

SECURITY COVER



STRICTLY PRIVATE AND CONFIDENTIAL

Date: 12th November 2024

Ref: ICON/2024-25/R/PPL

To,

The Board of Directors
Prima Plastics Limited
98/4 Prima House, Daman Industrial Estate, Kadaiya,
Nani Daman, Daman – 396 210

The Board of Directors
Prima Innovation Limited
98/4 Prima House, Daman Industrial Estate, Kadaiya,
Nani Daman, Daman – 396 210

Dear Mesdames / Sirs,

Re: Opinion on Fair Share Entitlement Ratio for the Proposed Demerger of the Rotational Moulding Business of Prima Plastics Limited into Prima Innovation Limited

This has reference to terms of our engagement letter Ref: ICON/2024-25/EL/PPL dated 30th October 2024 confirming the engagement of ICON VALUATION LLP with Registered Valuer Entity Registration No. IBBI/RV-E/06/2019/107 ("ICON") by Prima Plastics Limited ("PPL") and Prima Innovation Limited ("PIL"). PPL and PIL are hereinafter individually referred to as the "Client" / "Company" and collectively referred to as the "Clients" / "Companies". We enclose the report (the "Report") prepared in connection with the services requested by the Clients.

We provided a draft of the Report to the management of PPL and PIL (hereinafter collectively referred to as the "Management"). The Report has been reviewed by the Management and they have confirmed that the factual information contained in the Report is correct.

The Report is confidential to the Clients and is subject to the restrictions on use as per terms of our engagement. We disclaim any responsibility to any other person/party for any decision of such person/party based on the Report. We draw your attention to the sections titled "Background, Scope and Purpose" and "Caveats, Scope Limitations and Disclaimers" included in the Report, wherein we refer to the scope of work and the limitations of the work undertaken. Any person who is not an addressee in the Report is not authorized to have access to the Report. The Report should not be copied or made available in whole or in part to any person other than the Clients without the express written permission of ICON. ICON accepts no responsibility for any reliance that may be placed on the Report should it be used by any party other than the Clients or for any purpose that has not been expressly agreed by ICON. Our name and the Report should not be referred to in any offering, circular or other document, without our prior written permission.

Trust the above is in order.

Yours faithfully,

For ICON VALUATION LLP

Registered Valuer Entity Registration No. IBBI/RV-06/2019/107


Aseem Mahesh

Partner

Registered Valuer Registration Number: IBBI/RV/06/2018/10154

Date: 12th November 2024

Place: Mumbai



**Opinion on
Fair Share Entitlement Ratio
for the Proposed Demerger of
the Rotational Moulding Business of
Prima Plastics Limited into
Prima Innovation Limited**

Report Date: 12th November 2024



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BACKGROUND, SCOPE AND PURPOSE

PPL

PPL is a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956 and is one of the leading plastic furniture and moulding articles manufacturing company in India. PPL is also engaged in the rotational moulding business which provides material handling solutions to FMCG, pharmaceuticals and many other industries and includes products such as industrial pallets, road safety products, insulated boxes, water tanks, etc. (the **“Rotational Moulding Business”**). The equity shares of the Company are listed on BSE Limited.

As at the Appointed Date of 1st July 2024, the issued, subscribed and paid up equity share capital of PPL is INR 110 million consisting of 11,000,470 equity shares of INR 10/- each fully paid. We have been informed that there has been no change in the issued, subscribed and paid up equity share capital of PPL from the Appointed Date till the date of the Report.

PIL

PIL is a newly incorporated company proposed to be engaged in the Rotational Moulding Business and is currently a wholly owned subsidiary of PPL.

As at the Appointed Date of 1st July 2024, the issued, subscribed and paid up equity share capital of PIL is INR 0.1 million consisting of 10,000 equity shares of INR 10/- each fully paid. We have been informed that subsequent to the Appointed Date, vide a board resolution, each equity share of INR 10/- fully paid of PIL has been subdivided into two equity shares of INR 5/- each fully paid. Accordingly, as at the date of the report, the issued, subscribed and paid up equity share capital of PIL is INR 0.1 million consisting of 20,000 equity shares of INR 5/- each fully paid.



