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**ANNUAL** | **REPORT** | **2013-14**

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ISO 9001

**An ISO 9001 : 2008 Company**

# PRIMA PLASTICS LIMITED

CIN:L25206DD1993PLC001470

## BOARD OF DIRECTORS

Shri Bhaskar M. Parekh	(Executive Chairman)	DIN - 00166520
Shri Mulchand S. Chheda	(Independent Director)	DIN - 00179932
Shri Krishnakant V. Chitalia	(Independent Director)	DIN - 00443945
Shri Rasiklal M. Doshi	(Independent Director)	DIN - 00239580
Shri Dilip M. Parekh	(Managing Director & KMP)	DIN - 00166385

## BANKERS

Corporation Bank  
Bank of India  
ICICI Bank Limited

## AUDITORS

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

## COMMITTEES OF BOARD

Audit Committee  
Stakeholders' Relationship Committee  
Nomination & Remuneration Committee  
Management Committee  
Share Transfer Committee

## REGISTRAR & SHARE TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.  
E-2/3, 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/A, KINFRA-SIP, Survey No.508 (Part), Block No.32, Nellad P.O., Mazhuvannur Village, Ernakulam District, Kerala - 686 669.

Aluminium Composite Panel Division:

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

## MARKETING DEPOTS

Coimbatore, Delhi, Hubli, Jammu, Jaipur, Kanpur, Rohtak, Bhiwandi (Maharashtra), Secunderabad, Vapi & Zirakpur (Punjab).

## 20<sup>TH</sup> ANNUAL GENERAL MEETING

Date	:	September 20, 2014
Time	:	11.00 a.m.
Venue	:	Hotel Princess Park, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210

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## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of **PRIMA PLASTICS LIMITED** will be held on Saturday, September 20, 2014 at 11.00 a.m. at Hotel Princess Park, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210 to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the Financial Statement of the Company for the year ended March 31, 2014 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Bhaskar M. Parekh (DIN – 00166520) who retires by rotation at this Annual General Meeting and being eligible, offers him for reappointment.
4. To appoint Auditors and authorize Board of Directors to fix their remuneration.

“RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made there under, M/s. G P Kapadia & Co, Chartered Accountants (ICAI Registration No. 104768W) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held for the financial year 2016-17.”

“Resolved Further that the remuneration and other terms and conditions of the Statutory Auditors as aforesaid, be determined by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and pursuant to Clause – 49 of the Listing Agreement with Stock Exchanges, Shri Mulchand S. Chheda - (DIN – 00179932) who was appointed as a Director liable to retire by rotation of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company to hold office for five consecutive years for a term up to August 12, 2019”.
6. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and pursuant to Clause – 49 of the Listing Agreement with Stock Exchanges, Shri Krishnakant V. Chitalia - (DIN – 00443945) who was appointed as a Director liable to retire by rotation of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company to hold office for five consecutive years for a term up to August 12, 2019”.
7. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and pursuant to Clause – 49 of the Listing Agreement with Stock Exchanges, Shri Rasiklal M. Doshi - (DIN – 00239580) who was appointed as a Director liable to retire by rotation of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company to hold office for five consecutive years for a term up to August 12, 2019”.
8. To Consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the “Act”) read with Schedule V to the said Act, consent of the members of the Company be and is hereby accorded

to re-appointment of Shri Bhasker M. Parekh (DIN – 00166520), as Executive Chairman of the Company for a period of 5 years commencing from September 01, 2014 to August 31, 2019 at the terms and conditions set out in the Annexure to this Notice.

**FURTHER RESOLVED THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/or as approved by the Central Government or such other competent authority.

**RESOLVED FURTHER THAT** in the event in any financial year during the tenure of the Executive Chairman, the Company does not earn any profits or earns in adequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Executive Chairman, the above remuneration as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any.

9. To Consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) (the “Act”) read with Schedule V to the said Act, consent of the members of the Company be and is hereby accorded to re-appointment of Shri Dilip M. Parekh (DIN - 00166385), as Managing Director and KMP of the Company for a period of 5 years commencing from September 01, 2014 to August 31, 2019 at the terms and conditions set out in the Annexure to this Notice .

**FURTHER RESOLVED THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/or as approved by the Central Government or such other competent authority.

**RESOLVED FURTHER THAT** in the event in any financial year during the tenure of the Managing Director, the Company does not earn any profits or earns in adequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Managing Director, the above remuneration as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any.

10. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Mumbai  
August 13, 2014

**Bhaskar M. Parekh** (DIN – 00166520)  
Chairman

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. However a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item 5 to 10 of the Notice is annexed hereto.
3. 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.
4. Brief resume of all Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
5. The Register of Members and the Share Transfer Book of the Company will remain closed from Saturday, September 13, 2014 to Saturday, September 20, 2014 (both days inclusive) for the purpose of determining the eligibility of the Members to attend the Annual General Meeting and payment of Dividend.
6. The Board of Directors 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 credited / dispatched on or after September 25, 2014, to those members whose names shall appear on the Company's Register of members on September 12, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. Members are requested to register their latest Bank Account details (Core Banking Solutions enabled Account Number, 9 digit MICR and 11 digit IFS code) with their Depository Participant.
7. In compliance with the provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, Members are provided with an alternate facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice. The instructions for e-voting are provided along with Attendance Sheet.
8. Relevant documents referred to in the accompanying 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.
9. The Annual Report 2013-2014 of the Company, circulated to the members of the Company, will be made available on the Company's website at <http://www.primaplastics.com>.
10. The members are requested to bring their attendance slips along with their copy of Annual Report to the Meeting.
11. 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.
12. The Ministry of Corporate Affairs has, on May 10, 2012, notified the Investor Protection and Education Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 ("IEPF" Rules") with the objective of enabling shareholders to use the information provided by the companies on their websites and the website of the IEPF, to verify the status of unclaimed dividends, if any. The concerned members are requested to verify the details of their unclaimed dividend, if any, from the said websites and lodge their claim with the Company's Registrars, M/s. Bigshare Services Pvt. Limited, before the same is due for transfer to the IEPF.
13. Members wishing to claim dividends, which remain unclaimed for the Financial Years 2009-2010 onwards, are requested to write to the Company's Registrar and Transfer Agents. It may be noted that once such unclaimed dividends are transferred on expiry of seven years to the Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956, no claim shall lie in respect thereof.
14. Members holding shares in physical form are requested to provide their latest Bank Account details (Core Banking Solutions enabled Account Number, 9 digit MICR and 11 digit IFS code) along with their Folio Number to the Company's Registrar and Transfer Agents, M/s. Bigshare Services Private Limited.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN

to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agent.

16. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Transfer Agent, for consolidation into a single folio.
18. Non-Resident Indian Members are requested to inform Registrar and Transfer Agent, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
19. In support of the "Green initiative" announced by the Government of India, electronic copy of the Annual Report and this Notice are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the Company / Depository Participants unless member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of this Notice along with attendance slip and proxy form, will be sent to them in the permitted mode. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold share in physical form are requested to send the email id along with their Folio No. at investor@primaplastics.com or investor@bigshareonline.com.
20. The details of other Directors seeking Appointment or Re-appointment are mentioned in the statement pursuant to Section 102 (1) of Companies Act, 2013 given below:

#### Item No. 5

<b>Name of Director</b>	<b>Shri Mulchand S. Chheda (Age 75 years)</b>
DIN	00179932
Date of Joining the Board	December 05, 1994
Number of Shares held	Nil
Profile of the Director	Shri Mulchand S. Chheda is a Promoter of Prince Group. He joined family business of Grocery shop and expanded in to a well known business house in Plastics Products, Household goods, Crates, Real Estate. He is a well-known Industrialist having more than 50 years experience in Plastic Business.
Other Directorships in Public Limited Co.	1

#### Item No. 6

<b>Name of Director</b>	<b>Shri Krishnakant V. Chitalia (Age 75 years)</b>
DIN	00443945
Date of Joining the Board	June 18, 1996
Number of Shares held	5,295
Profile of the Director	He has wide and varied Industrial experience in the field of Plastic, Electrical and Dairy products.
Other Directorships in Public Limited Co.	1

#### Item No. 7

<b>Name of Director</b>	<b>Shri Rasiklal M. Doshi (Age 85 years)</b>
DIN	00239580
Date of Joining the Board	June 18, 1996
Number of Shares held	6000
Profile of the Director	Vast experience in Finance & Manufacturing Industry with international exposures.
Other Directorships in Public Limited Co.	Nil

**Item No. 8**

<b>Name of Director</b>	<b>Shri Bhaskar M. Parekh (Age 58 years)</b>
DIN	DIN – 00166520
Date of Joining the Board	November 17, 1993
Number of Shares held	25,51,610
Profile of the Director	Shri Bhaskar M. Parekh joined the Company's Board since incorporation and is presently holding position of Executive Chairman. He has experience of more than thirty four years in plastic injection moulding, blow moulding and extrusion industry. He introduced numbers of innovative furniture items in attractive colours. He is taking care of production and general administration of the Company. He is also committed to explore new profitable business avenues and diversified activities to add shareholders' value.
Other Directorships in Public Limited Co.	Nil

**Item No. 9**

<b>Name of Director</b>	<b>Shri Dilip M. Parekh (Age 46 years)</b>
DIN	00166385
Date of Joining the Board	November 17, 1993
Number of Shares held	26,15,420
Profile of the Director	Shri Dilip M. Parekh joined the Company's Board since inception as a Director and looking after marketing and administration of the Company. His strong management skill, marketing ability and previous experience in moulded furniture industry for more than twenty-three years has benefited the Company. He is the person behind putting Prima on global chart by setting up a Joint Venture Company at Cameroon and putting efforts to tap more regions.
Other Directorships in Public Limited Co.	Nil

The Board hereby recommends Resolutions at Item Nos. 5 to 9 for the Approval of Members.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.****Item No.5 to 7**

Pursuant to the Provisions of Clause 49 of the Listing Agreement entered into with BSE Ltd., the Company had, at various point of times appointed Shri Mulchand S. Chheda, Shri Krishnakant V. Chitalia, and Shri Rasiklal M. Doshi, as Independent Directors of the Company, who are liable to retire by rotation.

However as per the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Company is required to have at least half of the total number of Directors as Independent Directors, who are not liable to retire by rotation and can hold office for a term up to five consecutive years.

Shri Mulchand S. Chheda, Shri Krishnakant V. Chitalia and Shri Rasiklal M. Doshi have given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Selection and Remuneration Committee has also recommended the appointment of these Directors as Independent Directors for a term of 5 years from August 13, 2014 to August 12, 2019.

In the opinion of the Board, each of these Directors possesses appropriate skills, experience and knowledge and fulfils the conditions specified in the Act, the Rules framed there under and the Listing Agreement for appointment as Independent Director and they are independent of the Management. Accordingly, Board recommends the Ordinary Resolutions at Item No.5 to 7 for the Approval of the Members.

Brief resumes of each of the above Independent Directors, nature of their expertise and names of the companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between the directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange forms part of the Notice of the Annual General Meeting and is annexed to this Annual Report.

