

TRANSCRIPT

27th Annual General Meeting of

Prima Plastics Limited

September 7, 2021, 4:00 PM (IST)

**Through Video Conferencing (“VC”) /
Other Audio Visual Means (“OAVM”)**

Vandana Ahuja (Company Secretary and Compliance Officer):

Good Evening, Dear Shareholders, I Vandana Ahuja, Company Secretary of Prima Plastics Limited welcome all the members to the 27th Annual General Meeting of our Company. I hope you and your family members are healthy and staying safe. Once again we are holding this meeting over the virtue platform due to prevailing unprecedeted circumstances. This is in compliance with the circulars issued by the Ministry of Corporate Affairs & the Securities and Exchange Board of India. Participation of members through video conference is being reckoned for the purpose of quorum as per Section 103 of the Companies Act, 2013. Please note that as per the statutory requirements, the proceedings of this AGM will be recorded. I would like to thank you all for sparing the time to join us today from wherever you are and for the continue faith in the Company and its Management. Now I welcome our Board Members who are attending this meeting through the video conference,

Shri Bhaskar Parekh, Executive Chairman and Whole-time Director of our Company;

Shri Dilip Parekh, Managing Director;

Shri Rasiklal Doshi, Independent Director;

Shri K. V. Chitalia, Independent Director. He is also Chairperson of Stakeholders Relationship and Corporate Social Responsibility Committees;

Shri Snehal Muzoomdar, Independent Director;

Shri Shailesh Shah, Independent Director and Chairperson of Audit Committee;

Smt. Hina V. Mehta, Non-Executive Director and

Shri Dharmesh R. Sachade, Chief Financial Officer.

All the Directors and the management team are attending the meeting from Mumbai.

I also welcome, representatives of M/s. Khimji Kunverji & Co. LLP Statutory Auditors, and the Secretarial Auditor and the Scrutinizer, Shri Sadashiv Shet, who are attending this meeting through VC. Now I request our Chairperson Shri Bhaskar Parekh to address the shareholders.

Thank you.

Sir...

I request the Moderator to kindly unmute our Chairperson, Shri Bhaskar Parekh.

Bhaskar Parekh (Chairman):

My dear shareholders, it is my pleasure to welcome all of you to the 27th Annual General Meeting of Prima Plastics Limited.

I hope all of you are safe and in good health. Due to restrictions on the movement and assembly of people due to on-going pandemic Covid- 19, I am not able to address you in person. Hence we are holding this meeting over a virtual platform.

Our Company Secretary, Vandana Ahuja has informed that we have sufficient quorum for the meeting. The Quorum being present, I call this meeting to order and declare this 27th AGM of Company open.

Let me share some highlights on the performance of your Company for the financial year ended March 31, 2021.

During the year 2020-2021, the Company has done reasonably well and achieved standalone revenue of Rs. 91.52 Crores and consolidated revenue of Rs.119.05 Crores. The profit before tax for the Standalone at the year end is 5.48 Crores which is higher as compared to previous year. Consolidated profit before tax is Rs. 18.35 Crores which is almost 54% higher than previous year. During the previous year, our subsidiary company situated at Guatemala has installed new machine which has resulted full capacity utilisation during the year. We are seeing good potential in the overseas market.

One of the biggest challenge which your Company faced is the increase in prices of raw material which hampered the financial position of the Company from January 2021 which also continued in the first quarter of current year.

This year has been a traumatic year since at one side we were facing hardships of the Covid-19 and other side we tried to bring our business successfully on various digital platforms. During the year under review, the Company grew from 1 online marketplace to 4 to expand through e-commerce. Through these platforms, the company is introducing all product lines to expose customers to the wide range of products offered by Prima. By this, we hope to set a strong brand tone and increase recognition in the online marketplace.

We are also happy to announce that your Company has started the construction of new unit at the Pitampur, Madhya Pradesh which will be dedicated for the Pallets, Ice Box, Road Safety, Plastics Barriers, Containers and various other items. The commercial production is expected in the beginning of year 2022.