We understand that the Management is exploring the possibility of demerger of the Rotational Moulding Business of PPL into PIL on a going concern basis, pursuant to a Scheme of Arrangement under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act 2013 including any statutory modifications or re-enactments thereof **(the “Scheme”)**.

We have been informed by the Companies that the Scheme envisages the following:

- The Rotational Moulding Business of PPL would be demerged into PIL, such demerger being in accordance with Section 2(19AA) of the Income Tax Act **(the “Proposed Demerger”)**.
- The proposed Appointed Date for such demerger would be opening business hours of 1st July 2024 **(the “Appointed Date”)**.
- Upon the coming into effect of the Scheme and in consideration of the Proposed Demerger, each equity shareholder of PPL shall be issued and allotted by PIL, 1 (One) equity share of INR 5/- each fully paid of PIL for every 1 (One) equity share of INR 10/- each fully paid of PPL held by such shareholder in PPL prior to the Proposed Demerger **(the “Fair Share Entitlement Ratio”)**.
- Simultaneously with the issuance and allotment of equity shares as above by PIL, the initial issued and paid up equity share capital of PIL, comprising of 20,000 (Twenty Thousand) equity shares of INR 5/- each, aggregating to INR 0.1 million as fully held by PPL shall be cancelled at the face value of such shares.

In connection with the above, the Companies have requested us to render professional services by way of giving our opinion as to whether the proposed Fair Share Entitlement Ratio, as recommended by the Management, which forms the basis for the Proposed Demerger as per the aforesaid Scheme, is fair and reasonable.



This Report recommends our opinion on whether the proposed Fair Share Entitlement Ratio for the Proposed Demerger is fair and reasonable, and is our deliverable in respect of our opinion.

We understand that our Report will be used by the Clients only for the purpose of obtaining regulatory approvals in connection with the Proposed Demerger. We hereby give consent to such use of our Report on the basis that we owe responsibility to only the Clients and nobody else, and to the fullest extent permitted by law, we accept no responsibility or liability to any person other than the Clients in connection with this Report. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Clients.

This Report does not look into the business/commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative benefits of the Proposed Demerger as compared with any other alternative business transaction or other alternatives, or whether or not such alternatives could be achieved or are available. Any decision by the Companies regarding whether or not to proceed with the Proposed Demerger shall rest solely with the Companies. In addition, we express no opinion or recommendation as to how the shareholders or creditors of the Companies should vote at any shareholders' or creditors' meeting(s) to be held in connection with the Proposed Demerger.



SOURCES OF INFORMATION

We have gone through and relied on the following information furnished to us by the Management for the purpose of this Report:

- Brief description and understanding of the businesses of the Companies
- Incorporation documents of the Companies
- Details of issued, subscribed and paid up share capital together with the shareholding pattern of the Companies as at the Appointed Date and as at the date of the report
- Draft Scheme for the Proposed Demerger
- Audited financials of PPL for the year ended 31st March 2024
- Limited reviewed financial results of PPL for the 6 months ended 30th September 2024
- Audited financials of PIL for the period ended 30th September 2024
- Management certified carved-out profit and loss account and balance sheet of the Rotational Moulding Business, for the 6 months ended 30th September 2024
- Management discussions and representations

Other relevant details



We have also received the necessary explanations, information and representations which we believed were relevant to the present exercise from the Management and the necessary time to evaluate the same.



RATIONALE & CONCLUSION

We are given to understand by the Companies that the proposed Fair Share Entitlement Ratio for the Proposed Demerger, as set out in the Scheme, has been determined by the Management after keeping in mind various factors including future equity servicing capacity of PIL, no fractional entitlements, capital requirement for the Rotational Moulding Business and enabling focused growth strategy going forward.

In the circumstances, in opining whether the Fair Share Entitlement Ratio for the Proposed Demerger, as recommended by the Management, can be considered as fair and reasonable, the most relevant and vital issue for consideration is whether the said ratio proposed to be adopted would result in any adverse consequences to the shareholders of the Companies.