The terms and conditions of appointment of the above Directors are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 10.00 a.m. to 12.00 noon up to the date of the Annual General Meeting i.e. September 20, 2014.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

**Item No.8 & 9**

The Nomination and Remuneration Committee, in its meeting held on August 13, 2014 recommended and the Board of Directors, in its meeting held on August 13, 2014, has subject to the approval of Members, re-appointed Shri Bhaskar M. Parekh as an Executive Chairman and Shri Dilip M. Parekh as Managing Director & KMP, for a further period of 5 (five) years from September 01, 2014, on the remuneration determined by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek Members' approval for the re-appointment of and remuneration payable to Shri Bhaskar M. Parekh as an Executive Chairman and Shri Dilip M. Parekh as Managing Director and KMP, in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Bhaskar M. Parekh and Shri Dilip M. Parekh are as under:

1. Shri Bhaskar M. Parekh, the Executive Chairman and Shri Dilip M. Parekh, Managing Director and KMP shall, subject to the supervision and control of the Board of Directors, manage the business and affairs of the Company.
2. They will be liable to retire by rotation.
3. Period of Agreement :  
Five years with effect from September 01, 2014 subject to reappointment on retirement by rotation from time to time.
4. Remuneration payable:  
Salary, Perquisites and Allowances per month.(Rs.)

Name	Salary	Perquisites & Allowances
Shri Bhaskar M. Parekh	65,000	1,75,000
Shri Dilip M. Parekh	65,000	1,75,000

They shall be entitled to perquisites & allowances including accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, medical reimbursement and leave travel concession for self and family, club fees, medical and personal accident insurance and such other perquisites and / or allowances in accordance with the rules of the Company. The aforesaid perquisites may be in the form of reimbursement or allowance.

For the purpose of calculating the above, perquisites shall be evaluated as per Income Tax Rules wherever applicable.

They shall be entitled to Company's contribution to Provident Fund up to the tax exemption limit, benefits of Gratuity and Pension Scheme, as per the rules of the Company.

Reimbursement of expenses incurred for traveling, boarding and lodging including for spouse and attendant(s) during business trip, Car for use on Company's business, telephone/cellular phones and other communication facilities at residence will not be considered as perquisites.

In the event of loss or inadequacy of profits, in any financial year, they shall be paid remuneration by way of salary and perquisites as specified above.

**5. Nature of Duties:**

They shall devote their whole time and attention to the business of the Company, perform their duties truly and faithfully and comply with the directives given to them from time to time by the Board and further not to disclose to any person, firm or company any confidential information.

**6. Other Conditions:**

They shall not during their tenure as Executive Directors, become interested or otherwise concerned directly or through any of their family members, in any selling agency of the Company without the prior approval of such authorities, if any, as may be required under the Companies Act, 2013.

**7. Termination:**

6 months' notice in writing by either party.

**8. Arbitration:**

Disputes to be settled by arbitration.

9. A copy of the Agreement will be available for inspection by the Members at the Registered Office of the Company on any working day from Monday to Friday and will be available at the Meeting.

**Item No.10**

The Articles of Association (“AoA”) of the Company as presently in force since incorporation in 1993 and modified from time to time. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

With the coming into force of the new Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table “F” of the Act which sets out the model articles of association for a company limited by shares. Shareholder’s attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Company’s lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased’s interest in the shares;
- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (e) existing articles have been streamlined and aligned with the Act;
- (f) the statutory provisions of the Act which permit a company to do some acts “If so authorized by its articles” of provisions which require a company to do acts in a prescribed manner “unless the articles otherwise provide” have been specifically included; and
- (g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication – their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company’s website for perusal by the shareholders.

**Disclosure of Interest**

For the Item No. 03, 05 to 09 the Directors and Promoters are interest as Director, Shareholders, Relatives the details of which are as under:

**Shareholding of the Interested Directors / Promoters:**

Bhaskar M. Parekh – 2551610 (23.20%), Chhaya B. Parekh – 216711 (1.97%), Pratik B. Parekh -115100 (1.05%), Dilip M. Parekh – 2615420 (23.78%), Madhavi D. Parekh – 406530 (3.70%), Shashikala M. Parekh – 486410 (4.42%), Mulchand S. Chheda – Nil, Krishnakant V. Chitalia – 5295 (0.05%), Saroj Krishnakant Chitalia – 1200 (0.01%), Suresh V. Chitalia – 150 (0.00%), Arun V. Chitalia – 300 (0.00%), Dipen Arun Chitalia – 1100 (0.01%), Bela Dipen Chitalia – 500 (0.00%), Rasiklal M. Doshi – 6000 (0.05%), Ramagauri Doshi – 500 (0.00%), Chetan R. Doshi – 3200 (0.03%), Parul C. Doshi – 1100 (0.01%). Apart from these none of the other Key Managerial Persons are concerned or interested in any of the resolutions proposed at the 20th Annual General Meeting of the Company.

The Board commends the Special Resolution set out at item No.10 of the Notice for approval by the shareholders.

**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  
August 13, 2014

**Bhaskar M. Parekh** (DIN – 00166520)  
Chairman

## DIRECTORS' REPORT, MANAGEMENT DISCUSSION & ANALYSIS REPORT

Dear Shareholders,

Your Directors submit the 20th Annual Report along with the Audited Statement of Accounts of the Company for the year ended March 31, 2014.

(Rs. In Lacs)

<b>FINANCIAL RESULTS</b>	<b>2013-2014</b>	<b>2012-2013</b>
Gross Income	<b>8,029.16</b>	7,569.21
Profit before Depreciation, Finance Cost and Tax	<b>684.70</b>	596.91
Less : Depreciation	<b>163.76</b>	160.70
Less : Finance Cost	<b>113.61</b>	96.78
Profit before Taxation	<b>407.33</b>	339.43
Less : Current Tax	<b>88.44</b>	76.00
Profit after Tax	<b>318.89</b>	263.43
Add : Balance b/f from previous year	<b>1,922.81</b>	1,837.23
Balance available for appropriation	<b>2,241.70</b>	2,100.66
Appropriation :		
Balance c/f	<b>2,241.70</b>	2,100.66
Less : Proposed Dividend	<b>110.00</b>	110.00
Less: Dividend Tax	<b>18.70</b>	17.85
Less : General Reserve	<b>50.00</b>	50.00
Balance c/f to Balance Sheet	<b>2,063.00</b>	1,922.81

### OPERATIONAL PERFORMANCE

The Global environment was not encouraging due to continuous recession in several European economies, persistent problem of unemployment, banking fragility and fiscal tightening, China experienced considerably slow growth and the entire Indian industries too were facing policy paralysis, despite these constraints and the challenging environment, your Company performed reasonably well and delivered positive growth in sales. The highlights of the company's performance are as under:

- PBDIT increased by 14.70% at Rs. 684.70 lacs
- Turnover of moulded furniture division increased by 9% to Rs.7,287.61 lacs.
- Exports increased by 22% to Rs.1,863.62 lacs.
- Operating revenue of moulded furniture division increased from Rs.137.10 to Rs.581.58 lacs.
- Turnover of ACP division increased from Rs.436.56 lacs to Rs.623.96 lacs.

