

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, 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, Coimbatore & Zirakpur
(Punjab)

MARKETING OFFICE

New Delhi

16TH ANNUAL GENERAL MEETING

Date : August 28, 2010
Time : 10.30 a.m.
Venue : Hotel Sandy Resorts,
Devka Beach,
Nani Daman,
Daman (U.T.), Pin - 396 210

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NOTICE

Notice is hereby given that the Sixteenth 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 August 28, 2010 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, 2010, 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 on Equity Shares for the year ended March 31, 2010.
3. To appoint a Director in place of Shri Mulchand S. Chheda, 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 29, 2010

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 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, August 23, 2010 to Saturday, August 28, 2010, (both days inclusive) for the purpose of determining the eligibility of the Members entitled to Dividend.
4. The Board of Directors in their Meeting held on May 29, 2010 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 before 30th day from the date of declaration to those members, whose name is appear in the Register of Members on August 28, 2010.
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, 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 advance tool to interact with shareholders. Please login into iBoss (www.bigshareonline.com) and help them to serve you better."
8. Brief profile of the Directors seeking reappointment at the forthcoming AGM.

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

Name of Director	Shri Mulchand S. Chheda
Age	71 years
Date of appointment	05-12-1994
Qualification	B.Com
Expertise in specific area	Mr. Chheda is a Promoter of Prince Group. He joined family business of Grocery shop and expanded it to a well known business house in Plastic furniture, Household goods, Crates, Real Estate. He has more than 50 years experience in Plastic Business.
Other Directorships in Public Limited Co.	None
Number of Shares held	Nil

By Order of the Board of Directors

Bhaskar M. Parekh
Chairman

Mumbai,
May 29, 2010

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 16th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2010.

(Rs. In Lacs)

FINANCIAL RESULTS	2009-2010	2008-2009
Gross Income	7,044.72	6,191.39
Profit before Interest, Depreciation and Tax	556.05	103.45
Less : Interest	35.89	73.70
Less : Depreciation	154.62	156.99
Profit/(Loss) before Taxation	365.54	(127.24)
Less : Current Tax	63.00	NIL
Less: Fringe Benefit tax	NIL	3.40
Profit /(Loss) after Tax	302.54	(130.64)
Add : Balance b/f from previous year	1,587.81	1,718.45
Balance available for appropriation	1,890.35	1,587.81
Appropriation :		
Proposed Dividend	110.00	NIL
Dividend Tax	18.69	NIL
Transfer to General Reserve	50.00	NIL
Balance c/f to Balance Sheet	1,711.66	1587.81

DIVIDEND

The Company has performed better during the year, therefore, your Directors are pleased to recommend a Dividend of Rs.1/- per equity share (10%), which is subject to consideration and approval of the shareholders at the ensuing Annual General Meeting of the Company. The total outflow on account of Equity Dividend will be Rs.128.69 lacs including corporate tax on dividend.

GENERAL RESERVES

Your Directors have proposed to carry a sum of Rs.50 lacs to the General Reserve Account out of the profits available.

OPERATIONAL PERFORMANCE

The fiscal year under review would be marked as an important year for the Indian industries, which has shown the growth mainly driven by domestic demand in spite of the global slowdown. The Industry in general benefited by financial stimulus package given by the Government of India.

Your company too achieved higher net sales in moulded furniture segment of Rs.4751.32 lacs as against Rs.3500.76 lacs in the last year. The growth in sales in percentage terms achieved is 36%.

The Exports were higher at Rs.794.94 lacs as compared to Rs.465.84 lacs in last year. The growth in export in percentage term achieved is 71%. The moulded furniture division has earned a profit before interest of Rs.507.53 lacs as compared to loss of Rs.44.40 lacs in last year.

The company's ACP Division did not perform to its expectation; mainly due to lack of demand in commercial segment of Real Estate. The company has scale down its operations looking to the weak recovery of its dues from the segment sales. The company is taking number of steps to re-focus the marketing module to establish the product in different market of this segment.

Overall the company's performance is satisfactory and registered a net profit of Rs.302.54 lacs after tax.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

A detailed review of the progress and the future outlook of the company and its business, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange is presented in a separate section forming part of the Annual Report.

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 and nature of his experience is given in the Section on Notice elsewhere in the Annual Report.

BUSINESS OUTLOOK

The recovery in Economy & Growth in demand of all products appears well founded and the medium and long term outlook seems stable. We are well placed to take the advantage from the sustained growth of our economy. Our priorities are focused on diversifying geographical area within & outside India for our moulded furniture division.

The construction business is transforming from unorganized individual builders to Big Corporate Houses and will be more matured and professional in years to come. Apart from institutional sale, the ACP division has vast potential in retail segments of exterior & interior business throughout India.

JOINT VENTURE

The Joint Venture Company viz – 'Prima Dee-Lite Plastics Pvt. Ltd. has achieved turnover of INR 1314.93 (lacs) in the calendar year 2009 as compared to INR 1172.67 (lacs) in the previous calendar year and earned a profit of INR 346.61 (lacs) against INR 49.41 (lacs) in the previous calendar year. The JV Company is set to declare a handsome dividend for its performance of calendar year 2009.

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, 2010, the applicable accounting standards read with requirements set out under Schedule VI to the Company 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, 2010 and of the profit of the Company for the year ended on that date;
- III. The Directors have taken proper and sufficient care 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; and
- IV. The annual accounts for the financial year ended March 31, 2010 have been prepared 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 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

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.

APPRECIATION

The Board would like to express their appreciation for assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The board also wishes to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of the Board

Mumbai,
May 29, 2010

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.

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 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 export awards from "PLEXCONCIL" of India in last 13 years, during the year, the Company has exported worth Rs.794.94 lacs (Rs.465.84 lacs last year) which itself speaks of its performance on export front.

- 2) Total foreign exchange used and earned.

(Rs.)

	2009-2010	2008-2009
Foreign Exchange earned (FOB) – (Finished Goods)	72,746,223	42,437,626
Foreign Exchange earned (Capital Goods)	5,17,000	855,000
Foreign Exchange used	65,439,668	68,627,057

For and on behalf of the Board

Mumbai
May 29, 2010

Bhaskar M. Parekh
Chairman

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

MOULDED FURNITURE

Overview:

The financial year 2009-10 was challenging for the global economy but Indian economy was back on track and grew over 7% with strong Industrial recovery is the key strength behind the higher growth and Indian consumers have surprised the world by step up spending with their rising income.

With the softening of prices of crude oil, prices of polymer product have also started softening. Further availability of polymer products were ease with new capacity addition in Gulf Countries. Overall the Indian moulded furniture industry was benefited with market sentiment, government stimulus package, change in Indian consumers habit, demand of the products etc.

OUTLOOK

The moulded furniture has its own advantages against traditional furniture and the industry is offering new & innovative design, colour & models to the consumers, the demand for the products will be rising particularly in growing economy.

The Exports Prospects are encouraging and there are demand from several under developed & developing countries. The overall income is raising world over due to globalization of economy and jobs avenues in Middle East / Gulf Countries. The company foresee a better export opportunities in the coming year.

The pricing of polymer is widely expected to remain stable and availability will be further ease with a capacity expansion of Polymers in Middle East, Gulf, China & other Asian Countries.

OPPORTUNITY

Your company has established its brand image as quality products and value for money, resulting in customer satisfaction. The company foresees opportunity to tap the different region of India by setting up units to fetch local market.

The exports of the company rose by 71% from its immediate previous year. The company is also looking to set up manufacturing units in under-developed/developing countries to take advantage of logistic.

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 small players are prone to un-ethical practices in a temporary phase.

ALUMINIUM COMPOSITE PANEL

Overview

The global recession in various countries have impacted badly to their real estate business and triggered panic amongst investors resulting in low demand, and lack of fresh commitment by investors.

The Indian real estate has partially recovered in Financial Year 2009-10. The residential segment shown recovery because of overall shortage of residential unit in the country but the sluggish demand continued in commercial & Mall segment due to excess supply in past 2-3 years. The segment is slowly picking up and it is expected to further grow resulting in demand of Aluminium Composite Panel.

OPPORTUNITY

The Aluminium Composite Panel has wide usage in interior as well as exterior of building & other structure. The retail business has high demand for the product and growing due to shift of liking and modern look of ACP.

THREAT

The 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.

Performance Highlight

Moulded Furniture:

The company has achieved a growth in sales of 36% from the previous year and earned a new profit before interest Rs.507.53 lacs against loss of Rs. 44.40 lacs in the previous year.

Exports:

The exports from the company has shown impressive results and higher by 71% when compared from immediate previous year.

Raw Material:

The overall raw material prices were stable with ample supply available to cater the demand. The prices were moved within range of 20% in line with prices of crude oil.

Aluminium Composite Panel:

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 also has taken necessary effective steps for starting retail business with dealer / distributor's network throughout the India. It is expected that once implemented, the profit of your company will improve substantially.

Raw Material:

The main raw material for ACP division is Coated Aluminum Coil and prices of the Aluminium are driven by global market. At present the prices are within the reasonable range.