The following aspects have to be kept in mind when considering whether the proposed Fair Share Entitlement Ratio for the Proposed Demerger is fair and reasonable:

- Once the Scheme is implemented, all the shareholders of PPL would become the shareholders of PIL. Moreover, all the shareholders of PPL, upon Proposed Demerger, will continue to be the ultimate beneficial owners of PIL in the same ratio (inter se) as they currently hold shares in PPL.
- The share of the earnings to which they are presently entitled to from PPL, would, on implementation of the Scheme, be received by them as shareholders of the demerged PPL and of PIL.
- At present the profits generated by PPL are available to the shareholders in a single entity viz. PPL. On implementation of the Scheme the profits generated by PPL would now be available to them as shareholders of the demerged PPL and of PIL; and the effect of the Scheme is that each shareholder of PPL becomes the owner of two scrips instead of one.



- As an integral part of the Scheme, the entire current equity share capital of PIL would be cancelled. Thus, upon implementation of the Proposed Demerger, the entire share capital of PIL would be held by all the shareholders of PPL and the percentage holding of each shareholder in PIL and PPL remains unchanged from the proportion of capital held by such shareholder presently in PPL.
- The determination of the Fair Share Entitlement Ratio would not impact the ultimate value for the shareholders of PPL and the Proposed Demerger will be value neutral to the shareholders of PPL.

As mentioned above, post the Proposed Demerger all the shareholders of PPL will continue to be the ultimate beneficial owners of PIL in the same ratio (inter se) as they hold shares currently in PPL. Therefore, no relative valuation of the Rotational Moulding Business of PPL and of PIL is required to be undertaken for the Proposed Demerger. Accordingly, valuation approaches as indicated in the format below as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been applied as they are not relevant in the present case.

Valuation Approach	Rotational Moulding Business		PIL	
	Equity Value per Share (INR)	Weights	Equity Value per Share (INR)	Weights
Cost/Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative Value	NA	NA	NA	NA

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion that the proposed Fair Share Entitlement Ratio viz. the issue and allotment by PIL of 1 (One) equity share of INR 5/- each fully paid of PIL for every 1 (One) equity



share of INR 10/- each fully paid of PPL, which forms the basis for the Proposed Demerger as per the Scheme, is fair and reasonable considering that all the shareholders of PPL upon the Proposed Demerger, will continue to be the ultimate beneficial owners of PIL in the same ratio (inter se) as they hold shares in PPL.



CAVEATS, SCOPE LIMITATIONS AND DISCLAIMERS

The Report is subject to the caveats, scope limitations and disclaimers detailed within this Report. The Report is to be read not in parts, but in totality and in conjunction with the relevant documents referred to in the Report. We had provided a draft of the Report to the Management. The Report has been reviewed by the Management and they have confirmed that the factual information contained in the Report is correct.

Information

The Report is issued on the understanding that the Clients have drawn our attention to all the matters, which they are aware of which may have an impact on the Fair Share Entitlement Ratio, including any significant changes that have taken place or are likely to take place in the Companies or their businesses. We have no responsibility to update the Report for events and circumstances occurring after the date of the Report.

Restriction on Use

Our opinion as to the Fair Share Entitlement Ratio for the Proposed Demerger is not an opinion or estimate of the market value or fair value of the equity shares of the Companies or of the business or any of the business divisions of the Companies. The Report and the information contained therein is absolutely confidential. It is intended only for the sole use and information of the Clients and only for the purpose mentioned viz. obtaining regulatory approvals in connection with the Proposed Demerger. The Report should not be used or relied by the Clients for any other purpose or by any other party for any purpose. We are not responsible to any other person/party for any decision of such person/party based on the Report. Any person/party intending to provide finance/invest in the shares/business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence to



ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of the Report or any part thereof other than for the purpose set out earlier in the Report, can be done only with our prior permission in writing. This restriction does not preclude the Clients from providing a copy of the Report to their third-party advisors whose review would be consistent with the intended use.

ICON's Responsibility

We do not take any responsibility for the unauthorized use of this Report and in no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Clients, their directors, employees or agents. In no circumstances shall our liability, including that of our partners, relating to the services provided in connection with the engagement set out in this Report, exceed the amount paid to us in respect of the fees charged by us for these services.

Accuracy of Information

We have applied the necessary levels of efforts, diligence and expertise which we believed were relevant and applicable to the present exercise. While our work involved an analysis of information provided to us by the Companies, it does not constitute or include an audit, due diligence, forensic investigation, review or certification of the historical financial statements of the Companies referred to in the Report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in the Report.

