

COMPLIANCE REPORT

Date: November 12, 2024

It is hereby certified that the draft Scheme of arrangement involving **Prima Plastics Limited ("the Company)** and **Prima Innovation Limited** does not in anyway violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Scheme Circular"), including the following:

Sl.	Reference	Particulars	Whether complied or not
1	Regulation 17 to 27 of LODR Regulations	Corporate governance requirements	For F.Y 2023- 2024 Complied. For F.Y. 2024-2025: Complied to the extent applicable.
2	Regulation 11 of LODR Regulations	Compliance with securities law	Complied
Requirements of this circular			
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges	Complied
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities	We undertake to comply with the requirement specified in Para (I)(A)(3) in relation to the Scheme involving unlisted entity, as applicable.
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report	Complied
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards	Complied by Demerged Company as well as the Resulting Company and the respective Statutory Auditor certificate is the part of the Stock Exchange application.
(e)	Para (I)(A)(10)	Provision of approval of public shareholders through e-voting	Not Applicable Undertaking by the Company Secretary stating the reasons for non-applicability of Part (I)(A)(10)(b) read with Part (I)(A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD2/P/CIR/2023/93



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PRIMA PLASTICS LTD.

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CORP.OFFICE: 41, National House, OPP. Ansa 'A' Bldg, Saki Vihar Road, Saki Naka, Mumbai-400072 (India)

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			<p>dated June 20, 2023, certified by the Statutory Auditor and duly approved by the Board of the Company is enclosed with Stock Exchange application.</p> <p>The Company will comply with the provisions of e-voting as per the Companies Act, 2013 and SEBI LODR Regulations as amended from time to time.</p>
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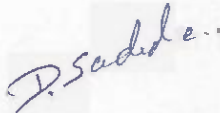


Company Secretary



Managing Director

Certified that the transactions/ accounting treatment provided in the draft scheme of arrangement involving Prima Plastics Limited and Prima Innovation Limited are in compliance with all the Accounting Standards applicable to the listed entity.



Chief Financial Officer



Managing Director



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To,
The Board of Directors,
Prima Plastics Limited,
41, National House,
Opp. Ansa 'A' Building,
Saki Vihar Road, Powai
Mumbai-400072.

Independent Auditor's Certificate in relation to non-applicability of requirements given in paragraph (A)(10)(b) read with paragraph (A)(10)(a) of part I of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 pertaining to obtaining approval of the majority of public shareholders

1. This certificate is issued in accordance with the terms of our engagement letter dated November 01, 2024.
2. We, CNK & Associates LLP, Chartered Accountants, Statutory Auditors of Prima Plastics Limited ("the Company") have examined the accompanying undertaking ("the Undertaking") given by the Company regarding non-applicability of requirements given in paragraph (A)(10)(b) of Part I of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (as amended from time to time) ("SEBI Circular") pertaining to obtaining approval of the majority of public shareholders, to the Scheme of Arrangement between Prima Plastics Limited ("the Company" or "Demerged Company") and its shareholders and creditors; and Prima Innovation Limited ("Resulting Company") and its shareholders and creditors ("the Proposed Scheme").

Management's Responsibility

3. The preparation of the Scheme and undertaking in Annexure A is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The management of the Company is also responsible for ensuring that the Company complies with the requirements of the Act, and for providing all relevant information to SEBI and any other regulatory authority in connection with the Scheme.



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Auditor's Responsibility

5. Pursuant to the Circular, it is our responsibility to examine the Proposed Scheme, the Undertaking and the books and records of the Company and certify whether the requirements stated in Paragraph (A)(10)(b) of Part I of the SEBI Master Circular as set out in the Undertaking, are applicable to the Proposed Scheme.
6. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the reporting criteria mentioned in paragraph(A)(10)(c) of part I of SEBI Master Circular. The procedures performed vary in nature and timing from and are less extent than for a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:
 - i) Read the Proposed Scheme;
 - ii) Examined the requirements of paragraph(A)(10)(b) of part I of SEBI Master Circular and assessed the same in respect of the Proposed Scheme;
 - iii) Performed necessary inquiries with the management and obtained necessary representations from the management
7. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion in the specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of legal or propriety nature of the Petition and other compliances thereof. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that may have in our capacity as the statutory auditors of any financial statements of the Company.
8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

10. Based on our examination and according to the information, explanations and representation provided to us by the Management of the Company, in our opinion, the requirements of Paragraph (A)(10)(b) of Part I of the SEBI Master Circular pertaining to obtaining approval of majority of public shareholders to the Proposed Scheme, is not applicable.