The Company mainly sources, its raw material needs for imports from China & other leading countries.

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 from the calendar year 2009 was Rs.1,314.93 (lacs) as compared to Rs.1,172.67 (lacs) for the previous calendar year. The profit for the year after depreciation and tax was Rs346.61 (lacs) as compared to Rs.49.41(lacs) in the previous year. The J.V. Company has paid interest of Rs.41.15 (lacs) on unsecured loan granted by the Company.

In view of encouraging results, the JV Partners were looking for other products of high growth.

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 hedge no other way is available to the company and hence the volatility in foreign currency rates in consistently addressed by ensuring adequate cover by way forward contract. The company does not enter into any 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 all its product. The company manages these risks in input their inventory management, input through buyer credit etc. However impact on price risk on finished goods are minimal due to its brand image and marketing network.

Business Risk

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 the 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.

Internal Control System and their Adequacy:

The company has comprehensive system of internal controls to safeguard the company's assets against loss from unauthorized use and ensure proper authorization of financial transactions.

The Company's accounting process is based on uniform accounting guideline that sets out accounting policies and significant processes and deadlines on a company wide basis. There are binding directives for internal reconciliations and other accounting operations. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls, and compliance with laws and regulations.

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.

Human Resource:

Your company firmly believes that its employees are the key to achievement of the Company's objectives and strategies. The Company provides employees with a fair and equitable work environment and support to develop their capabilities and to take responsibility. To meet the human resource needs of expansion and diversification plans, executives have been inducted at different levels. With the competition in all spheres of industry reaching unprecedented levels, companies are continuously reinvesting themselves in a bid to gain competitive advantage. With rapidly changing business environment, the Company needs to upgrade existing skills set and meet new challenges.

Cautionary Statement:

Any statement made in this report relating to Company's perception of future outlook, objectives, expectations etc. may be considered as forward looking within the meaning of applicable laws and regulations which may differ from the actual results, based on circumstances.

For and on behalf of the Board

Mumbai
May 29, 2010

Bhaskar M. Parekh
Chairman

CORPORATE GOVERNANCE

(a) Company's Philosophy

Corporate Governance essentially is a set of standards, which aims to improve the company's efficiency, effectiveness and social responsibility. The concept emphasizes on transparency, accountability, independence and integrity of the management, with focus on public interest in particular.

The company's Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of listing agreement with stock exchanges, but also several voluntary practices at a superior level of business ethics, effective supervision and enhancement of shareholders' value.

Traditional views of governance as a regulatory and compliance requirement have given way to adoption of governance tailored to the specific needs of the Company. Clause 49 has set the benchmark compliance rules for a listed company and the baseline for governance standards.

It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives.

Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target.

The company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting shareholders trust while maximizing long-term corporate value.

(b) Board of Directors

Composition

The Company has an Executive Chairman and the number of Independent Directors exceeds one-half of the total number of Directors.

The number of Independent Directors is 3 as against the stipulated one half of the total number of Directors. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2010 have been made by the Directors.

Board Meetings

A. Institutionalised decision making process

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, Management policies and their effectiveness and ensures that the long term interests of the stake holders are being served. The Chairman and Managing Director is assisted by the Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted 5 Standing Committees, namely Audit Committee, Investors Grievance Committee, Remuneration Committee, Management Committee and Share Transfer Committee. The Board constitutes additional functional committees, from time to time, depending on these business needs.

B. Scheduling and selection of Agenda Items for Board Meetings

A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circular meeting.

The meetings of the Board are generally held at Mumbai and are scheduled well in advance. The Board Agenda is circulated to the Directors in advance.

C. Distribution of Board Agenda Material

Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

D. Recording Minutes of proceedings at Board and Committee Meetings

The Company records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting.

E. Post Meeting Follow-up Mechanism

The Company has an effective post meeting follow up, review and reporting process mechanism for the decisions taken by the Board/ Committees. The important decisions taken at the Board/Committee meetings are communicated to the concerned Functional Heads promptly. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/ Committee for noting by the Board/Committee members.

During the year under review, five Board Meetings of Directors were held on:

June 30, 2009, July 30, 2009, October 29, 2009, January 27, 2010 & March 27, 2010.

Board's Responsibilities

The Board's mandate is to oversee the company's strategic direction, review and monitor performance, ensure regulatory compliance and safeguard the interests of stakeholders.

Role of Independent Directors

For a Director to be considered independent, the Board determines that the Director does not have any direct or indirect material pecuniary relationship with the Company. The Board has adopted guidelines which are in line with the applicable legal requirements.

Constitution of Board of Directors and Related Information

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:

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	5	Present	Nil
Shri Mulchand S. Chheda	Independent Non-Executive Director	4	Present	4
Shri Rasiklal M. Doshi	Independent Non-Executive Director	4	Present	6
Shri Krishnakant V. Chitalia	Independent Non-Executive Director	4	Present	2

None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors.

Shareholdings of Non-Executive Directors as on March 31, 2010 are as under:

Name	No. of Ordinary shares held	% of Paid-up Capital
Mr. Krishnakant V. Chitalia	5,295	0.05
Mr. Mulchand S. Chheda	0	0.00
Mr. Rasiklal M. Doshi	7,000	0.06

Details of Director(s):

In compliance with Clause 49 IV (G) of Listing Agreement, brief resume, expertise and details of other directorships, membership in committees of directors of other companies and shareholding in the company of the Directors proposed to be reappointed are attached along with the Notice to the ensuing Annual General Meeting.

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the company.

The Code of Business Conduct and Ethics for Directors and management personnel ('the Code'), as recommended by the Corporate Governance and Stakeholders' Interface Committee and adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers around the following theme:

"The Company's Board of Directors and Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. The Code should be adhered to in letter and in spirit.

All Board members and senior management personnel have affirmed compliance with the Code on an annual basis.

Audit Committee**Composition**

The Audit Committee has three Directors as members and two members of Committee are Independent Directors. The Managing Director is also a member for better representation of Management at the meeting. All members of Audit Committee are financially literate and belong to big business house. The Chairman of Audit Committee has accounting or related financial management expertise and is an Independent Director. The Chairman of the Audit Committee was present at Annual General Meeting to answer stakeholders' queries. The representative of the statutory auditors is invited to attend meeting of the Committee.

During the year under review, four meetings of Audit Committee was held on June 29, 2009, July 29, 2009, October 29, 2009 & January 27, 2010.

Name of the Members and Chairman

Sr.No.	Name of Member	Category	No. of Meeting Attended
1	Shri Krishnakant V. Chitalia (Chairman)	Independent Director	3
2	Shri Mulchand S. Chheda	Independent Director	3
3	Shri Dilip M. Parekh	Managing Director	4

Terms of Reference

The role and terms of reference of the Audit Committee specified by the Board are in conformity with the requirements of Clause 49 of the listing agreement as well as Section 292A of the Companies Act, 1956. The Committee acts as a link between the statutory and the Board of Directors. The responsibilities of the Audit Committee include overseeing of the financial reporting process to ensure fairness, adequate disclosures and credibility of financial statements, recommendation of appointment and removal of statutory auditors, review of the adequacy of internal control systems.

The Audit Committee is authorized to:

1. Investigate any activity within its terms of reference.
2. Seek information from any employee.
3. Obtain outside legal or other professional advice.
4. Secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of Audit Committee includes the following:

- Review of the company's financial reporting process and the disclosure of its financial information.
- Recommending to the Board, the appointment, reappointment of statutory auditors and fixation of audit fees and approving payments for any other services rendered by statutory auditors.
- Reviewing, with the management, the quarterly and annual financial statements before they are submitted to the Board for approval.
- Discussion with auditors periodically about internal control systems and ensure compliance of internal control systems.
- Reviewing the findings of any internal investigations into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit including the observations of the auditors, as well as post-audit discussion to ascertain any area of concern.
- To review the Management discussion and analysis of financial condition and results of operations.
- To review the significant related party transactions.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Reviewing the findings of any internal investigations by the Management into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- And such other matters incidental or as may be delegated by the Board of Directors to the Committee from time to time.

Remuneration Committee

Composition

The Remuneration Committee consists of three Independent Directors.

During the year under review, one meeting of the Remuneration Committee was held on May 28, 2010.

Sr.No.	Name of Member	Category	No. of Meeting Attended
1	Shri Krishnakant V. Chitalia (Chairman)	Independent Director	1
2	Shri Mulchand S. Chheda	Independent Director	1
3	Shri Rasiklal M. Doshi	Independent Director	1

Terms of Reference

The function of the Remuneration Committee includes recommendation of appointment of Whole-Time Director(s) / Managing Director, evaluation of the performance of the Whole-Time Director(s) / Managing Director and recommendation to the Board of the remuneration to Whole-Time Director(s) and Independent Director(s) and such other functions as delegated by the Board from time to time.