The performance of ACP business has slowly improving due to focusing on retail business. However commercial real estate sector had remained sluggish in the last year resulting into under utilization of installed capacity. The main raw material for ACP division is Coated Aluminum Coil and prices of the Aluminum are driven by global market and at present the prices are within the reasonable range. The Company mainly sources, its raw materials from China & other leading countries.

Overall the Company's performance is satisfactory and registered a profit before tax of Rs. 407.33 lacs.

### DIVIDEND

Your Directors have recommended a dividend of Rs.1/- per equity share (last year Rs.1/- per equity share) for the financial year ended March 31, 2014, amounting to Rs.128.70 lacs (inclusive of tax of Rs.18.70 lacs). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The dividend will be paid to members whose names appear in the Register of Members as on September 12, 2014; in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

The dividend payout for the year under review has been formulated in accordance with shareholders' aspirations and the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals.

**TRANSFER TO RESERVES**

The Company proposes to transfer Rs.50.00 lacs to the General Reserve out of the amount available for appropriations and an amount of Rs.2,063.00 lacs is proposed to be retained in the Profit and Loss Account.

**RECOGNITIONS**

The Company has bagged the “Top Export Award” from Plex Council of India for the Financial Year 2011-12 & 2012-13.

**PERFORMANCE OF JOINT VENTURE**

Prima Dee-lite Plastics Pvt. Ltd., Cameroon is a Joint Venture Company manufacturing Moulded Articles and HDPE Woven Sack Bags. The total turnover of JV Company for the calendar year 2013 was INR 4,724.71 lacs as compared to previous calendar year of INR 3,267.20 lacs. The profit for the year after depreciation and tax was INR 873.70 lacs as compared to INR 491.86 lacs in the previous year.

**CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standard (AS) – 21 on Consolidated Financial Statements read with AS – 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

**MANAGEMENT’S DISCUSSION & ANALYSIS REPORT****OVERVIEW**

Financial year 2013-14 proved to be a year of uncertainty due to Policy paralysis at national level. The Indian Industries have achieved lowest growth in the year and Government has more focused on election & its related announcements to get political advantage. The inflation was continuous at higher rate and resulting in fighting of financial policies by RBI and higher interest rate.

**MOULDED FURNITURE**

Indian moulded furniture market is highly competitive and also periodically affected by higher polymer prices. Your company had focused on quality product to sustain its business and performed satisfactory on Indian market & done reasonably well on export front.

We believe that Indian moulded furniture market will continue to grow and always give the room to players with quality & innovative products. The Company may look forward for an appropriate time to expand its manufacturing base in India or abroad in near future.

**ALUMINIUM COMPOSITE PANEL**

The uses of Aluminium Composite Panel have increased over a period and entered in interior decoration market and small retail business due to its inherent advantage like zero maintenance, brightness, non-fading of colour with lapse of time, etc.

Your company has changed its focus from commercial real estate market to retail business and delivering steady result on slow but steady basis.

The Commercial segment of Indian Real Estate has been in over supply position since past 5-6 years and still showing no sign of improvement. However the Residential Segment demands were on raise due to overall shortage of affordable housing and metro cities have seen demand for premium housing projects.

**BUSINESS OUTLOOK****MOULDED FURNITURE**

The Per capita income of middle & lower middle class are rising in India and people living in Rural India are also prospering due to higher value of their agriculture produce & agriculture lands. The per capita consumption of plastic is increasing in India but still very low when compared to western countries. Plastic moulded furniture is fast replacing conventional furniture made of woods and steel due to its various inherent advantages. Your Company is well placed to take advantage of the sustained growth of our economy.

The introduction of GST is expected in a short span and will integrate the country’s economy into one and provide level playing in every part of the country. This is expected to boost the growth of your Company’s business at pan India level. The Company expects to achieve about 15-20 percent annual growth in turnover in medium term.

**ALUMINIUM COMPOSITE PANEL**

Looking to sluggish commercial real estate market in India in last 5-6 years, your Company had taken cautious approach in sales due to fund crisis in realty business and worked on the approach to do secured business rather running for recoveries of dues. Your company has changed its focus on retail business of Aluminium Composite Panel and expanding in this segment.

However the situation will not remain sluggish for a long and it is expected that the Indian business and financial activities will gain momentum in near term and lead to demand of commercial premises and recovery of this segment of Real Estate. Your company is also well positioned to take business opportunity on revival of commercial real estate market.

**OPPORTUNITY**

The Company is committed to introduce new premium plastic product as a substitute for conventional wood and other commodities

products in the market and also provide new and improved version of chairs in the market to attract the consumer. The Company plans to further expand its manufacturing base at importunate time in future.

The Company is also well aware of newer market in far off places on implementation of GST on nationwide in near future because of level playing opportunities to all players.

The ACP products can be used in varied areas apart from commercial real estate. The Company is looking at opportune time to take aggressive steps in marketing of ACP products and also may focus the other market of ACP by appointing nationwide dealer-distributor's network.

