Director

## NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote 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 Register of Members and the Share Transfer Book of the Company will remain closed from September 05, 2005 to September 10, 2005 (both days inclusive).
3. The Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item 4 & 5 as set out above is annexed hereto.
4. The members are requested to:
  - (a) Bring their copy of Annual Report at the Meeting.
  - (b) Notify immediately change in their address, if any, to the Share Transfer Agent of the Company quoting their Folio Number.
5. All documents referred to in the accompanying Notice 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 Sunday upto the date of the meeting.
6. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, Final dividend for the financial year ended 31<sup>st</sup> March 1998 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.

Information in respect of such unclaimed dividends due for transfer to the said fund is given below:

Financial year Ended	Date of Dividend Payment	Last date for claiming unclaimed dividend	Due date for transfer to IEPF
31/03/1998 (Final)	05/11/1998	04/11/2005	04/12/2005
31/03/1999	05/11/1999	04/11/2006	04/12/2006
31/03/2000	08/07/2000	07/07/2007	07/08/2007

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar & Transfer Agents, Bigshare Services Pvt. Limited immediately.

#### 7. Re-Appointment of Director:

##### Additional information as per Listing Agreement:

Shri Rasiklal M. Doshi, Non-Executive Director retires by rotation at the forthcoming Annual General Meeting and offers himself for re-appointment. Mr. Bhaskar M. Parekh and Mr. Dilip M. Parekh were re-appointed to the post of Executive Chairman and Managing Director respectively at the Board Meeting held on June 27, 2005, subject to the approval of the shareholders at the ensuing Annual General Meeting. Their candidature for election will be proposed to shareholders at the Annual General Meeting in accordance with the provisions of the Companies Act, 1956.

Mr. Rasiklal M. Doshi (76) was appointed as Non-Executive Director on the Board from June 18, 1996. He has vast experience in manufacturing of insulation products and constructions related chemicals. He has expertise in finance and business administration. He is Managing Director of M/s. Inmarco Industrial Maintenance Pvt. Ltd.

Mr. Bhaskar M. Parekh (50) joined the Company's Board since incorporation and is presently holding position of Executive Chairman. He has experience of more than twenty-five years in plastic injection moulding, blow moulding and extrusion industry. He introduced numbers of innovative furniture items in attractive colours. He is taking care of production and general administration of the Company. He is also committed to explore new profitable business avenues and diversified activities to add shareholders' value.

Mr. Dilip M. Parekh (37) joined the Company's Board since inception as a Director and looking after marketing and administration of the Company. His strong management skill, marketing ability and previous experience in moulded furniture industry has benefited the Company. He is the person behind putting Prima on global chart by setting up a Joint Venture Company at Cameroon. Efforts are being made to tap more regions.

#### ANNEXURE TO NOTICE:

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

##### ITEM NO.4.

The Board of Directors of the Company at its meeting held on June 27, 2005 re-appointed Mr. Bhaskar M. Parekh as an Executive Chairman for a period of five years, subject to the approval of the shareholders at the ensuing Annual General Meeting. The terms and conditions of appointment are set out in the Agreement dated June 27, 2005 entered into by the Company with him, which *inter alia* contain the followings:

- The Chairman shall, subject to the supervision and control of the Board of Directors, manage the business and affairs of the Company.
- Mr. Bhaskar M. Parekh will be a permanent Director and not liable to retire by rotation.
- Period of Agreement :  
Five years with effect from July 01, 2005.
- Remuneration payable:
  - Salary:  
Rs.55,000/- per month with an annual increment of Rs.10,000/-.
  - Perquisites:
    - The Chairman shall be entitled to perquisites including furnishing, medical reimbursement and leave travel concession for self and family, club fees, medical and personal accident insurance, etc. in accordance with the rules of the Company. The aforesaid perquisites may be in the form of reimbursement or allowance.
    - The Executive Chairman shall be entitled to Company's contribution to Provident Fund up to the tax exemption limit, benefits of Gratuity and Pension Scheme, as per the rules of the Company.
    - Car for use on Company's business, telephone and other communication facilities at residence will not be considered as perquisites.
    - In the event of loss or inadequacy of profits, in any financial year, the Executive Chairman shall be paid remuneration by way of salary and perquisites as specified above.
- Apart from Mr. Bhaskar M. Parekh, Mr. Dilip M. Parekh may be considered interested in the above resolution as relative.