Remuneration Policy

Payment of remuneration to the Whole-Time Director(s) is governed by the agreement executed between them and the company and is approved by the Board and the shareholders in terms of Schedule XIII to the Companies Act, 1956. Their remuneration structure comprises of salary, perquisites, allowances and contribution to provident, superannuation and gratuity funds. The Non-Executive Directors are paid sitting fees for attending the meetings of the Board of Directors.

Details of Remuneration paid to Whole-Time Director(s) / Managing Director

(Rs.)

Name of Director	Salary	Allowances & Perquisites	Contribution to PF	Total
Shri Bhaskar M. Parekh(Executive Chairman)	1,150,000	600,000	57,600	1,807,600
Shri Dilip M. Parekh(Managing Director)	1,080,000	600,000	50,400	1,730,400

Details of Remuneration paid to Independent Directors.

(Rs.)

Name of Director	Total Sitting Fees Paid
Shri Mulchand S. Chheda	20,000
Shri Rasiklal M. Doshi	20,000
Shri Krishnakant V. Chitalia	20,000

Investors' Grievances Committee

Composition

The Investors' Grievances Committee consists of three Directors.

During the year under review, four meetings of the Investors' Grievances Committee were held on June 29, 2009, July 30, 2009, October 29, 2009 and January 27, 2010.

Sr.No.	Name of Member	Category	No. of Meeting Attended
1	Shri Bhaskar M. Parekh (Chairman)	Executive Chairman	4
2	Shri Mulchand S. Chheda	Independent Director	3
3	Shri Dilip M. Parekh	Managing Director	4

Terms of Reference

The function and powers of the Committee include approval and rejection of transfer or transmission of shares, issue of duplicate certificates, review and redressed of shareholders and investors complaints relating to transfer of shares and non-receipt of Annual Report etc. The Committee meets once in three month.

The work relating to Share Transfer etc. is looked after by M/s. Bigshare Services Private Limited. The minutes of the Investors' Grievances Committee are periodically placed before the Board of Directors.

Name of the Compliance Officer

Mr. Manoj Toshniwal is the Compliance Officer in terms of Clause 47 of the Listing Agreement .

Investors' Service

Details of complaints regarding shares for the year 2009-2010.

Nature of Complaint	Number of complaints	Number redressed
Non-receipt of Annual Report	2	2
TOTAL	2	2

There were no outstanding complaints as on March 31, 2010.

Management Committee**Composition**

In addition to the above Committee, the Board has also constituted a Management Committee to review and guide the Company on various operational matters.

During the year under review, Four Meetings of the Committee were held on August 12, 2009, September 21, 2009, November 18, 2009 & February 08, 2010.

The Composition and attendance details are given below:

Sr.No.	Name of Member	Category	No. of Meeting Attended
1	Shri Bhaskar M. Parekh (Chairman)	Executive Chairman	4
2	Shri Dilip M. Parekh	Managing Director	4
3	Shri Mulchand S. Chheda	Independent Director	1

General Body Meetings:**Date, time and venue of the last three Annual General Meetings (AGM)**

Financial year (ended)	Name of Meetings	Date & Time	Venue
March 31, 2007	Thirteenth Annual General Meeting.	September 22, 2007, 10.30 a.m.	Hotel Sandy Resorts, Daman.
March 31, 2008	Fourteenth Annual General Meeting.	September 20, 2008, 10.30 a.m.	Hotel Sandy Resorts, Daman.
March 31, 2009	Fifteenth Annual General Meeting.	September 05, 2009 10.30 a.m.	Hotel Sandy Resorts, Daman.

SPECIAL RESOLUTION PASSED IN PREVIOUS THREE ANNUAL GENERAL MEETINGS (AGMs)

Date of AGM	Details of Special Resolution
September 22, 2007	To appoint a relative of director at an office or place of profit u/s 314(IB)
September 20, 2008	None
September 05, 2009	To appoint a relative of director at an office or place of profit u/s 314(IB)

Passing of resolution by Postal Ballot:

No item of business, which required the Members approval through Postal Ballot was transacted during 2009-2010. Accordingly, the Companies (Postal Ballot) Rules 2001 is not applicable to the Company during the said year.

(c) Disclosure:**Related Party Transaction**

The Company has the following policy in disclosing the related party transactions to the Audit Committee.

- A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.
- Details of material individual transactions with related parties, which are not in the normal course of business, if any, are placed before the Audit Committee.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis, if any, are placed before the Audit Committee, together with Management's justification for the same.

Transactions with related parties entered in the ordinary course of business have been disclosed in Note 11 of the Notes to accounts of Schedule 23 to the Accounts of the Company as at March 31, 2010.

There is no materially significant transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the company at large.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the company has followed the accounting standards referred to in sections 211(3) (C) of the Company's Act, 1956. The significant accounting policies which are consistently applied are set out in the Schedule 22 forming part of Accounts.

Insider Trading

The Company has comprehensive guidelines in accordance with the SEBI Regulations in this regard, which advise and caution the Directors, Management and Executives on the procedures to be followed, whilst dealing with the securities of the company. The Insider Trading Code framed by the company helps in ensuring compliance with these requirements. These guidelines were modified during the year, in terms of the SEBI Notification No. LAD-NRO/GN/2008/29/44801 dated November 19, 2008.

Risk Management

The company reviews the risks experienced with respect to its business area operations, as well as, financials and validates the adequacy of insurance and other risk mitigation measure proposed by the company's business. It ensures that the company's risk management mechanisms provide an evaluation of the most significant risks, relative to the strategy and objectives.

Details of non-compliance

There has been no instance on non-compliance by the company on any matter related to capital markets during the last three years and hence no panalties or strictures have been imposed on the company by the Stock Exchange or SEBI or any other statutory authority.

Compliance of Non-Mandatory requirements

The Company has implemented the following non-mandatory requirements recommended by Clause 49 of the Listing Agreement.

1. Remuneration Committee

The Remuneration Committee comprising three Non-Executive Directors is already functional, for review and decisions on the Remuneration package of the Whole time Directors.

2. Financial Results

Financial results as published in the newspapers are made available to the members on request. These results are also sent by email to those members who have provided their email ID to the Company.

3. Whistle Blower Policy

The Company has a dedicated email ID addressed to the Managing Director for enabling the employees to represent concerns about unethical practice, fraud or violation of the company's code of business practice. The medium provides sufficient safeguards against victimisation of employees who report such matters.

Means of Communication**1. Quarterly Results**

Quarterly results are published in at least one newspaper and are displayed on the Company's website www.primaplastics.com

2. Website

The Company's website: www.primaplastics.com contains separate dedicated section "Investor relations" where shareholders information is available. The Annual Report of the company is also available on the website in a user-friendly and downloadable form.

3. Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and other entitled thereto. The Management Discussion and Analysis (MD&A) report forms part of the Annual Report.

4. Chairman's Communique

Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meeting.

5. Corporate Filing and Dissemination System (CFDS)

The CFDS portal jointly owned, managed and maintained by BSE is a single source to view information filed by listed companies. All disclosures and communications to BSE are filed electronically through the CFDS portal and hard copies of the said disclosures and correspondence are also filed with the stock exchange.

6. Designated Exclusive email-id

The Company has designated the following email-id exclusively for investor servicing. For Annual Report and other queries – investor@primaplastics.com

General Shareholders' Information

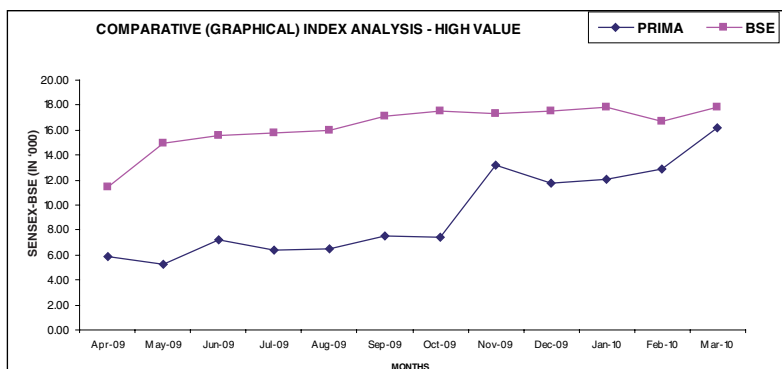
1.	Date, Time & Venue of AGM	August 28, 2010 at 10.30a.m. at Sandy Resorts, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210.
2.	Financial Calendar:	
	Financial Year	April 01, 2010 to March 31, 2011.
	First Quarter Results	By 15th of August 2010.
	Second Quarter Results	By 15th of November, 2010.
	Third Quarter Results	By 15th of February, 2011.
	Year Ended March 31, 2011	By 31st of May, 2011
3.	Book Closure	The Register of Members will remain closed for transfer from August 23, 2010 to August 28, 2010(inclusive of both days).
4.	Name & Address of Registrar & Transfer Agent	M/s. Bigshare Services Pvt. Ltd., E-2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072.
5.	Listing	The Company's shares are listed and traded on the Stock Exchange, Mumbai
6.	Stock Code: Stock Exchange of Mumbai.	530589
7.	ISIN No.(Demat No.): NSDL & CDSL.	INE573B01016