#### **THREAT**

The industry had in past witnessed many new entrants with low capital base & to serve the local market. The new players are prone to un-ethical practices in a temporary phase. These players will continuously impact local market in their area on temporary basis.

The rise in prices of crude and similar impact on its bye products and uncertainties in its availability will remain a concern for the Moulded Furniture business being major input material.

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.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company's internal control system is well established to commensurate with the size of the Company and nature of its business. The Company has defined policies and procedures ensuring that all transactions are authorized, recorded and correctly reported, all assets are safeguarded and protected against loss from unauthorized use or disposition, reducing wastages and maintenance of proper accounting records for ensuring accuracy and reliability of its financial information. As a matter of proactive planning, the Board has also constituted an Audit Committee which meets periodically to review the financial performance and the accuracy of financial records.

The Company has an internal audit function conducted by an external professional firm, which conducts quarterly audit to examine the adequacy and compliance with policies, procedures and all other statutory requirements. The management duly considers and takes appropriate action on the recommendations made by the internal auditors, statutory auditors and the Audit Committee of the Board of Directors.

#### **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.

#### **RISK MANAGEMENT**

The Company, like any other enterprise having national as well global business interests, is exposed to business risk which may be internal as well as external. We define risk as the eventuality of not achieving our financial, operative, or strategic goals as planned. To ensure our long term corporate success, it is essential to identify, analyze, and mitigate the risk by means of appropriate control measures. The risks outlined below are not exhaustive and for information only. The Board and the Audit Committee periodically review the risk management procedures.

The Company makes payment in foreign currency for import of machinery and raw materials. The change in the exchange rate between the US Dollar and the Indian Rupee may have negative impact on the Company's result and financial condition. The Company takes advantage of its natural hedge by exports of moulded articles to some extent. The Company does not deal in derivative transaction as a matter of policy.

The Company is exposed to the risk of price fluctuation on raw materials as well as finished goods in its entire product. The Company manages these risks in input their inventory management, input through buyer credit etc.

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.

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.

#### **HUMAN RESOURCE**

We believe that people are the backbone of the organization and hence we lay great emphasis on optimizing their performance. The

Company provides employees with a fair and equitable work environment and support from the peers to develop their capabilities. The Company strongly believes that its team of capable and committed manpower, which is its core strength, is the key factor behind all achievements and trusting them with the freedom to act and to take responsibility successfully. Occupational health and safety are given the utmost importance in the Company. The relationship between the Company and the employees were cordial and the Company experienced peace and harmony through out the year.

**DIRECTORS**

Shri Bhaskar M. Parekh (DIN – 00166520) retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting. Pursuant to the applicable provisions of Section 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 and rules made there under, the Board has received the proposal from members of the Company for appointment of Independent Directors for 5 years. Shri Bhaskar M. Parekh and Shri Dilip M. Parekh were re-appointed as Executive Chairman and Managing Director & KMP respectively as per the requirement of new Companies Act, 2013. Brief resume of Shri Bhaskar M. Parekh (DIN – 00166520), Shri Dilip M. Parekh (DIN – 00166385), Shri Mulchand S. Chheda (DIN – 00179932), Shri Krishnakant V. Chitalia (DIN – 00443945), Shri Rasiklal M. Doshi (DIN – 00239580) nature of his experience are given in the section on Notice elsewhere in the Annual Report.

**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, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies 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, 2014 and of the profit of the Company for the year ended on that date;
- III. The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate system and control for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. Directors have prepared the Annual Accounts on a going concern basis.

**AUDITORS & AUDITOR'S REPORT**

M/s. G.P. Kapadia & Co., Chartered Accountants, Mumbai bearing ICAI Registration (104768W) are proposed to be appointed as Auditors of the Company from the conclusion of ensuing Annual General Meeting till the conclusion of the 23rd Annual General Meeting of the Company held thereafter, subject to ratification of the appointment by the members at every AGM held after the ensuing AGM.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from M/s. G.P. Kapadia & Co., to such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made there under, as may be applicable.

**AUDITORS' REPORT**

The Auditors' Report to the members on the Accounts of the Company for the financial year ended March 31, 2014 does not contain any qualification.

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

**ENERGY CONSERVATION**

Energy conservation program is an ongoing process, 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.

**RESEARCH & DEVELOPMENT**

The R & D activities carried out by the Company are directly working in the supervision and guidance of the Managing Director. The Company has been able to launch few new products in plastics in replacement of conventional wood and also few new designs of chairs developed internally. 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 is able to give new & innovative designed product and has created strong demand of its products in export market.

**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 key markets for international business are the Africa, Middle East, and Latin America. The export products are well established in the international market and the exports were higher at Rs.1,863.62 lacs as compared to Rs.1,526.15 lacs in last year. The growth in export too is very impressive at 22% in percentage term due to repeated orders from its existing clients.

2) Total foreign exchange used and earned.

(Rs.)

	2013-2014	2012-2013
Foreign Exchange earned (FOB) – (Finished Goods)	171,028,947	133,840,727
Foreign Exchange used - Capital Goods	2,927,196	6,628,036
- Raw Materials	135,973,554	42,876,297
- Others	1,678,893	1,778,939

**FIXED DEPOSITS**

The Company has not accepted any Fixed Deposit covered 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.

**ACKNOWLEDGEMENT**

The Directors thank the Company's customers, vendors, investors and banks for their support to the Company.

The Directors also thanks the Governments of other countries, Government of India, State Governments in India and concerned Government Departments/Agencies for their co-operation.