Also, believing in the philosophy to return some portion of wealth with the shareholders of the Company, the Board at its meeting held on May 27, 2021 recommended a final dividend of Rs. 1.50/- per share.

At the last, I would like to thanks all the employees of our Company for transforming from work from office to work from home with full dedication and same spirit. Leadership of our Company is well managed through best management, Key Managerial Personnel and highly motivated employees.

We also like to thanks all the other stakeholders like Business Partners, Customers & Vendors, Bankers, and other stakeholders which are continuously engaged with the organisation.

We hope for the giant leap in the coming future years and achieve all the success. We hope to meet in our next AGM in usual manner in person.

I now request Ms. Vandana Ahuja, Company Secretary to take up the meeting ahead.

Vandana Ahuja (Company Secretary and Compliance Officer):

Thank you Sir.

Before the start of the main business, we would like to present short overview of your Company's expansion and CSR contribution during the year.

I request the moderator to kindly play the video.

(Video playing)

Now we will commence the main business of the meeting.

The register of directors and key managerial personnel and other documents mentioned in the AGM Notice have been made available electronically for inspection by the members during this AGM at the website of our Company. In accordance with the MCA and SEBI circulars and ongoing Covid- 19 pandemic the annual report of the company for the financial year 2020-21, including the Notice of the Annual General Meeting has been emailed on August 16th to all members whose email addresses were registered with the company and their respective Depositories.

There being no qualifications in the Statutory Auditors' report and Secretarial Audit report, we with the consent of the members consider the reports to be read.

Pursuant to the notice of the Annual General Meeting, there are three resolutions under Ordinary Business on the agenda for this meeting.

1. Adoption of Standalone and Consolidated Financial Statements for the financial year ended on March 31, 2021;
2. Declaration of final dividend for the financial year ended March 31, 2021
3. Re-appointment of Smt. Hina V. Mehta, liable to retire by rotation.

The detailed procedure and instructions for casting votes by the members through electronic means were prescribed in the Annual General Meeting Notice.

Shareholders have already voted on these resolutions through remote e-voting facility from September 4 to 6. Any shareholder who has not voted earlier and wishes to do so now, can vote during this meeting and the facility will be open up to 15 minutes from the conclusion of this meeting.

The Members who have exercised their voting rights through remote e-voting are once again requested not to cast their votes during this meeting. If any such member exercises his voting right through e-voting during this meeting, his e-voting will not be considered for counting the number of votes as his votes are already considered in remote e-voting. Once a report of the Scrutinizer is received, the Chairperson will declare the decision of the members on each business transacted by the members through e-voting during AGM, adding the votes cast by the members through remote e-voting. The results of the voting together with Scrutinizer's Report will be placed on our Company's website www.primoplastics.com. and on the BSE where the shares of the Company are listed.

The Company has received requests from a few members to register them as speakers at the meeting.

Members are requested to keep the questions brief and specific. To avoid repetition, the answers to all the questions will be provided towards the end by our Managing Director Shri Dilip Parekh. Members may also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time.

Each shareholder will have 3 minutes for their questions. We would make every effort to answer all your queries, but if any questions remain unanswered, you may please send in your queries via email to us and we shall revert appropriately.

Now I request moderator to unmute the 1st speaker shareholder, Mr. Vaibhav Bhadjatiya.

Mr. Vaibhav Bhadjatiya (Speaker Shareholder):

Hello, can you hear me?

Ms. Vandana Ahuja (Company Secretary & Compliance Officer):

Yes, we can hear you.

Mr. Vaibhav Bhadjatiya (Speaker Shareholder):

Okay, Thanks a lot for providing the opportunity, I wish all the Board Members, employees and everyone in the Prima Family good health. So, I have already submitted my list of questions, so do you have them in front of you right now?

Ms. Vandana Ahuja (Company Secretary & Compliance Officer):

Yes, Sir.