**ITEM NO.5**

The Board of Directors of the Company at its meeting held on June 27, 2005 re-appointed Mr. Dilip M. Parekh as Managing Director for a period of five years, subject to the approval of the shareholders at the ensuing Annual General Meeting. The terms and conditions of appointment are set out in the Agreement dated June 27, 2005 entered into by the Company with him, which *inter alia* contain the followings:

1. The Managing Director shall, subject to the supervision and control of the Board of Directors, manage the business and affairs of the Company.
2. Mr. Dilip M. Parekh will be a permanent Director and not liable to retire by rotation.
3. Period of Agreement :  
Five years with effect from July 01, 2005.
4. Remuneration payable:
  - (a) Salary:  
Rs.50,000/- per month with an annual increment of Rs.10,000/-.
  - (b) Perquisites:
    - (i) The Managing Director shall be entitled to perquisites including furnishing, medical reimbursement and leave travel concession for self and family, club fees, medical and personal accident insurance, etc. in accordance with the rules of the Company. The aforesaid perquisites may be in the form of reimbursement or allowance.
    - (ii) The Managing Director shall be entitled to Company's contribution to Provident Fund up to the tax exemption limit, benefits of Gratuity and Pension Scheme, as per the rules of the Company.
    - (iii) Car for use on Company's business, telephone and other communication facilities at residence, will not be considered as perquisites
    - (iv) In the event of loss or inadequacy of profits, in any financial year, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above.
5. Apart from Mr. Dilip M. Parekh, Mr. Bhaskar M. Parekh may be considered interested in the above resolution as relative.

By Order of the Board of Directors

Mumbai  
June 27, 2005.

**Dilip M. Parekh**  
Managing Director

**Registered Office:**

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



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 11<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2005. The Company's performance may be considered as reasonable considering volatile fluctuation in petro products.

(Rs. in Lakhs)

FINANCIAL RESULTS	2004-2005	2003-2004
Gross Income	4527.25	4,624.90
Profit before Interest, Depreciation and Tax	294.06	379.03
Less : Interest	7.94	4.75
Less : Depreciation	254.70	310.19
Profit before Taxation	31.42	64.09
Less : Provision for Tax	2.35	4.87
Profit after Tax	29.07	59.22
Add : Balance b/f from previous year	1,629.32	1,570.10
Balance available for appropriation	1,658.39	1,629.32
<b>Appropriation :</b>		
Balance c/f to Balance Sheet	1,658.39	1,629.32

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

### OPERATIONAL PERFORMANCE

The current year has witnessed uncertainty on implementation of Value Added Tax throughout the Country and opposition by various segments of business & society at large. It has been seen that intermediaries do not want to make any commitment on procurement unless clarity on impact of new Value Added Tax (VAT).

The sales for the year is lower by 4 % in comparison with last year. In the face of rather disruptive competition, your Company's operation could not hold on its Revenue and Profit from operation. The sharp volatile international oil price resulted in fluctuations of polymer prices, the essential raw material for your Company. The focus on curtailing indirect cost & sale of surplus machinery has yielded results.

The Company has also set up a manufacturing facilities in the State of Kerala to serve the region in more efficient & economically and commercial production is expected to commence from 15<sup>th</sup> August, 2005.

### EXPORTS

Your Company's focus on exports in past 5-6 years has opened a new growth opportunity for the Company. Apart from growth of 16% in exports, the Company has invitation from various third world countries for setting up projects over there. During the year, your Company has set up a Joint Venture at Cameroon and the plant is almost complete and commercial production is expected to commence from July 2005.

## CORPORATE GOVERNANCE

Your Company is fully committed to the good corporate governance practices. 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.

### 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.

### 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, nature of his experience and names of Companies in which he hold the Directorship etc. are given in the Section on Notice elsewhere in the Annual Report.

The tenure of Shri Bhaskar M. Parekh as Executive Chairman and Shri Dilip M. Parekh as Managing Director expiring on June 30, 2005 and the Board, at its meeting held on June 27, 2005, proposed their re-appointment as Executive Chairman and Managing Director respectively for a tenure of five years. You are requested to consider their re-appointment.

### 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 27, 2005, proposed their re-appointment as Auditors for fiscal year 2005-06. You are requested to consider their appointment.

#### 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.

By Order of the Board of Directors

Mumbai  
June 27, 2005.

