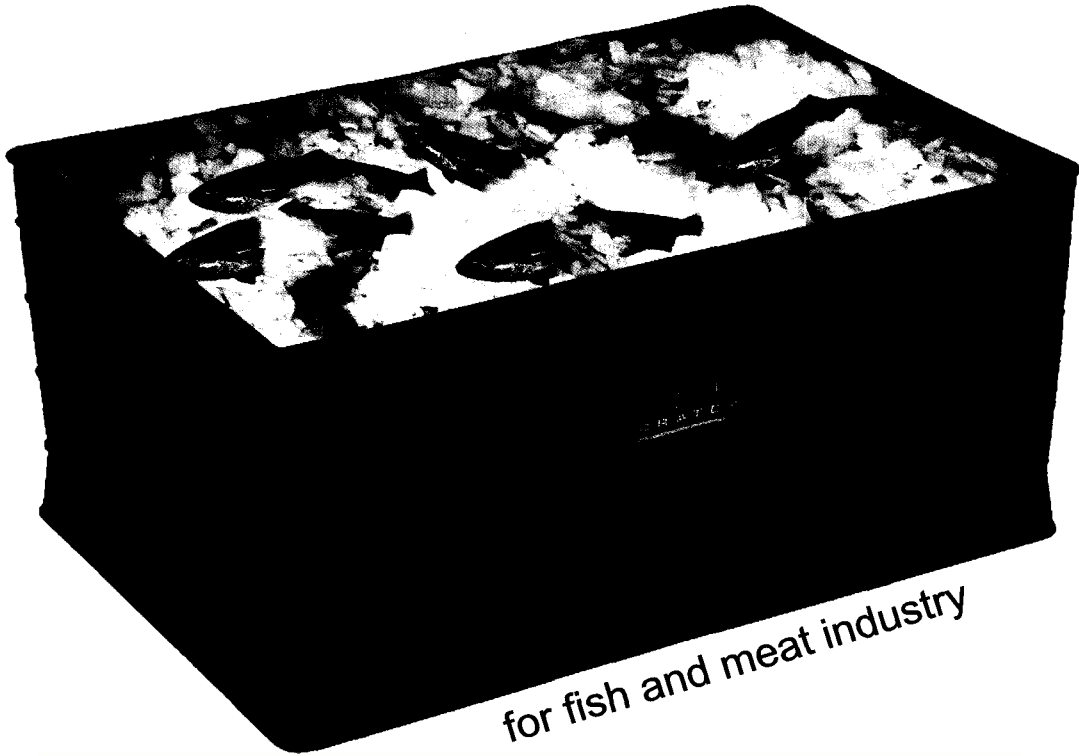




PRIMA PLASTICS LIMITED

15th Annual Report 2008-09

NEW INTRODUCED



for fish and meat industry



for fruit and vegetable industry



PRIMA PLASTICS LIMITED

BOARD OF DIRECTORS

Shri Bhaskar M. Parekh (Executive Chairman)

Shri Mulchand S. Chheda

Shri Krishnakant V. Chitalia

Shri Rasiklal M. Doshi

Shri Dilip M. Parekh (Managing Director)

15th ANNUAL GENERAL MEETING

Date : September 05, 2009

Time : 10.30 a.m.

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

BANKER

Corporation Bank

Bank of India

AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

WORKS

Moulded Furniture Division:

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

Aluminium Composite Panel Division:

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

MARKETING DEPOTS

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

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PRIMA PLASTICS LTD.



NOTICE

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

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

By Order of the Board of Directors

Mumbai
June 30, 2009

Bhaskar M. Parekh
Chairman

**NOTES:**

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

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

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

ITEM NO.4.

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

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

1. Basic Salary

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

2. Perquisites and Benefits

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

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

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

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

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

PRIMA PLASTICS LTD.

**ITEM NO.5**

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

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

1. Basic Salary

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

2. Perquisites and Benefits

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

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

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

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

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

By Order of the Board of Directors

Report Junction.com

Bhaskar M. Parekh
Chairman

Mumbai
June 30, 2009

Registered Office:

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

DETAILS OF DIRECTOR SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Shri Krishnakant V. Chitalia
Date of Birth	12-08-1939
Date of appointment	18-06-1996
Qualification	B.Com
Expertise in specific area	He has wide and varied experience in the field of Plastic, Electrical and Dairy products.
Other Directorships	Venlon Enterprises Limited.
Number of Shares held	5,295 Equity Shares



DIRECTORS' REPORT

Dear Shareholders,

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

(Rs. in Lacs)

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

DIVIDEND

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

OPERATIONAL PERFORMANCE

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

Moulded Furniture:

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

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

Aluminium Composite Panel (ACP):

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

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

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT.

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

DIRECTORS

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

BUSINESS OUTLOOK

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



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

LISTING WITH THE STOCK EXCHANGE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

AUDITORS & AUDITOR'S REPORT

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

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

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

PARTICULARS OF EMPLOYEES

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

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

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

FIXED DEPOSITS

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

CORPORATE GOVERNANCE

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

APPRECIATION

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

For and on behalf of the Board

Mumbai,
June 30, 2009

Bhaskar M Parekh
Chairman



ANNEXURE TO DIRECTORS' REPORT

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

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

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

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

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

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

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

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

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

II. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION.

(A) RESEARCH & DEVELOPMENT (R&D).

1. Specific areas in which R&D has been carried out by the Company:

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

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

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

3. Further Plan of action:

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

4. Expenditure on R&D:

a) Not Substantial.

(B) TECHNICAL ABSORPTION, ADAPTATION & INNOVATION.

1) Efforts in brief made towards technology absorption, adaptation and innovation.

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

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

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

3) The Company has not imported any technology or processes know how.

III. FOREIGN EXCHANGE EARNING AND OUTGO:

1) Activities relating to exports initiative taken to increase exports; development of new exports market for products and services; and export plans:-

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

2) Total foreign exchange used and earned.

(Rs.)

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

For and on behalf of the Board

Mumbai
June 30, 2009

Bhaskar M. Parekh
Chairman



MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

Industry Structure & Development:

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

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

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

Opportunities, Threats, Risks and Concerns:

Moulded Furniture:

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

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

Aluminium Composite Panel:

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

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

Opportunities & Challenges:

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

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

Performance Highlight.

Moulded Furniture:

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

Exports:

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

Raw Material:

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

Aluminium Composite Panel:

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

Raw Material:

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

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