Mr. Vaibhav Bhadjatiya (Speaker Shareholder):

So, great if you can respond to those questions point by point, that will be very helpful, I request not to bunch with other questions as you know the point will get lost. So great if can respond those questions point by point. I don't have anything else to add. That's it from side.

Ms. Vandana Ahuja (Company Secretary & Compliance Officer):

Sir, all the questions will be answered at the end after all the speaker shareholders are done.

Mr. Vaibhav Bhadjatiya (Speaker Shareholder)

Yes, I am fine that is not a problem you can answer at the end, but if answers are provided point by point that will be helpful. That's all.

Ms. Vandana Ahuja (Company Secretary & Compliance Officer):

Thank you Sir.

I request the moderator to kindly unmute the second speaker shareholder Mr. Pravin Udagade.

Moderator:

Yes, Ma'am, he can speak we have unmuted them.

Ms. Vandana Ahuja (Company Secretary & Compliance Officer):

I think the shareholder is having network issues, we can proceed with the third speaker shareholder, Mr. Anuj Sharma.

I request the moderator to kindly unmute the third speaker shareholder Mr. Anuj Sharma.

Moderator:

Shareholder is not present in the meeting.

Ms. Vandana Ahuja (Company Secretary & Compliance Officer):

Okay. We will proceed to the next speaker shareholder, Mrs. Sneha Thakkar.

I request the moderator to kindly unmute her.

Moderator:

Yes, Madam we have unmuted you, you can speak.

Mrs. Sneha Thakkar (Speaker Shareholder):

Hello, Good Evening all.

We are pleased that Company is giving dividend on yearly basis also we are happy that despite of the lockdown conditions, Company is coming with the new project at Indore.

Sir, I want to know, what are the plans of the Company for the coming years.

Ms. Vandana Ahuja (Company Secretary & Compliance Officer):

Thank you Ma'am. Your question will be answered at the end.

I request the moderator to kindly unmute the fifth speaker shareholder, Mr. Shlok Dave.

Mr. Shlok Dave (Speaker Shareholder):

Hello, am I audible?

Ms. Vandana Ahuja (Company Secretary & Compliance Officer):

Yes, Sir, you are audible.

Mr. Shlok Dave (Speaker Shareholder):

Thank you, Ms. Ahuja for providing me the opportunity and Thank you Dilip Ji.

I have sent you the list of questions to you. If you can just answer those that will be enough.

My emphasis is I have still not able to figure out your actual capacity in your standalone entity and also in the JV's, the new CAPEX that you have done I am not been able to figure out. What is the ton age that you can do and what is the maximum revenue potential of the Company, so that is where my main emphasis is, other than that there are other questions related to business and economies of business and also strategy which I have sent you, if you can answer it would be great.

Thank you very much Sir.

I wish you all the best. Do well in next year as well.

Thank you.

Ms. Vandana Ahuja (Company Secretary & Compliance Officer):

Thank you Sir.

I request the moderator to kindly unmute the next speaker shareholder, Mr. Chandrakant Gurav.

Moderator:

Yes, Sir we have unmuted you, you can speak.

Ms. Vandana Ahuja (Company Secretary & Compliance Officer):

I think there is network issues at the end of shareholder.

This concludes the speaker shareholders.

Thank you Everybody.

I request our Managing Director, Shri Dilip Parekh to answer to the questions raised by the shareholders and brief about the Company and future Prospects.

Dilip Sir.

Dilip Parekh (Managing Director):

Ya, Respected Directors and Dear Shareholders, I would like to welcome you all on our virtual 27th AGM and hope you all are safe with your family as well. Despite of being the COVID, its unfortunate that we couldn't have the physical meeting and the performance of your company has had been overall quite satisfactory.

I would say last year when the lockdown has started which we felt that Company would not be able to do anything but as the momentum started the first quarter lockdown what we had seen completely shut in our operations, factories and then we could manage to start our essential items production and then we could able to take it forward.