Market Price Data of Prima: High each month during last financial year

Month	April '09	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan'10	Feb.	March
High	5.90	5.25	7.25	6.36	6.52	7.57	7.40	13.24	11.75	12.05	12.85	16.20

BSE Sensex Data: High each month during last financial year

Month	April '09	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. '10	Feb.	March
High	11430.25	14930.54	15600.30	15732.81	16002.46	17142.52	17493.17	17290.48	17530.94	17790.33	16669.25	17793.01



Distribution of Shareholding by ownership March 31, 2010

Category		No. of Shares Held	% of Shareholding
A	Promoter's holding		
a)	Indian Promoters	5,167,030	46.97
b)	Persons acting in concert.	1,311,613	11.92
	Sub-Total	6,478,643	58.89
B	(i) Non-Promoters Holding		
a)	Mutual Funds and UTI	2,300	0.02
b)	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Inst.)		
	Sub-Total	2,300	0.02
	(ii) Others		
a)	Private Corporate Bodies	374,104	3.40
b)	Indian Public	3,722,164	33.84
c)	NRIs / OCBs	423,259	3.85
	Sub-Total	4,519,527	41.09
	Grand Total	11,000,470	100.00

Distribution of Shareholding by size, March 31, 2010

Number of Shares		Number of Shareholders	Shareholders %	Number of Shares held	Shareholding %
1	500	4,688	84.96	777,603	7.07
501	1000	402	7.29	350,224	3.18
1001	2000	173	3.14	270,361	2.46
2001	3000	105	1.90	271,667	2.47
3001	4000	24	0.43	85,208	0.77
4001	5000	33	0.60	156,553	1.42
5001	10000	44	0.80	324,540	2.95
10001 and above		49	0.88	8,764,314	79.68
TOTAL		5,518	100.00	11,000,470	100.00

As on March 31, 2010, Shares held in physical and dematerialised form

Physical	677,135	6.16%
Dematerialised	10,323,335	93.84%
Total	11,000,470	100.00%

Plant Locations:

The Company's two manufacturing units for moulded furniture are located at Daman, (U.T.) and Kerala and manufacturing unit for Aluminium Composite Panel is located at Daman.

Address for Correspondence:

1. Investors can communicate at the following address:

Mr. Manoj Toshniwal – Compliance Officer,

M/s. Prima Plastics Limited, 41, National House, Saki-Vihar Road, Andheri (E), Mumbai – 400 072.

Tel. No.+ 91 22 - 2857 4768 / 2857 4769 * Fax No. + 91 22 - 2857 2859 * E-mail: investor@primaplastics.com

2. **M/s. Bigshare Services Pvt. Ltd.,**

Unit : Prima Plastics Limited,

E-2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072.

Tel.No.+ 91 22 - 2847 0652/40430200 * Fax No.+ 91 22 - 2847 5207 *

E-mail: ansar@bigshareonline.com * Website: www.bigshareonline.com

Shareholder holding shares in Demat mode should address all their correspondence to the respective Depository Participants.

Share Transfer System:

Share transfers are processed and share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the company's securities to the Share Transfer Committee. A summary of transfer / transmission of securities of the company so approved by the Share Transfer Committee is placed at every Board Meeting. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchange and file the copy of the certificate with the Stock Exchange.

For and on behalf of the Board

Mumbai
May 29, 2010

Bhaskar M. Parekh
Chairman

CEO/CFO Certification

The Managing Director of the Company give Annual Certification of Financial Reporting and Internal Controls to the Board in terms of Clause 49. The Managing Director also give quarterly certification on financial results while placing the financial results before the Board in the Terms of Clause 41.

For **Prima Plastics Limited**

Mumbai
May 15, 2010

Dilip M. Parekh
Managing Director

Certificate on Corporate Governance**To the Shareholders of Prima Plastics Limited**

1. We have examined the compliance of conditions of corporate governance by **Prima Plastics Limited**, for the year ended on March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **G.P. Kapadia & Co.**
Chartered Accountants

Mumbai
May 29, 2010

Kirit N. Mehta
Partner
M No.15759

AUDITORS' REPORT

To,

**The Members of
Prima Plastics Limited**

We have audited the attached Balance Sheet of PRIMA PLASTICS LIMITED, as at 31st March, 2010 and also the Profit & Loss Account of the Company, for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date and annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted the audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of the sub section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in the paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2) In our opinion, proper Books of Account, as required by law, have been kept by the Company, so far as it appears from our examination of the Books.
- 3) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.
- 4) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- 5) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2010 from being appointed as a Director of the Company under section 274 (1)(g) of the Companies Act, 1956.
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes appearing in schedules therein, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company, as at 31st March, 2010; and
 - b. In the case of the Profit & Loss Account, of the Loss for the year ended on that date and
 - c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **G. P. Kapadia & Co.**
Chartered Accountants
Firm Regn. No. 104768W

Kirit N. Mehta
Partner
M. No.15759

Mumbai
May 29, 2010

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our Report of even date on the accounts of Prima Plastics Limited for the year ended March 31, 2010:

1. In respect of its fixed assets:
 - (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the Management at reasonable intervals having regard to size of company and nature of its assets and no material discrepancies have been noticed during such verification.
 - (c) In our opinion the disposal of fixed assets during the year does not affect the going concern assumption.
2. In respect of its inventories:
 - (a) As explained to us, physical verification of inventories has been conducted by the management, at reasonable intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures followed for physical verification of inventories, by the management, are reasonable and adequate, in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. As explained to us, there is no material discrepancies noticed on physical verification of inventory, as compared to book records.

3. According to the information and explanations given to us, the Company has not granted or taken secured or unsecured loans to / from Companies, firms or other parties covered in the Register maintained under Section 301 of the Company Act, 1956. Accordingly clauses (iii) (b) to (iii) (g) of CARO are not applicable.
4. In our opinion and according to the information given to us, there are adequate internal control procedures, commensurate to the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. (a) According to the information and explanations given to us, the transactions that needs to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
(b) According to the information and explanations given to us, the transactions entered in the register maintained under Section 301 during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time at which transactions for similar goods have been made with others parties.
6. The Company has not accepted any deposit from the public to which the provisions of sections 58A and 58AA of Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 do not apply.
7. The Company needs to strengthen Internal Audit system commensurate to the size of the Company and nature of the business.
8. According to the information & explanation given to us, and based on primary verification of records the company has maintained cost records under Section 209 (1) (d) of the Companies Act, 1956, However we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
 - a. According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Statutory Dues applicable to it with the appropriate authorities. There were no arrears as at 31st March 2010 for a period of more than six months from the date they became payable.
 - b. In our opinion and according to the information and explanations given to us, there are no dues in respect of Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess that have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, bank.
12. Based on our examination of records and the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a Nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
14. According to the information and explanations given to us, the Company is not dealing or trading in Shares, Securities, Debentures and Other investments. Accordingly, paragraph 4(xiv) of the order is not applicable.
15. According to the information and explanation given to us and records examined by us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the company has not borrowed any money on term loan.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investments.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. The company has not issued debenture during the year.
20. The company has not raised any money by public issue during the year.
21. According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **G. P. Kapadia & Co.**
Chartered Accountants
Firm Regn. No. 104768W

Kirit N. Mehta
Partner
M. No.15759

Mumbai
May 29, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As At 31-03-2010 Rs.	As At 31-03-2009 Rs.
I SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	110,004,700	110,004,700
Reserves & Surplus	2	<u>259,902,118</u>	<u>242,517,274</u>
		369,906,818	352,521,974
Loan Funds			
Secured Loans	3	17,178,327	21,954,674
Unsecured Loans	4	<u>10,244,288</u>	<u>17,205,590</u>
		27,422,615	39,160,264
TOTAL		<u>397,329,433</u>	<u>391,682,238</u>
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	378,022,076	381,333,849
Less : Depreciation		<u>249,178,716</u>	<u>248,002,583</u>
Net Block		128,843,360	133,331,266
Capital Work-in-Progress		<u>3,260,992</u>	<u>2,328,460</u>
		132,104,352	135,659,726
Investments	6	23,222,627	23,222,627
Current Assets, Loans & Advances			
Inventories	7	153,161,513	84,997,719
Sundry Debtors	8	124,656,039	123,411,013
Cash & Bank Balances	9	14,985,431	15,744,724
Loans & Advances	10	<u>49,112,064</u>	<u>58,554,124</u>
		341,915,047	282,707,580
Less : Current Liabilities & Provisions			
Current Liabilities	11	80,743,123	49,907,695
Provision	12	19,169,470	NIL
Net Current Assets		<u>242,002,454</u>	<u>232,799,885</u>
TOTAL		<u>397,329,433</u>	<u>391,682,238</u>
Significant Accounting Policies and Notes forming part of the Accounts	22 & 23		