**Dilip M. Parekh**  
Managing Director

## ANNEXURE TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2005.

### I. CONVERSION OF ENERGY.

Adequate measures have been taken for optimum utilization of energy. Necessary investments are also planned out to cut down consumption of energy per kg. of production.

### 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
  - 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.

The Company has not imported any technology or process knowhow.

The Company is using fully computer controlled manufacturing techniques. Virgin compounds are used for consistent high quality products.

### III. FOREIGN EXCHANGE EARNING AND OUTGO:

	(Rs.)
Foreign Exchange earned (FOB) - (Finished Goods)	46,870,703
Foreign Exchange earned (Capital Goods)	28,775,000
Foreign Exchange used	3,254,298

By Order of the Board of Directors

Mumbai  
June 27, 2005.

**Dilip M. Parekh**  
Managing Director

## Management Discussion and Analysis Report

### Industry Structure & Development:

#### Business Outlook

The Industry faces stiff competition from local small players with unethical business practices with regards to quality and marketing system. It is widely believe that after implementation of Value Added Tax (VAT) the market scenario will improve with parity on sales tax to all players.

The prices of raw material is also cause of concern for plastic industries in the past couple of years and volatile fluctuations in prices of input is resulting in wiping out of margins.

Your Company has strongly withstand with all such adversaries and preparing for steady and strong growth in coming years. The Company has already set up a Joint Venture Company in Cameroon to tap new international market and looking for such other ventures in near future. The Company is also setting up its own manufacturing unit in the State of Kerala. The fruit of corrective measures will be seen in coming years.

#### 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.

#### Threats, Risks and Concerns:

The volatility of oil market has resulted in high fluctuations and volatility in Polymer prices, the essential raw material for plastic moulded furniture. The situation demand to pile inventory of input at appropriate time but inability to predict its future trend to be a reality.

Looking to the past trend of competitions, it is difficult to pass on the rise in input cost to the end users wholly.

The markets in which we conduct business are highly competitive. Your Company is pioneer in product of innovative new colours and designs but the industry is known for replicating the successful designs with minor variation.

#### Outlook:

The Plastic furniture market is expected to grow steadily. Introduction of new innovative designed, light weighted steady models is expected to push up the upper and bottom line. Maintaining steady growth at existing export market and exploring new territory will add to the Company's performance and share in domestic and export market. Potential market is found in institutional segment and deep rural area.

#### Segmentwise Performance:

Your Company deals in only one segment i.e. plastic moulded furniture. The Company's name is recognized as one of the leading brand in the moulded furniture market. The Company

has periodically introduced various innovative products in wide varieties of colour.

#### Financial Performance vis-à-vis Operational Performance:

The performance of the Company during the year under review was satisfactory.

#### 1. Financial Highlight:

Rs. in lacs

Sr. No.	Description	For the Year Ended 31-03-05	For the Year Ended 31-03-04
1	Turnover (Gross)	4,411.94	4,593.75
2	Quantity Sold (Pcs)	2,569,104	2,923,965
3	Quantity Manufactured / Purchases (Pcs)	2,586,455	2,841,620
4	Profit before Interest, Depreciation & Tax	294.06	379.03
5	Interest	7.94	4.75
6	Depreciation	254.70	310.19
7	Profit before Tax	31.42	64.09
8	Provision for Tax	2.35	4.87
9	Profit after Tax	29.07	59.22
10	EPS (Rs.)	0.26	0.54
11	Cash EPS (Rs.)	2.60	3.39

#### 2. Other Income:

As per the members' approval by Postal Ballot in last year, your Company has sold few Machines & Moulds. These surplus machines have fetched higher prices due to Company's continuous efforts on improvement on machine and preventive maintenance, resulting in profit on sale of machines and cash flow to the Company.

The surplus funds, which are not required immediately for the business, invested in Inter-Corporate Deposits and Shares of Blue Chip Companies.

#### 3. Trend in Raw Material:

During the year under review, the prices of raw material fluctuated throughout the year and the Company had to bear the extra cost due to increased cost of raw material in comparison with immediate previous year.

The Company has put efforts to build stock of input at appropriate prices to protect the margin to same extent.

#### 4. Sales Promotion Comparison:

During the year under review, the emphasis was on promotional activities at local level of dealers and distributors.

#### 5. Interest:

Your Company is a Debt Free one and the cost of interest is very nominal.