11. For ease of reference, the Undertaking duly authenticated on behalf of the Company is attached as an Annexure A to this Certificate and initialed by us for the purpose of identification.

Restrictions on Use

12. This certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to Securities and Exchange Board of India, BSE Limited, , National Company Law Tribunal(s), Regional Director and Registrar of Companies and such other statutory or regulatory authorities as may be required in connection with the Proposed Scheme. This Certificate should not be used for any other purpose or to be distributed to any other parties without our prior written consent. Accordingly, we do not accept or assume any liability of any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For C N K & Associates LLP

Chartered Accountants

Firm Registration Number: 101961W/W-100036



Vijay Mehta

Partner

Membership No.: 106533

UDIN: 24106533BKCE:TK4691



Place: Mumbai

Date: 12th November 2024

Ref No: REF/CERT/VLP/319/24-25

Annexure A

UNDERTAKING IN RELATION TO NON-APPLICABILITY OF PARAGRAPH A.10(b) READ WITH PARAGRAPH A.10(a) OF PART I OF SEBI MASTER CIRCULAR NO. SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023 ("SEBI MASTER CIRCULAR").

A. BACKGROUND

1. This is in reference to the Scheme of Arrangement amongst Prima Plastics Limited ("Demerged Company" or "the Company" or "PPL") and Prima Innovation Limited ("Resulting Company" or "PIL") and their respective Shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder ("Scheme").
2. The Demerged Company was incorporated under the provisions of the Companies Act, 1956. The Demerged company is one of the leading plastic furniture and moulding articles manufacturing company in India. The equity shares of the Demerged Company are listed on BSE Limited.
3. The Resulting Company was incorporated under the provisions of the Companies Act, 2013. The Resulting Company is a wholly owned subsidiary of the Demerged Company.
4. Pursuant to the Scheme, it is proposed to demerge, transfer and vest the Demerged Undertaking (as defined in the Scheme) from the Company into the Resulting Company, on a going concern basis, and reduction and cancellation of the entire pre-Scheme share capital of the Resulting Company.

B. CONSIDERATION UNDER THE SCHEME

Upon effectiveness of this Scheme and in consideration of and subject to the provisions of this Scheme, and inconsideration for the demerger of the Demerged Undertaking from the Demerged Company, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to the shareholders of the Demerged Company whose name is recorded in the register of members and records of the depository as shareholders of the Demerged Company as on the Record Date, as under:

"1(One) fully paid-up equity share of the Resulting Company having face value of INR 5/- (Rupees Five) each for every 1 (One) fully paid-up equity share of INR 10/- (Rupees Ten) each of the Demerged Company."

C. REQUIREMENT OF SEBI MASTER CIRCULAR

1. The SEBI Master Circular mandates all the listed companies to ensure that the scheme submitted with the jurisdictional National Company Law Tribunal for sanction, shall be acted upon in certain case as mentioned in Paragraph (A)(10)(b) of Part I of the SEBI Master Circular, if the votes cast by public shareholders in favour of the scheme are more than the votes cast by the public shareholders against the scheme, pursuant to the requirements stated in paragraph (A)(10)(a) of Part I of the SEBI Master Circular.



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2. The SEBI Master Circular further provides that in cases where the scheme does not fall within the cases mentioned in Paragraph (A)(10)(b) of Part I of the SEBI Master Circular, the listed entity shall furnish an undertaking certified by the auditor and duly approved by the Board of the company, clearly stating the reasons for non-applicability of Paragraph (A)(10)(a) of Part I of the SEBI Master Circular.
3. As per the Scheme, and as mentioned in Paragraph B above, all the shareholders of the Demerged Company shall be allotted shares in the Resulting Company in proportion of their respective shareholding in the Demerged Company on demerged Undertaking.
4. In terms of the Scheme and Paragraph (A)(10)(b) read with Paragraph (A)(10)(a) of Part I of the SEBI Master Circular, the Company hereby undertakes and confirms that the requirements under the SEBI Master Circular pertaining to obtaining approval of the majority of public shareholders of the Company to the Scheme is not applicable to the Company.

D. REASONS FOR NON-APPLICABILITY

The detailed reasons for non-applicability of each of the pre-condition prescribed under Paragraph 10(b) of Part I of the SEBI Master Circular are as follows:

1. **Paragraph (A)(10)(b)(i):**
Where additional shares have been allotted to Promoter /Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter /Promoter Group, Subsidiary(s) of Promoter / Promoter Group of the listed entity, or

Reason for non – applicability:

In terms of the Scheme, all the shareholders of the Company will be allotted equity shares of the Resulting Company in proportion of their respective shareholding in the Company.