As per our Report of even date attached

For and on behalf of the Board

For G. P. Kapadia & Co.
Chartered Accountants

Bhaskar M. Parekh
Chairman

Kirit N. Mehta
Partner
Membership No.15759

Krishnakant V. Chitalia
Director

Mumbai,
May 29, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	For the year ended 31-03-2010 Rs.	For the year ended 31-03-2009 Rs.
INCOME			
Sales(Net)	13	502,652,422	437,578,249
Interest & Dividend	14	4,049,858	9,946,677
Other Incomes	15	5,764,718	288,489
Increase/(Decrease) in Stock	16	40,342,329	(10,590,206)
Total		552,809,327	437,223,209
EXPENDITURE			
Cost of Materials	17	326,468,271	282,747,225
Trading Purchases		24,285,169	13,951,846
Operating and Other Expenses	18	101,078,252	84,456,031
Employees' Emoluments and Benefits	19	25,297,006	20,768,358
Selling and Distribution Expenses	20	18,107,580	23,165,543
Interest & Financial Expenses	21	5,556,556	9,159,379
Depreciation	5	15,462,179	15,698,702
Total		516,255,013	449,947,084
PROFIT			
Profit for the year before exceptional item		36,554,314	(12,723,875)
Exceptional Item		NIL	NIL
Profit before tax		36,554,314	(12,723,875)
Provision For Tax – Income Tax		6,300,000	NIL
– Fringe Benefit Tax		NIL	339,624
Net Profit after Tax		30,254,314	(13,063,499)
Balance of Profit brought forward		158,780,988	171,844,487
Profit available for appropriations		189,035,302	158,780,988
Appropriations			
Proposed Dividend		11,000,470	NIL
Tax on Dividend		1,869,000	NIL
Transfer to General Reserves		5,000,000	NIL
Balance carried to Balance Sheet		171,165,832	158,780,988
Total		189,035,302	158,780,988
Earning per share (equity share of Rs.10/- each) (Refer Notes to Accounts No.13)			
Basic and Diluted Earnings per share including exceptional items		2.75	(1.18)
Basic and Diluted Earnings per share excluding exceptional items		2.75	(1.18)
Significant Accounting Policies and Notes forming part of the Accounts	22 & 23		

As per our Report of even date attached

For and on behalf of the Board

For G. P. Kapadia & Co.
Chartered Accountants

Bhaskar M. Parekh
Chairman

Kirit N. Mehta
Partner
Membership No.15759

Krishnakant V. Chitalia
Director

Mumbai,
May 29, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	For the year ended 31-03- 2010 Rs.	For the year ended 31-03-2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and after exceptional items	36,554,314	(12,723,875)
Adjustment:		
Depreciation	15,462,179	15,698,702
Interest	3,588,860	7,370,263
(Profit) / Loss on Sale of Assets	(963,772)	(92,824)
Dividend Income	(17,52,306)	(1,638,948)
Interest Income	(2,395,301)	(8,393,988)
Other Income	(2,202,051)	(109,406)
Operating Profit before working capital changes	48,291,923	109,924
Changes in Current assets and liabilities		
Trade Receivables	(1,245,026)	4,558,150
Loans and Advances	7,335,967	(3,895,168)
Inventories	(68,163,794)	23,594,607
Trade Payable and Provision	50,004,898	(19,004,808)
Cash Generated from Operations	36,223,968	5,362,705
Income Tax Paid	(6,300,000)	(339,624)
Net Cash Inflow / (Outflow) from Operations (A)	29,923,968	5,023,081
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(14,243,502)	(8,826,166)
Sale of Fixed Assets	4,233,001	1,484,999
Capital Work-in-Progress	(932,532)	(422,305)
Purchase of Investment	NIL	(4,647)
Movement in Loans and Advances	2,106,093	4,556,354
Interest, Dividend & Other Income	6,349,658	10,142,342
Net Cash Inflow / (Outflow) from Investing Activities (B)	(2,487,282)	6,930,577
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Unsecured Loans	(6,961,302)	2,502,338
Repayment of Working Capital	(4,776,347)	(4,881,113)
Interest Paid	(3,588,860)	(7,370,263)
Dividend	(11,000,470)	NIL
Dividend Tax	(1,869,000)	NIL
Net Cash Inflow / (Outflow) from financing Activities (C)	(28,195,979)	(9,749,038)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(759,293)	2,204,620
Cash & Cash Equivalents as at March 31, 2010	14,985,431	15,744,724
Cash & Cash Equivalents as at March 31, 2009	15,744,724	13,540,104

As per our Report of even date attached

For and on behalf of the Board

For G. P. Kapadia & Co.
Chartered Accountants

Bhaskar M. Parekh
Chairman

Kirit N. Mehta
Partner
Membership No.15759

Krishnakant V. Chitalia
Director

Mumbai,
May 29, 2010

Schedules Forming Part of the Balance Sheet

	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised :		
1,20,00,000 Equity Shares of Rs.10/- each	<u>120,000,000</u>	<u>120,000,000</u>
Issued, Subscribed & Paid up :		
1,10,00,470 Equity Shares of Rs.10/- each fully Paid up	<u>110,004,700</u>	<u>110,004,700</u>
Total	<u>110,004,700</u>	<u>110,004,700</u>
SCHEDULE 2		
RESERVES & SURPLUS :		
General Reserve :		
Balance as per last Balance Sheet	70,656,286	70,656,286
Add : During the Year	5,000,000	NIL
Balance carried forward	75,656,286	70,656,286
Share Premium :		
Balance as per last Balance Sheet	13,080,000	13,080,000
Profit & Loss Account	171,165,832	158,780,988
Total	<u>259,902,118</u>	<u>242,517,274</u>
SCHEDULE 3		
SECURED LOAN :		
Working Capital Borrowings from Banks (Working Capital Borrowing from Bank is secured by hypothecation of Stock, Book debts, immovable properties and other assets)	14,470,213	21,622,047
Vehicle Loans (The vehicle Loans are secured by hypothecation of respective Vehicles)	2,708,114	332,627
Total	<u>17,178,327</u>	<u>21,954,674</u>
SCHEDULE 4		
UNSECURED LOAN:		
Bills Discount from banks	10,244,288	17,205,590
Total	<u>10,244,288</u>	<u>17,205,590</u>

**SCHEDULE 5
FIXED ASSETS**

(Rs.)

	Freehold Land	Leasehold Land	Buildings	Plant & Machineries	Furniture & Fixtures	Equipments	Vehicles	Total	Previous year
GROSS BLOCK									
As on 01-Apr-09	6,571,240	1,041,581	64,629,836	290,807,869	7,946,143	4,860,133	5,477,047	381,333,849	377,177,226
Additions during the Year			2,349,063	6,870,024	43,788	508,469	4,472,158	14,243,502	8,826,166
Deletions during the Year				(15,330,089)			(2,225,186)	(17,555,275)	(4,669,543)
As on 31-Mar-10	6,571,240	1,041,581	66,978,899	282,347,804	7,989,931	5,368,602	7,724,019	378,022,076	381,333,849
DEPRECIATION									
Up to 01-Apr-09		32,175	19,087,878	218,525,391	4,950,330	3,346,904	2,059,905	248,002,583	235,581,249
For the Year		10,725	2,070,330	11,953,346	504,725	321,655	601,398	15,462,179	15,698,702
Adjustment during the year				(12,882,957)			(1,403,089)	(14,286,046)	(3,277,368)
Up to 31-Mar-10		42,900	21,158,208	217,595,780	5,455,055	3,668,559	1,258,214	249,178,716	248,002,583
NET BLOCK									
As at 31-Mar-10	6,571,240	998,681	45,820,691	64,752,024	2,534,876	1,700,043	6,465,805	128,843,360	133,331,266
As at 31-Mar-09	6,571,240	1,009,406	45,541,958	72,282,478	2,995,813	1,513,229	3,417,142	133,331,266	141,595,977

Schedules Forming Part of the Balance Sheet

	As at 31-03-2010 Rs.		As at 31-03-2009 Rs.	
	No. of Shares		No. of Shares	
SCHEDULE 6				
INVESTMENTS:				
LONG TERM INVESTMENTS:				
Equity Shares (Quoted)				
Nilkamal Ltd. (FV Rs.10/- per share)	15,086	2,693,876	15,086	2,693,876
Provogue (India) Ltd. (FV Rs.2/- per share)	74,210	7,892,623	74,210	7,892,623
Reliance Power Ltd. (FV Rs.10/- per share)	139	39,150	139	39,150
S B & T International Ltd. (FV Rs.10/- per share)	370	22,509	370	22,509
Poddar Developers Ltd. (Wearology Ltd.) (FV Rs.10/- per share)	10,070	<u>2,366,899</u>	10,070	<u>2,366,899</u>
		13,015,057		13,015,057
TRADE INVESTMENT:				
Equity Shares (Unquoted)				
Prima Dee-Lite Plastics Pvt. Ltd.				
Equity shares of Cameroon FCFA 10,000/- each amounting to FCFA 115,000,000/- (Rs.10,207,570/-)	11,500	<u>10,207,570</u>	11,500	<u>10,207,570</u>
TOTAL INVESTMENT		<u>23,222,627</u>		<u>23,222,627</u>
Market Value of Quoted Shares		8,300,269		3,597,548
SCHEDULE 7				
INVENTORIES:				
(As valued and certified by the Management)				
Finished Goods		82,785,602		42,443,273
Raw Material (Including Goods in Transit)		67,777,365		41,229,010
Stores , Spares and Packing Materials		<u>2,598,546</u>		<u>1,325,436</u>
		<u>153,161,513</u>		<u>84,997,719</u>
SCHEDULE 8				
SUNDRY DEBTORS:				
(Unsecured, considered good, except otherwise stated)				
- Over Six months		49,515,358		52,463,276
- Others		<u>79,412,722</u>		<u>75,669,161</u>
		128,928,080		128,132,437
Less: Provision for Doubtful Debts		<u>4,272,041</u>		<u>4,721,424</u>
		<u>124,656,039</u>		<u>123,411,013</u>