This was possible due to continuous efforts of the Management to keep your Company a debt free and sale the surplus assets at better price.



**6. Reserve & Surplus:**

The Company has free reserve & surplus of Rs.2514.19 lacs as on the date of Balance Sheet as against equity of Rs.1100.05 lacs.

**7. Fixed Assets:**

The Company has approval from its members to dispose of the surplus assets of its Unit-I at Daman. The management has partially exercised the power granted by members and continued efforts are being made to set up manufacturing facilities in different region of India & Abroad.

**8. Investments:**

During the year, your Company has made investment of Rs.21.13 lacs in a Joint Venture Company Prima Dee-Lite Plastics Pvt. Ltd., Cameroon.

The Company has partially used the idle funds in the investment of shares of blue chip companies.

**9. Sundry Debtors:**

The sundry debtors' position of the Company is comfortable and works out to 79 days of sales. The Company has made adequate provision towards debts outstanding over six months.

**10. Loans & Advances:**

The Company has not given any loans to the Company under the same Management except deposit against office premises on rental basis. The advances to outside parties are for the purposes of business. The Company has also

given Inter-Corporate deposit of Rs.120 lacs on interest from surplus funds available.

**11. Taxes:**

The Company has made a provision of taxation of Rs.2.35 lacs on account of minimum alternate tax. The Company has deferred tax assets as on the Balance Sheet date and the Management of the Company considered it prudent not to recognize any deferred tax assets.

**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.

By for and on behalf of the Board

Mumbai  
June 27, 2005.

**Dilip M. Parekh**  
Managing Director

## CORPORATE GOVERNANCE

### (a) Company's philosophy

The Company firmly believes in and has consistently practiced good Corporate Governance. The primary objective is to create and adhere to a corporate culture of accountability, professionalism, transparency and openness. The Company will endeavor to improve on these aspects on ongoing basis.

### (b) Board of Directors

During the year under review, the Board consists of an Executive Chairman, a Managing Director, and 3 Independent Non-Executive Directors.

The Board members, in consultation with the Chairman, may bring any matter to the notice and discuss in the Board. All key decisions are taken only after detailed discussions by the Board. The Board acts with autonomy and independence in exercising strategic supervision, discharging its fiduciary responsibilities and in ensuring that the management observes high standards of ethics, transparency and disclosure.

5 Board Meetings were held on May 03, 2004, June 26, 2004, July 29, 2004, October 29, 2004 & January 28, 2005. 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:

#### Details about Prima Plastics Limited Board of Directors.

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	Present	Nil
Shri Dilip M. Parekh	Managing Director	4	Present	Nil
Shri Mulchand S. Chheda	Independent Non-Executive Director	3	Absent	4
Shri Rasiklal M. Doshi	Independent Non-Executive Director	4	Present	1
Shri Krishnakant V. Chitalia	Independent Non-Executive Director	5	Present	2

None of the Directors is a member of more than 10 Board level committee, or a Chairman of more than five such committees.

### (c) Audit Committee

Audit Committee is entrusted by the Board of Directors to review the internal control and financial reporting process. The Audit committee is also authorised to review and comment on the audited financial results in accordance with the generally accepted audit and accounting standards. The audit committee ensures the accuracy, transparency and quality of financial reportings. The terms of reference of the Audit Committee inter-alia includes:

- It shall have the authority to investigate into any matter relating to accounts as referred to it by the Board and for this purpose, shall have full access to information contained in 'Accounting records' of the Company.
- Recommending the appointment and removal of Statutory Auditors, fixation of audit fees and also approval for payment for any other services relating thereto.
- Reviewing the Company's financial and risk management policies.
- And such other matters incidental or as may be delegated by the Board of Directors to the Committee from time to time.

The Committee consists of three non-executive directors, namely Shri Rasiklal M. Doshi, as a Chairman and Shri Mulchand S. Chheda and Shri Krishnakant V. Chitalia as members, all being Non-Executive Directors.

During the year under review, four meetings of the audit committee were held on June 26, 2004, July 29, 2004, October 29, 2004 & January 28, 2005. The composition and attendance details are given below:

Name of Directors	No. of Meetings	
	Held	Attended
Shri Mulchand S. Chheda	4	2
Shri Rasiklal M. Doshi	4	2
Shri Krishnakant V. Chitalia	4	4