In the course of the present exercise, we were provided with both written and verbal information. We have evaluated the information provided to us by the Clients through broad inquiry and analysis (but have not carried out an audit, due diligence, forensic investigation or review of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided). Also, we have been given to understand by the Management that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance



regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by the Clients and their impact on the present exercise.

Compliance with Relevant Laws

The Report assumes that the Companies fully comply with applicable relevant laws and regulations. Further, the Report has given no consideration to matters of a legal nature. No investigation of the Companies' claim to title of assets has been made for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The Report is not nor should it be construed as our opining or certifying the compliance with the provisions of any law/standards including company, foreign exchange regulatory, accounting and taxation / transfer pricing laws/standards or as regards any legal, accounting or taxation implications or issues.

Conflict of Interest

We are independent of the Clients and have no current or expected interest in the Clients or their assets. The fee paid for our services in no way influenced the results of our analysis.



ABOUT ICON

ICON VALUATION LLP is a limited liability partnership engaged in rendering valuation services and is a registered valuer under the Companies (Registered Valuers and Valuation) Rules 2017 of the Companies Act 2013, in the category of Securities or Financial Assets.

Mr. Aseem Mankodi and Mr. Devarajan Krishnan, the designated partners of ICON, have worked on this engagement, together with their team. In addition to being registered valuers, both are also Chartered Accountants and have been specializing in the field of Valuations since 2005 and 2008 respectively.



CA. Devarajan Krishnan
Registered Valuer

Partner

ICON VALUATION LLP
Kaledonia, Unit No. 1B, A Wing, 5th Floor, Sahar Road,
Off Western Express Highway, Andheri (E),
Mumbai - 400069 | Tel.: +91 22 6215 4096
+91 98191 16764 | dev@iconvaluation.in

CA. Aseem Mankodi
Registered Valuer, MBL (NLSIU)

Founder

ICON VALUATION LLP
Kaledonia, Unit No. 1B, A Wing, 5th Floor, Sahar Road,
Off Western Express Highway, Andheri (E),
Mumbai - 400069 | Tel.: +91 22 6215 4096
+91 93230 84509 | aseem@iconvaluation.in



ICON VALUATION LLP (Registration no. AAC-7924) is registered with limited liability.

Date: November 22, 2024

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001,

Scrip code: 530589

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the proposed Scheme of Arrangement between Prima Plastics Limited ("Company" or "Demerged Company") and Prima Innovation Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme")

Dear Sir/ Madam,

The Demerged Company confirms that no material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with Stock Exchange and period under consideration for valuation.

For Prima Plastics Limited



Prachi M Mankame
Company Secretary and Compliance Officer
M.No: A67042



Date: November 22, 2024
Place: Mumbai



+91 260 2221845 / 0445
+91 22 28574768 / 69 / 1791



cs@primoplastics.com
www.primoplastics.com



PRIMA PLASTICS LTD.

REGD. OFFICE & WORKS: 38/4, Prime House, Daman Industrial Estate, Kadelya, Daman-396210 (UT)
CORP.OFFICE: 4L, National House, Opp. Amsa W' Bldg, Sakinaka Road, Powai, Mumbai-400072 (India)

MFG. OF: MOULDED FURNITURE & ROTO MOULDED PRODUCTS

CIN L25206DD1993PLC001470 • GOVT. RECOG. ONE STAR EXPORT HOUSE



PRIMA



Date: November 22, 2024

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Scrip code: 530589

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the proposed Scheme of Arrangement between Prima Plastics Limited ("Company" or "Demerged Company") and Prima Innovation Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme")

Dear Sir/ Madam,

The Demerged Company states that, it has not issued any listed debt securities, therefore, there has not been any past defaults of listed debt obligations by the Demerged Company.

For Prima Plastics Limited

Prachi M Mankame
Company Secretary and Compliance Officer
M.No. A67042



Date: November 22, 2024
Place: Mumbai



+91 260 2221845 / 0445
+91 22 28574768 / 69 / 1791



cs@primaplastics.com
www.primaplastics.com



PRIMA PLASTICS LTD.

REGD. OFFICE & WORKS: 98/4, Prima House, Daman Industrial Estate, Kadhya, Daman-395210 (UT)
CORP.OFFICE: 41, National House, Opp. Ansa W' Bldg, Saki Vihar Road, Powai, Mumbai-400072 (India)

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