Schedules Forming Part of the Balance Sheet

	As at. 31-03-2010 Rs.	As at. 31-03-2009 Rs.
SCHEDULE 9		
CASH & BANK BALANCES:		
Cash on Hand	182,698	140,014
Balance with Scheduled Banks in :		
- Current Accounts	6,374,165	8,159,086
- Deposits/Margin Money	8,428,568	7,445,624
	<u>14,985,431</u>	<u>15,744,724</u>
SCHEDULE 10		
LOANS & ADVANCES:		
(Unsecured, considered good, except otherwise stated)		
Advance recoverable in cash or kind or for value to be received	15,980,935	19,791,238
Deposits	4,370,616	5,426,541
Balance with Central Excise	2,612,885	3,458,688
Unsecured Loan to Prima Dee-Lite Plastics Pvt. Ltd.	18,130,749	20,236,842
Advance to Creditors	8,016,879	9,640,815
	<u>49,112,064</u>	<u>58,554,124</u>
SCHEDULE 11		
CURRENT LIABILITIES		
Current Liabilities:		
Sundry Creditors		
(i) Total outstanding dues of Micro enterprises and Small enterprises (Note 5 of Notes to Accounts of schedule 23)	NIL	NIL
(ii) Total outstanding dues of creditors other than Micro enterprises and Small Enterprises.	64,438,592	34,204,362
Advances from Customers	3,970,410	5,211,598
Statutory Liabilities	8,453,524	5,880,746
Other Liabilities	3,880,597	4,610,989
	<u>80,743,123</u>	<u>49,907,695</u>
SCHEDULE 12		
PROVISIONS		
Provision for Proposed Dividend	11,000,470	NIL
Provision for Income Tax	6,300,000	NIL
Provision for Dividend Tax	1,869,000	NIL
	<u>19,169,470</u>	<u>NIL</u>

Schedules forming part of the Profit & Loss Account

	For the year ended 31-03-2010 Rs.	For the year Ended 31-03-2009 Rs.
SCHEDULE 13		
SALES:		
Sales	615,163,907	562,320,181
Export Sales	79,493,849	46,583,510
Less :	694,657,756	608,903,691
Inter Divisional Transfer	139,297,340	112,126,212
Duties and Taxes	52,707,994	59,199,230
Sales (Net)	<u>502,652,422</u>	<u>437,578,249</u>
SCHEDULE 14		
INTEREST & DIVIDEND		
Interest on F/D (TDS Rs.62,065/-, Previous year Rs.136,150/-)	529,208	791,610
Interest on Loan from Joint Venture Company	1,866,093	7,602,378
Dividend from Joint Venture Company	1,654,557	1,552,689
	<u>4,049,858</u>	<u>9,946,677</u>
SCHEDULE 15		
OTHER INCOME:		
Profit / (Loss) on Sale of assets	963,772	92,824
Exchange Gain	2,501,146	NIL
Miscellaneous Income	2,299,800	195,665
	<u>5,764,718</u>	<u>288,489</u>
SCHEDULE 16		
INCREASE/(DECEREASE) IN STOCKS:		
Closing Stock of Finished Goods	82,785,602	42,443,273
Less : Opening Stock of Finished Goods	42,443,273	53,033,479
	<u>40,342,329</u>	<u>(10,590,206)</u>
SCHEDULE 17		
COST OF MATERIALS:		
Opening Stock of Raw Materials	41,229,010	53,860,344
Add : Purchases (Including Goods in Transit)	353,016,626	270,115,891
	<u>394,245,636</u>	<u>323,976,235</u>
Less : Closing Stock of Raw Materials	67,777,365	41,229,010
	<u>326,468,271</u>	<u>282,747,225</u>

Schedules forming part of the Profit & Loss Account

	For the year ended 31-03-2010 Rs.	For the year Ended 31-03-2009 Rs.
SCHEDULE 18		
OPERATING AND OTHER EXPENSES:		
Consumption of Stores & Packing Materials	5,954,530	4,819,520
Power & Fuel	17,806,095	13,899,435
Rent	3,750,100	3,176,750
Repairs to Building	23,490	391,575
Repairs to Machinery	3,915,815	5,151,528
Repairs to Others	741,080	1,636,825
Postage and Telegram	452,010	428,520
Rent, Rates & Taxes	34,405	339,765
Bad Debts W/off	554,153	NIL
Labour and Others Charges	27,457,159	8,029,840
Insurance	1,211,077	1,117,170
Telephone Expenses	1,549,793	1,605,049
Auditors' Remuneration - Audit Fees	125,000	97,000
- Tax Audit Fees	35,000	23,000
Printing and Stationery	716,782	941,165
Carriage Outward	16,402,483	12,021,537
Directors' Remuneration	3,430,000	3,130,000
Exchange Loss	NIL	10,515,014
Travelling Expenses	1,472,613	2,147,401
Provision for Doubtful Debts	2,853,595	3,554,734
Excise Duty on Finished Goods	5,061,055	1,953,692
Miscellaneous Expenses	7,532,017	9,476,511
	<u>101,078,252</u>	<u>84,456,031</u>
SCHEDULE 19		
EMPLOYEES' REMUERATION AND BENEFITS:		
Salaries, Wages and Bonus	22,748,661	18,907,922
Contribution to Provident Fund	1,360,089	1,067,926
Workmen and Staff Welfare Expenses	1,188,256	792,510
	<u>25,297,006</u>	<u>20,768,358</u>
SCHEDULE 20		
SELLING AND DISTRIBUTION EXPENSES:		
Advertisement & Publicity	478,484	1,018,249
Brokerage & Commission	1,442,568	1,254,528
Sales Discount & Others	16,186,528	20,892,766
	<u>18,107,580</u>	<u>23,165,543</u>
SCHEDULE 21		
INTEREST AND OTHER FINANCIAL EXPENSES:		
Interest on Working Capital/Vehicle Loans/Others	3,588,860	7,370,263
Financial Expenses	1,967,696	1,789,116
	<u>5,556,556</u>	<u>9,159,379</u>

SCHEDULE “22”

Statement of significant Accounting Policies

1. Basis of Accounting

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the applicable accounting standards and other relevant provisions of the Company Act, 1956.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principle (GAAP) requires estimates and assumptions that affect the reported amounts of income and expenses during the reported period and the reported amount of assets and liabilities on the date of the financial statements. Differences, if any, between actual results and estimates is recognized in the period in which the results are known.

3. Revenue Recognition

- i) Revenue from sale of products is recognized when all the significant risks and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods. The sales(Net) for the year are net of inter-unit transactions, excise duty and Value Added Tax. Accordingly, the purchases are also given net of inter-unit transactions.
- ii) Revenue/Income and Cost/Expenditure are generally accounted on accruals, as they are earned or incurred, except in case of significant uncertainties.
- iii) Liability for Excise duty and Custom duty payable on stock in bonded warehouse at the year-end is provided for.
- iv) Dividend income is recognized when the right to receive the same is established.
- v) Interest income is accrued over the period of loan/deposit/investment.

4. Fixed Assets

Fixed Assets are stated at cost (including other expenses related to acquisition and installation) less accumulated depreciation / amortization.

5. Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal and external factors.

An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which the asset is identified as impaired. Reversal of impairment loss recognized in prior years, is recorded when there is an indication that impairment losses recognized for the asset no longer exists or has decreased.

6. Investments

Long –term investments are stated at cost. Provision is made for diminution, which are other than temporary, in the value of Investments.

7. Depreciation

- i) Depreciation on Fixed Assets has been provided on straight-line method at the rates and in the manner specified in schedule XIV to the Companies Act, 1956, except in the case of leasehold land, which is amortised over the remaining period of lease.
- ii) Assets like mobile phones, telephone instruments, etc. are fully write off in the year of purchase / acquisition.

8. Valuation of Inventories

Inventories are valued at lower of cost and estimated net realizable value except stores and spares which are valued at cost. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods. The cost formula used for determination cost is on the basis of 'First in First out'.

9. Taxes on Income

I. Current Tax Provision

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting year and in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) eligible for set-off in subsequent years (as per tax laws), is recognized as an asset by way of credit to the Profit and Loss Account only if there is convincing evidence of its realization. At each Balance Sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassess realization.