During last year we had seen very high raw material cost had come down, utilisation was quite okay and we could able to manage almost, I would say quite well comparative to year of 2019, where we trying to compare ourselves with 90s, so when we did that, we felt we did quite well, we were about 6 percent down but our profits has grown. Our majority has come from our Africa Unit, from America Unit as well as India Units.

Going forward when we see now, after the second wave and coming back again, the first quarter was quite slow for us, even one of our factory in Kerala was shut down for a short time due to high COVID numbers in that part of the and overall retail markets were slow for us.

So we were not able to achieve what we have done in 2019 I will put it because 20th was zero for us, so we were trying to compare with 2019 so quite satisfactory in first quarter. Going forward what we see that the second quarter has been in the beginning little slow, but now I feel quite well, the markets have opened quite a bit and we are able to do, even the Company has received lot of Government Order which we are trying to execute and we will see quite good numbers coming for the second quarter onwards. So I am quite hopeful.

Utilisation point someone said that please give us the utilisation, it is very difficult number to give out and I don't have at the moment, I mean to say take it as personally one to one. Overall scenario as our Chairman has said we are growing in Indian business as well we have expanded, catering our new, opening of brand new factory in Indore which will be in production in first week in January itself, first quarter we will be able to get the benefits of it.

Even in our current year we could expand in America also, Africa is again in little we intent to grow in coming future because COVID has really taken back step for lot of people so Africa was quite slow this current year, once the vaccines are started over there too, even in Central America Vaccines Government has started given so once things normalise how things are happening in India we are quite enthu taking this opportunity, unfortunately raw material prices have gone up drastically, the major reasons were the sea freight has gone high, extremely high almost 30 to 40 percent high, so the overall raw material price has not increased but freight cost has increased and for that reason local manufactures were able to increase their price quite high for us, but we are able to pass that same hike to consumers and we are trying to take it as and when requires also.

We do not have any competition from Chinese items or imports, off course there is reprocess unorganised sector, you all know lots of trades, almost many trades has unorganised business, so we do face some difficulties in some parts of India.

Ya, that will keep on but looking at, I have just seen some McKinsey Reports, where it says that the household demand is going to increase a lot which had happened in America and same thing Indian household people have saved their last quarter lot of. I would say income has been saved from them so we are expecting coming seasons have just begun for us and we will do well for us, we are hoping in the same way as you know we do are in may product lines, it is difficult to bifurcate but it's all plastic so company does moulded furniture which is major business of us, road barricades, pallets, crates and waste bins so on those are the mixtures of plastics only, one segment basically very difficult to take it. We have already had some competition in Central America from beginning but the kind of product line we have introduced there had given benefit to Prima. Prima name was we were exporting a lot before in that part of the world so people knew the quality of Prima over there that got benefit to us. Central Africa was also there are small producers but we are market leaders right now and off course new small investments are on the way to bring new items over there in those local markets and we see going forward these things stabilise we are quite hopeful that business will ramp up all these parts of India, Africa and Central America for us. Our export were almost 10 percent of our turnover in India so we are still maintaining those lines.

Ya, overall I would say for the CAPEX in India we are quite sure the kind of business we are planning to do in our moulded furniture we are trying to get lot of new variety, so the investment has been going on and shareholders will see the good future of Prima in coming days.

I may not have replied all, but any more questions, I would be pleased or my team will be able to call you back and give you the best of things information you would want from us.

Thank You all and I request Vandana to take it forward from here.

Vandana Ahuja (Company Secretary and Compliance Officer):

Thank You Sir.

I hope we have been able to answer all the queries raised by the shareholders. Now with the permission of the chairman, I would like to proceed further with the concluding remarks. Those members who have still not cast their votes may do so through the CDSL e-voting facility available in the same portal. The e-voting shall close in another 15 minutes. Thank you all for attending the meeting and I hereby declare the meeting as closed.