**CAUTIONARY STATEMENT**

Certain statements in the reports of the Board of Directors and Management's discussions and analysis may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since Company's operations are influence by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

For and on behalf of the Board

**Bhaskar M Parekh** (DIN – 00166520)  
Chairman

Mumbai,  
August 13, 2014

## CORPORATE GOVERNANCE

### Company's Philosophy

#### Statement on Company's philosophy on Corporate Governance

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and other stakeholders' expectations. Good governance practices stem from the dynamic culture and positive mindset of the organization. At PPL, we are committed to meet the aspirations of all our stakeholders.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's functions. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

PPL adheres to the prescribed corporate governance practices as per Clause 49 of the Listing Agreement with the Stock Exchanges in India (Listing Agreement), and to sound corporate governance principles and practices. It is our endeavor to achieve higher standards and provide oversight and guidance to the management in strategy implementation, risk management and fulfillment of stated goals and objectives.

We believe Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in following pages.

#### Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India:

The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal, Forfeiture of Shares and Board's Report. Although these standards are recommendatory in nature, the Company substantially adheres to the standards voluntarily.

### Board of Directors

#### Composition of the Board

The Company's policy is to have an appropriate mix of Executive & Non-Executive Directors. As on date, the Board comprises Executive Chairman, Managing Director and 3 Independent Directors. The composition of the Board is in conformity with the Clause 49 of the listing agreement, which stipulate that at least 50% of the Board should consist of Independent 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, 2014 have been made by the Directors.

#### Meetings of the Board

The Board critically evaluates strategic direction of the Company, management policies and their effectiveness. The Secretarial Department prepares the agenda and the explanatory notes, in consultation with the Executive Chairman and Managing Director and agenda for Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets.

#### Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

#### Code of Business Conduct and Ethics for Directors / Management Personnel

The Code of Business Conduct and Ethics for Directors / Management Personnel ('the Code'), as adopted by the Board, is a Code in line with listing requirements, applicable to Directors and Management Personnel. The Code, while laying down in detail, the standards of business conduct, ethics and governance centers on the following theme:

'The Company's Board 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 investors and other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit'.

A declaration signed by the Company's Chairman and Managing Director is published in the Report.

#### **A. Institutionalized decision making process**

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board critically evaluates strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman and Managing Director are overseeing the functional matters of the Company.

The Board has constituted 5 Standing Committees, namely Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Management Committee and Share Transfer Committee. The Board may constitute additional functional committees, from time to time, depending on these business needs.

#### **B. Scheduling and selection of Agenda Items for Board Meetings**

The Board meets at least once every quarter inter alia to review quarterly results and additional meetings are held, when necessary.

The Company has defined guidelines and established framework for the meetings of the Board and Board Committees. These guidelines seek to systematize the decision-making process at the meeting of the Board and Board Committees in an informed and efficient manner.

A detailed Agenda folder is sent to each Director in advance of the Board Meetings. As a policy, all major decisions involving investments and capital expenditure, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board of Director.

A minimum of four Board Meetings are held every year. The meetings of the Board are generally held at Mumbai and dates for the Board Meetings in the ensuing quarter are decided well in advance in consultation with 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.

#### **C. Information to the Board**

The Board of Director has complete access to the information within the Company, which inter alia includes:

- Annual operating plans of business and budgets including capital budgets, Financial plans and any updates
- Quarterly results of the Company and its operating divisions or business segments
- Company's Annual Financial Results, Financial Statements, Auditors' Report and Board's Report.
- Minutes of meetings of the Audit Committee and other Committees of the Board.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, and any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business
- Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as dividend non-payment, share transfer delay (if any), among others
- Appointment, remuneration and resignation of Directors
- Formation / reconstitution of Board Committees
- Declaration of Independent Directors at the time of appointment / annually

- Disclosure of Directors' interest and their shareholding
- Appointment or removal of the Key Managerial Personnel (KMP) and officers one level below KMP
- Appointment of Internal Auditors
- Dividend declaration
- Appointment and fixing of remuneration of the Auditors as recommended by the Audit Committee
- Internal Audit findings and External Audit Reports (through the Audit Committee)
- Proposals for major investments
- Borrowing of monies, giving guarantees or providing security in respect of loans

**Board material distributed in advance**

The agenda and notes on agenda are circulated to Directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it 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 permitted.

**Recording minutes of proceedings at Board and Committee meetings**

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

**D. 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, four Board Meetings of Directors were held on:

May 29, 2013, August 10, 2013, November 12, 2013 & February 13, 2014.

**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	Category	No. of outside directorship(s) held		No. of outside Committee Position(s) held		No. of Board Meetings during the year 2013-14		Attendance at last AGM
		Public	Private	Chairman	Member	Held	Attended	
Shri Bhaskar M. Parekh DIN - 00166520	Executive Chairman	Nil	Nil	Nil	Nil	4	4	Present
Shri Dilip M. Parekh DIN - 00166385	Managing Director	Nil	Nil	Nil	Nil	4	4	Present
Shri Mulchand S. Chheda DIN - 00179932	Independent Non-Executive Director	1	2	Nil	Nil	4	3	Present
Shri Rasiklal M. Doshi DIN - 00239580	Independent Non-Executive Director	Nil	5	Nil	Nil	4	3	Present
Shri Krishnakant V. Chitalia DIN - 00443945	Independent Non-Executive Director	1	2	Nil	Nil	4	4	Present

**Details of Equity Shares held by the Non-Executive Directors:**

The details of the Equity Shares held by the Non-Executive Directors as on March 31, 2014:

Name	No. of Ordinary Shares held	% of Paid-up Capital
Shri Krishnakant V. Chitalia (DIN – 00443945)	5,295	0.05
Shri Mulchand S. Chheda (DIN – 00179932)	0	0.00
Shri Rasiklal M. Doshi (DIN – 00239580)	6,000	0.05

**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 of Directors has laid down Codes of Conduct ('Code(s)', for the Non-Executive Directors, Executive Directors and designated employees in the Senior Management. The Codes have been posted on the Company's website – www.primaplasitcs.com. All the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended March 31, 2014. A declaration to this effect signed by Shri Dilip M. Parekh (DIN – 00166385), Managing Director & KMP is annexed to this Report.