II. Deferred Tax Provision

Deferred tax asset or liability is recognized for timing differences between the profit as per financial statements and the profit offered for income tax, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only if there is virtual certainty that sufficient future taxable income will be available, against which they can be realized.

10. Foreign Currency Transactions

The reporting currency of the Company is Indian Rupee.

- (i) Foreign currency transactions during the year are recorded at the rates of exchange prevailing at the date of transaction. Exchange gains or losses realized and arising due to translation of the foreign currency monetary items outstanding at the year end are accounted in the profit and loss account.
- (ii) Forward Exchange Contracts: In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, premium or discounts are amortized as expense or income over the life of the contract. Exchange difference on such contracts is recognized in the profit and loss account in the year in which the exchange rate changes. Profit or loss arising on cancellation or renewal of such forward exchange contracts are recognized as income or as expense for the year.

11. Employee Benefits

Short Term Employee Benefits: All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.

Post Employment / Retirement Benefits: Contribution to Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred.

Defined Benefit Plan:

Gratuity: Gratuity liability is covered under the Gratuity-cum-Insurance Policy of Life Insurance Corporation of India (LIC). The present value of the obligation is determined based on an actuarial valuation. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. The amount funded by the Trust administered by the Company under the aforesaid Policy, is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on a net basis.

12. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed, while Contingent Assets are neither recognized nor disclosed, in the financial statements.

13. Segment Reporting

The company operates in two segments namely: I- Moulded Furniture II – Aluminium Composite Sheet. Segments have been identified and reported taking into account the nature of the product, the differential risk and return of the segment, the organizational structure and the internal financial reporting system.

SCHEDULE “23”

Notes on Accounts:

1. Contingent Liabilities not provided for in respect of:

(Rs.)

		31.3.2010	31.3.2009
a)	Guarantees given by the Company’s Bankers	4,705,070	3,989,620
b)	Letters of Credit opened by Bankers and outstanding at the year end	14,280,617	6,861,036

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance payment) Rs. 8,618,140/- (previous year of Rs.Nil)

3. Auditors remuneration (excluding service tax) and expenses charged to the accounts:

(Rs.)

S.No.	Particulars	2009-10	2008-09
	Statutory Auditors:		
1)	Audit Fees	125,000	97,000
2)	Tax Audit fees	35,000	23,000
3)	Fees for other services	20,000	23,000

4. Remuneration to the Directors of the Company (including the Managing Director) paid or provided in accordance with section 198 of the Companies Act, 1956.

Since the Company does not pay any commission on its net profits, the computation of net profits under section 349 of the Companies Act, 1956 is not required to be appended.

(Rs.)

	31.3.2010	31.3.2009
Salary & Allowances	3,185,000	2,885,000
Provident Funds	108,000	108,000
Bonus	245,000	245,000

5. In absence of any intimation received from vendors the status of their registration under "The Micro, Small and Medium Enterprises Development Act,2006", the Company is unable to comply with the disclosures required to be made under said Act. There are no amount is payable to any Small Scale Industrial undertaking.
6. In the opinion of the management, the Current Assets, Loans and Advances are expected to realize at least amount at which they are stated, if realized in the ordinary course of business and provision of all known liabilities have been adequately made in accounts.
7. Previous year's figures are regrouped, reclassified and recast wherever necessary to conform to this year's classification. Figures in brackets pertain to previous year.
8. The proportionate share of assets, liabilities, income & expenditure as on December 31, 2009 based on audited accounts of Prima Dee-Lite Plastics Pvt. Ltd. (50% Joint Venture) are stated as under:

Particulars	Cameron FCFA 31-12-2009	Indian Rupee 31-12-2009	Cameron FCFA 31-12-2008	Indian Rupee 31-12-2008
LIABILITIES				
Loan Funds	200,000,000	20,576,220	200,000,000	20,442,073
Current Liabilities	49,221,452	5,063,957	119,152,719	12,178,643
ASSETS				
Fixed Assets – Net Block	231,224,345	23,788,614	188,039,156	19,219,551
Current Assets	271,896,034	27,972,962	263,182,194	26,899,948
INCOME				
Sales and operating income	639,054,268	65,746,604	573,656,809	58,633,672
EXPENDITURE				
Manufacturing and others expenses	415,618,578	42,759,295	498,055,384	50,906,423
Depreciation	54,980,930	5,656,498	51,429,085	5,256,586
PROFIT / (LOSS) FOR THE PERIOD	168,454,760	17,330,811	24,172,340	2,470,663

9. Segment have been identified in line with the Accounting Standard on segment reporting (AS-17) taken into account of Company Organisation structure as well as differential risks and returns of these segment.

Segment Information for the year ended March 31, 2010
(Rs. In Lacs)

Particulars		Year Ended Audited 31-03-2010	Year Ended Audited 31-03-2009
A	Segment revenue		
	Plastic Moulded Furniture	4,751.32	3,500.76
	Aluminium Composite Sheet	342.51	883.85
	Others	NIL	NIL
	Revenue from operations	5,093.83	4,384.61
B	Segment results		
	Profit (+) / Loss (-) before interest and tax		
	Plastic Moulded Furniture	507.53	(44.40)
	Aluminium Composite Sheet	(117.26)	(84.77)
	Total	390.27	(129.17)
	Less : Financial Expenses	55.57	91.59
	Add : Un-allocable Income	30.84	93.53
	Profit / (Loss) before tax	365.54	(127.23)
C	Other Information		
	Segment Assets		
	Plastic Moulded Furniture	3,384.62	2,716.02
	Aluminium Composite Sheet	1,250.85	1,393.57
	Unallocated Corporate Assets	336.95	306.31
	Total Assets	4,972.42	4,415.90
	Segment Liabilities		
	Plastic Moulded Furniture	711.28	259.01
	Aluminium Composite Sheet	96.15	240.07
	Unallocated Corporate Liabilities	465.92	391.60
	Total Liabilities	1,273.35	890.68
	Capital Expenditure		
	Plastic Moulded Furniture	123.93	86.35
	Aluminium Composite Sheet	NIL	23.05
	Unallocated Capital Expenditure	51.12	2.14
	Total	175.05	111.54
	Depreciation		
	Plastic Moulded Furniture	120.66	124.74
	Aluminium Composite Sheet	20.65	20.44
	Unallocated Depreciation	13.31	11.81
	Total	154.62	156.99

10. As per Accounting Standards 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the company has unabsorbed depreciations which is to be carry forward as per the provisions of the Income Tax Act, 1961, and also other deferred tax assets. The Management of the Company considered its prudent not to be recognized any deferred tax assets in the current year.

The break up of Net Deferred Tax Assets are as under :

Rs. In Lacs

Timing Differences on account of		As on 31st March 2010	As on 31st March 2009
Deferred Tax Assets			
1.	Unabsorbed depreciation	308.76	431.60
2.	Disallowance in earlier year u/s. 43 B of the Income Tax Act.	9.85	7.11
3.	Provisional for doubtful debts/Loans	14.52	16.05
4.	Provision for Employee benefit (AS-15)	10.15	8.43
	Total	343.28	463.19
Deferred Tax Liabilities			
1.	Difference between book depreciation and depreciation under Income Tax Act, 1961	176.47	174.20
	Net deferred tax Assets	166.81	288.99

11. **Related party disclosure**

Related party disclosures as required under Accounting Standard on 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India are given below:

A. Name of the related parties and descriptions of relatives.

Joint Venture Company

Prima Dee-Lite Plastics Pvt. Ltd.

Key Management personnel (Whole time Directors).

Mr. Bhaskar M. Parekh

Mr. Dilip M. Parekh

Mr. Pratik B. Parekh

Mr. Paras B. Parekh

Entities over which the key management personnel and/ or their relatives are able to exercise significant influence.

Firms (Where the Director has substantial interest).

i) M/s. Classic Plastics

ii) M/s. Sanya Plastics

iii) M/s. National Plastics Allied Industries

B. The following transactions were carried out with the related parties in the ordinary course of business.

(Rs.)

	2009-2010	2008-2009
Key Management Personnel		
Remuneration to Directors	3,538,000	3,238,000
Remuneration to Relatives	1,120,000	980,000

(Rs.)

	2009-2010	2008-2009
Other Entities		
Purchase of Services	4,970,175	2,606,575
Purchase of Raw Materials	1,662,013	5,979,225
Loan accepted by the Company	NIL	8,000,000
Rent deposit	3,000,000	3,000,000
Payment of rent	2,160,000	2,160,000
Reimbursement of expenses	37,572	67,246
Sale of Raw Material	92,150	741,224
Interest Paid on Loan	NIL	338,822
Joint Venture Company		
Investment equity of Prima Dee-Lite Plastics Pvt. Ltd.	10,207,570	10,207,570
Unsecured loan paid to Prima Dee-Lite Plastics Pvt. Ltd.	18,130,749	20,236,842

C. Balances receivable / (payable) at the end of the year

(Rs.)