Since, the shares allotted by the Resulting Company pursuant to the Scheme will be issued to the shareholders of the Company in proportion of their existing shareholding in the Company, there is no question of additional shares being allotted (any additional benefit) to Promoter / Promoter Group, Associates of Promoters / Promoter Group, Subsidiary/(s) of the Promoter or Promoter Group of the Company.

Thus, this paragraph of the SEBI Master Circular is not applicable as the Scheme does not contemplate issue and allotment of any additional shares to the Promoters / Promoter Group, Related Parties of the Promoter/Promoter Group, Associates of Promoters / Promoter Group, and Subsidiary/(s) of the Promoter or Promoter Group of the Company.

2. **Paragraph (A)(10)(b)(ii):**
Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter./ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter./ Promoter Group.

Reason for non – applicability:

The proposed Scheme is between the Company and the Resulting Company, a wholly owned subsidiary of the Company.



We would like to submit that as on date, the Resulting Company is a wholly owned subsidiary of the Demerged Company and therefore the relationship is only through the Demerged Company. Hence, the Scheme does not involve any other entity involving Promoter/ Promoter Group, Associates of Promoters/ Promoter Group, Subsidiary/(s) of the Promoter or Promoter Group of the Company and accordingly, this Paragraph of SEBI Master Circular is not applicable to this Scheme.

3. Paragraph (A)(10)(b)(iii):

Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.

Reason for non -applicability:

This paragraph of the SEBI Master Circular deals with merger of subsidiary with the parent listed entity.

The present Scheme provides for demerger of the Demerged Undertaking of the Company to the Resulting Company and consequent issue of equity shares by the Resulting Company to shareholders of the Company, in same proportion of their respective shareholding in the Company.

Further, the Resulting Company was incorporated as a wholly owned subsidiary of the Demerged Company and therefore, the shares of the Resulting Company were not acquired by the Demerged Company from its Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group. Therefore, this paragraph of the SEBI Master Circular is not applicable to this Scheme.

4. Paragraph (A)(10)(b)(iv):

Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee /resulting company by more than 5% of the total capital of the merged entity;

Reasons for non-applicability:

This paragraph of the SEBI Master Circular deals with merger of unlisted company with the listed entity and consequent reduction of public shareholding in the listed entity.

The present Scheme provides for demerger of the Demerged Undertaking of the Company to the Resulting Company and consequent issue of equity shares by the Resulting Company to shareholders of the Company in same proportion of their respective shareholding in the Company and accordingly, this paragraph of the SEBI Master Circular is not applicable to this Scheme.



5. Paragraph 10(b)(v):

Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares

Reasons for non-applicability:

As mentioned in Paragraph B above, the proposed Scheme contemplates demerger of the Demerged Undertaking of the Company into the Resulting Company and consequent issue of equity shares by the Resulting Company to shareholders of the Company, in same proportion of their respective shareholding in the Company.

As per the SEBI Circular, for the purpose of para A(10)(b)(v), the expression "substantially the whole of the undertaking" in any financial year shall mean 20% or more of value of the Company in terms of consolidated net worth or consolidated total income during previous financial year as specified in section 180(1)(a) (ii) of the Companies Act, 2013.

As per the audited financials of PPL for the financial year ended March 31, 2024 the "Demerged Undertaking", do satisfy the prescribed criteria of consolidated net worth and consolidated total income outlined in para A(10)(b)(v) of the SEBI circular.

However, the Shares to be issued/allotted by the Resulting Company to the members of PPL as per share entitlement ratio captured in clause 8 of the Scheme, shall be listed on BSE.

As per Clause 8.12 of the Scheme, the Resulting Company shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of the SEBI Circular and other relevant provisions as may be applicable.

Considering the equity shares issued as consideration by the Resulting Company pursuant to the Scheme will be listed on BSE Limited this clause of the SEBI Master Circular is not applicable to this Scheme.

In the light of the above reasons, the requirement of obtaining consent of majority of public shareholders voting, as stated at Paragraph A10(b) read with Paragraph A10(a) of the SEBI Master Circular is not applicable to the Scheme and the undertaking in relation to the above is hereby approved.

For and on behalf of Prima Plastics Limited



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



Date: November 12, 2024

Place: Mumbai



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