**Board Committee**

The Board currently has 5 Committees: 1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholders' Relationship Committee 4. Share Transfer Committee and 5. Management Committee. The terms of reference of the Board Committees are determined by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of each committee are convened by the respective Committee Chairman. Details on the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings are provided below:

**Audit Committee****Composition**

- (i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

**Power of the Audit Committee**

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

**Role of the Audit Committee inter alia, includes the following:**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of statutory auditors, including cost auditors, fixation of audit fees and other terms of appointment
- Approving payment to statutory auditors for any other services rendered by them
- Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section-217 of the Companies Act, 1956.
  - Changes if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by the management
  - Significant adjustments made in financial statements arising out of audit findings

- Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of related party transactions
  - Qualifications in draft audit report
  - Reviewing with the management, the quarterly financial statements before submission to the Board for approval
  - Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in the matter
  - Approval or any subsequent modification of transactions of the Company with related parties
  - Evaluation of internal financial controls and risk management systems
  - Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading
  - Reviewing the following information:
    - The Management Discussion and Analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    - Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - Internal audit reports relating to internal control weaknesses; and
    - The appointment, removal and terms of remuneration of internal auditors / chief internal auditor.
- (iii) The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the Internal & Statutory Auditors to be present at its meetings.
- (iv) The previous Annual General Meeting of the Company was held on September 14, 2013 and was attended by Chairman of the Audit Committee.
- (v) The dates on which the Audit Committee meetings were held are as follows:  
May 29, 2013, August 09, 2013, November 12, 2013 and February 13, 2014.
- (vi) The composition of the Audit Committee comprises of three Directors and two of whom are Independent Non Executive Directors, the details of meetings attended by its members as given below:

Name	Category	Number of Meetings during the year 2013-14	
		Held	Attended
Shri Krishnakant V. Chitalia (Chairman)(DIN – 00443945)	Independent Director	4	4
Shri Mulchand S. Chheda (DIN – 00179932)	Independent Director	4	3
Shri Dilip M. Parekh (DIN – 00166385)	Managing Director	4	4

#### **Nomination and Remuneration Committee**

- (i) The Broad terms of reference of the Nomination and Remuneration Committee are as under:
- To review, assess and recommend the appointment of Executive and Non Executive Directors
  - To review their remuneration package
  - To approve the annual remuneration plan of the Company
  - Such other matters as the Board may from time to time request the Nomination and Remuneration Committee to examine and recommend / approve.
- (ii) Remuneration Policy:

The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by

the members. The Nomination and Remuneration Committee decides on the annual package payable to the Executive Directors within the ceilings prescribed under the Companies Act, 1956, based on the performance of the Company as well as that of the Executive Director.

- (iii) Non-Executive Directors (NEDs) are paid sitting fees for attending the Meetings of the Board of Directors which are within the limits prescribed by the Central Government. The Company pays a sitting fee of Rs.12,500/- each NED for every Board meeting attended by such Director.
- (iv) Meeting of the Nomination and Remuneration Committee was held during the year on May 29, 2013.
- (v) The Company does not have any Employee Stock Option Scheme.
- (vi) The Composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the year 2013-14	
		Held	Attended
Shri Krishnakant V. Chitalia (Chairman) (DIN – 00443945)	Independent Director	1	1
Shri Mulchand S. Chheda (DIN – 00179932)	Independent Director	1	1
Shri Rasiklal M. Doshi (DIN – 00239580)	Independent Director	1	1

#### Details of Remuneration paid to Whole-Time Director(s).

(Rs.)

Name	Salary	Allowances & Perquisites	Contribution to PF	Total
Shri Bhaskar M. Parekh (Executive Chairman) (DIN – 00166520)	655,000	2,405,000	75,600	3,135,600
Shri Dilip M. Parekh (Managing Director) (DIN – 00166385)	655,000	2,405,000	75,600	3,135,600

#### Details of Remuneration paid to Independent Directors.

(Rs.)

Name	Total Sitting Fees Paid
Shri Krishnakant V. Chitalia (DIN – 00443945)	48,750
Shri Mulchand S. Chheda (DIN – 00179932)	36,250
Shri Rasiklal M. Doshi (DIN – 00239580)	36,250

### Stakeholders' Relationship Committee

#### Composition

- (i) The Board has constituted a Committee of Directors which inter-alia also functions as "Stakeholders' Relationship Committee" consisting of three members, chaired by Executive Chairman.
- (ii) The Committee meets once in three month and inter-alia, deals with various matters relating to:
- Transfer/Transmission of shares.
  - Dematerialization / Re-materialization of shares.
  - Issue of new and duplicate share certificates.
  - Registration of Power of Attorneys, Probate, Letters of Transmission or similar other documents.
  - To look into redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc.
  - Any allied matter(s) out of, and incidental to, these functions and not herein above specifically provided for.

- (iii) The Secretarial Department of the Company and the Registrar and Share Transfer Agent, M/s. Bigshare Services Pvt. Limited attend all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs and Registrar of Companies etc.
- (iv) The Minutes of the Stakeholders' Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.
- (v) Continues efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and e-mail addresses to facilitate prompt action.
- (vi) Four Stakeholders' Relationship Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:  
May 29, 2013, August 09, 2013, November 12, 2013 and February 13, 2014
- (vii) The composition of the Committee of Directors and the attendance during 2013-14 is as under:

Name	Category	Number of Meetings during the year 2013-14	
		Held	Attended
Shri Bhaskar M. Parekh (Chairman) (DIN – 00166520)	Executive Chairman	4	4
Shri Mulchand S. Chheda (DIN – 00179932)	Independent Director	4	3
Shri Dilip M. Parekh (DIN – 00166385)	Managing Director	4	4

**Name of the Compliance Officer**

Mr. Jayant B. Bhatt is the Compliance Officer in terms of Clause 47 of the Listing Agreement.

The Company has also taken compliance certificate on quarterly basis from a Company Secretary in whole time practice.