	2009-2010	2008-2009
Other Entities		
Rent Deposit (Dr.)	3,000,000	3,000,000
Joint Venture Company		
Unsecured loan paid to Prima Dee-Lite Plastics Pvt. Ltd.	18,130,749	20,236,842

12. Disclosures under Accounting Standard 15 on Employee benefits:
Defined benefit plan disclosures:

(Rs.)

Sr. No.	Particulars	As at March 31, 2010	As at March 31, 2009
1	Change in benefit obligations:		
	Present value of obligation, beginning of the year	2,480,680	1,815,690
	Interest Cost	198,454	150,378
	Service Cost	343,609	343,609
	Benefit Paid	(151,950)	(122,130)
	Actuarial (gain) / Loss	116,131	293,133
	Present Value of obligation, as at end of the year	2,986,924	2,480,680
2	Change in Plan Assets		
	Fair value of plan assets at beginning of the year	999,205	598,413
	Expected return on plan assets	106,295	67,444
	Employer's Contribution	948,521	455,479
	Benefit Paid	(151,950)	(122,130)
	Fair Value of plan assets at the end of the year	1,902,071	999,205
	Excess of (obligation over plan assets/plan assets over obligation)		
	(Accrued liability) / Prepaid benefit	(1,084,853)	(1,481,475)

(Rs.)

		As at March 31, 2010	As at March 31, 2009
3	Expenses Recognized in statement of Profit & Loss		
	Interest Cost	198,454	150,378
	Current Service Cost	343,609	343,609
	Expected return on plan assets	(106,295)	(67,444)
	Net Actuarial (gain) / Loss recognized in the year	116,131	293,133
	Expenses recognized in statement of Profit & Loss	551,899	719,676
4	Category of Assets as at March 31, 2010		
	Insurer managed funds	1,902,071	999,205
	Total	1,902,071	999,205
5	Assumptions used in accounting for the gratuity plan	%	%
	Discount Rate	8	8
	Salary escalation rate	5	5
	Expected rate of return on plan assets	8	8

13. Earning per Share (EPS)

	2009-2010	2008-2009
Numerator-Net Profit as disclosed in Profit & Loss A/c	30,254,314	(13,063,499)
Denominator-Weighted avg. number of Equity Shares outstanding – Basic/Diluted	11,000,470	11,000,470
EPS- Basic/Diluted (in Rs.)	2.75	(1.18)
Nominal Value of Shares (in Rs.)	10	10

14. Additional information required under Part II of Schedule VI to the Companies Act, 1956 (as certified by the Executives of the respective Divisions) is as per Schedule 22.**a. Licensed Capacity and Installed Capacity in TPA (as per the certificate from the Management):**

Particulars	2009-2010	2008-2009
Plastic Injection Moulded Items (in TPA)		
Installed Capacity	7,875	8,600
Aluminium Composite Sheet (Sq. mtr. In thousand)		
Installed Capacity	900	900

b. Break up of Finished Goods Plastic Injection Moulded Items:

Particulars	2009-2010		2008-2009	
	Pcs.	Rs.	Pcs.	Rs.
Opening Stock	172,794	27,542,586	235,344	39,938,516
Actual Production	2,546,575		1,751,228	
Purchase of Trading Goods	128,906	20,741,498	74,734	13,379,580
Sales (Net)*	2,398,501	454,288,790	1,888,512	330,687,614
Closing Stock	449,774	65,216,401	172,794	27,542,586

c. Break up of Finished Goods Aluminium Composite Sheet Items:

Particulars	2009-2010		2008-2009	
	Sq. Feet	Rs.	Sq. Feet	Rs.
Opening Stock	265,680	14,900,687	221,968	13,094,963
Actual Production	448,359		1,127,015	
Purchase of Trading Goods	36,173	3,543,671	3,120	572,266
Sales (Net)	453,195	32,049,794	1,086,423	88,000,216
Closing Stock	297,017	17,569,201	265,680	14,900,687

* Sales excludes	Kgs.	Rs.	Kgs.	Rs.
Sale of Raw Materials	234,963	16,005,499	266,900	18,428,744
Sale of Scrap	32,696	308,339	37,165	461,675
Total	267,659	16,313,838	304,065	18,890,419

d. Consumption of Raw-Materials in Furniture Item :

Particulars	2009-2010		2008-2009	
	Kgs.	Rs.	Kgs.	Rs.
Polypropylene	5,405,683	299,782,324	3,567,179	219,101,318
Purchase of Trading Items		20,741,498		13,379,580
Others		4,497,818		2,235,976
Total	5,405,683	325,021,640	3,567,179	234,716,874

e. Consumption of Aluminium Composite Sheet Items:

Particulars	2009-2010		2008-2009	
	Kgs.	Rs.	Kgs.	Rs.
Aluminium Coil	79,110	14,559,403	246,093	41,625,892
Purchase of Trading Goods		3,543,671		572,266
Other		7,628,726		19,784,039
Total	79,110	25,731,800	246,093	61,982,197

f. Details of imported and indigenous Raw Material consumed:

	%	2009-2010 Rs.	%	2008-2009 Rs.
Imported	27.24	88,914,225	21.12	59,709,690
Indigenous	72.76	237,554,046	78.88	223,037,535
Total	100.00	326,468,271	100.00	282,747,225

g. Value of Import on CIF basis:

	2009-2010 (Rs.)	2008-2009 (Rs.)
Raw material	101,837,221	46,926,487
Capital goods	4,041,384	7,852,701

h. Expenditure in Foreign Currency:

	2009-2010 (Rs.)	2008-2009 (Rs.)
Traveling Expenses	52,430	180,180
Others	4,975	1,232,738

i. Earnings in Foreign Exchange:

	2009-2010 (Rs.)	2008-2009 (Rs.)
Export of Finished Goods on FOB basis	72,746,223	42,437,626
Export of Capital Goods	5,17,000	855,000

**DETAILS AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 ARE GIVEN BELOW:
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

1) REGISTRATION DETAILS		
REGISTRATION NO.	:	L25206DD1993PLC001470
STATE CODE	:	56
BALANCE SHEET DATE	:	31.3.2010
2) CAPITAL RAISED DURING THE YEAR		
PUBLIC ISSUE	:	NIL
RIGHTS ISSUE	:	NIL
BONUS ISSUE	:	NIL
PRIVATE PLACEMENT	:	NIL
3) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS		
TOTAL LIABILITIES	:	397,329,433
TOTAL ASSETS	:	397,329,433
SOURCES OF FUNDS		
PAID UP CAPITAL	:	110,004,700
RESERVES AND SURPLUS	:	259,902,118
SECURED LOANS	:	17,178,327
UNSECURED LOANS	:	10,244,288
APPLICATION OF FUNDS		
NET FIXED ASSETS	:	132,104,352
INVESTMENTS	:	23,222,627
NET CURRENT ASSETS	:	242,002,454
MISC. EXPENSES	:	NIL
4) PERFORMANCE OF THE COMPANY		
TURNOVER AND INTER DIVISIONAL TRANSFER	:	694,657,756
NET TURNOVER	:	502,652,422
TOTAL EXPENDITURE	:	466,098,108
PROFIT / (LOSS) BEFORE TAX	:	36,554,314
PROFIT / (LOSS) AFTER TAX	:	30,254,314
DIVIDEND RATE	:	10 %
EARNINGS PER SHARE	:	RS.2.75
5) GENERIC NAMES OF FOUR PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY		
ITEM CODE NO	:	9401-00
PRODUCT DESCRIPTION	:	PLASTIC MOULDED CHAIRS
ITEM CODE NO.	:	9403-00
PRODUCT DESCRIPTION	:	PLASTIC MOULDED TABLES
ITEM CODE NO.	:	76061190
PRODUCT DESCRIPTION	:	ALUMINIUM PANEL SHEET

For and on behalf of the Board

Bhaskar M. Parekh
Chairman

Krishnakant V. Chitalia
Director

Mumbai,
May 29, 2010

PRIMA PLASTICS LIMITED

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

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting

DP Id*		Master Folio No.	
Client Id*		No. of Shares	

I hereby record my presence on the 16th Annual General Meeting of the Company held on Saturday, August 28, 2010 at 10.30a.m. at Hotel Sandy Resorts, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210.

Signature of Shareholder / Proxy

PRIMA PLASTICS LIMITED

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

PROXY FORM

DP Id*		Master Folio No.	
Client Id*		No. of Shares	

I/We _____ of _____ being
a member/members of PRIMA PLASTICS LIMITED hereby appoint _____
of _____ or failing him/her _____
of _____ as my/our Proxy to attend and vote for me/us on my/our behalf at
the 16th Annual General Meeting of the Company to be held on Saturday, August 28, 2010 at 10.30a.m. at Hotel Sandy Resorts, Devka
Beach, Nani Daman, Daman (U.T.), Pin - 396 210.

Dated this _____ day of _____ 2010. Signature _____

Revenue
Stamp

Note: Shareholders / Proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the gate, affixing their signatures on them.