**Investors' Service****Details of complaints regarding shares for the year 2013-2014.**

Nature of Complaint	Number of complaints received	Number redressed
Non-receipt of Dividend	4	4
Non-receipt of Annual Report	5	5
Non-receipt of shares	1	1
Non-receipt of duplicate share certificate	1	1
Non-receipt of demat rejection documents	1	1
<b>TOTAL</b>	<b>12</b>	<b>12</b>

**There were no outstanding complaints as on March 31, 2014**

**Management Committee****Composition**

- (i) In addition to the above Committee, the Board has also constituted a Management Committee to review and guide the Company on various operational matters.
- Opening/Modification of operation and closing of bank accounts;
  - Grant of special/general Power of Attorney in favour of employees of the Company from time to time in connection with the conduct of the business of the Company particularly with Government and Quasi-Government Institutions;
  - To change the signatories for operations of Bank Accounts.
  - Authorities to Employees for availing of various facility from Banks/Financial Institution;
  - To carry out any other duties that may be delegated to the Committee by the Board of Directors from time to time.

- (ii) During the year under review, two meetings of the Committee were held on August 10, 2013 & January 20, 2014.
- (iii) The Composition and attendance details are given below:

Name	Category	Number of Meetings during the year 2013-14	
		Held	Attended
Shri Bhaskar M. Parekh(Chairman) (DIN – 00166520)	Executive Chairman	2	2
Shri Dilip M. Parekh (DIN – 00166385)	Managing Director	2	2
Shri Mulchand S. Chheda (DIN – 00179932)	Independent Director	2	2

#### General Body Meetings:

#### Annual General Meetings (AGM).

The Annual General Meetings of the Company during the preceding three years were held at Hotel Princess Park, Daman.

The date and time of the Annual General Meetings held during the preceding three years and the special resolution(s) passed there at are as follows:

Financial year (ended)	Name of Meetings	Date & Time	Venue
March 31, 2011	Seventeenth Annual General Meeting	September 10, 2011 10.30 a.m.	Hotel Sandy Resorts, Daman
March 31, 2012	Eighteenth Annual General Meeting	September 08, 2012 11.30 a.m.	Hotel Sandy Resorts, Daman
March 31, 2013	Nineteenth Annual General Meeting	September 14, 2013 11.00 a.m.	Hotel Sandy Resorts, Daman

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

Date of AGM	Details of Special Resolution
September 10, 2011	None
September 08, 2012	None
September 14, 2013	None

#### Passing of resolution by Postal Ballot:

No Postal Ballot was conducted during the year 2013-14.

No item of business, which required the Members approval through Postal Ballot was transacted during 2013-2014. Accordingly, the Companies (Postal Ballot) Rules 2001 is not applicable to the Company during the said year.

#### Disclosure:

##### Basis of related party transactions

Your Company places all the details before the Audit Committee periodically. A comprehensive list of related party transactions, as required by the Accounting Standard (AS-18) issued by the Institute of Chartered Accountants of India, forms part of the Notes to the Accounts in the Annual Report. However, these transactions are not likely to have any conflict with the interest of the Company at large.

##### Disclosure of Accounting Treatment.

Your Company has followed all relevant Accounting Standards while preparing the financial statements.

##### 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.

**Risk Management**

Your Company has a comprehensive risk management policy. The risk management policy inter-alia provides for review of the risk assessment and minimization procedure, laying down procedure to inform the Board in the matter and for periodical review of the procedure to ensure that executive management controls the risks through properly defined framework.

**Proceeds from public issues, right issues, preferential issues etc.**

During the year under review your Company has not raised any proceeds from public issue, right issue or preferential issue.

**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. This medium provides sufficient safeguards against victimization of employees who report such matters.

**Details of non-compliance**

The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

**Means of Communication:**

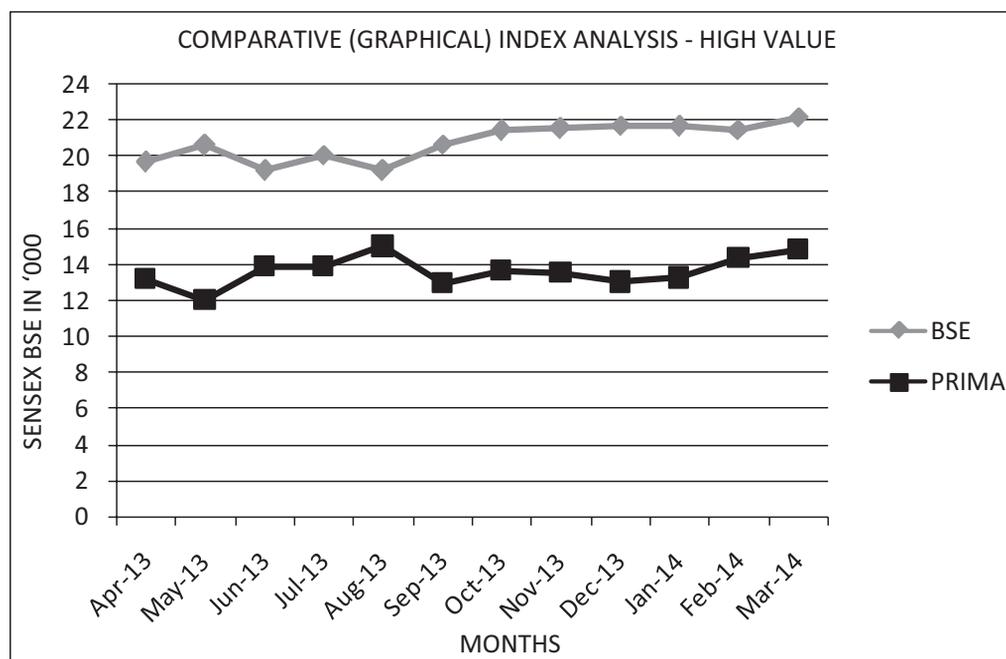
1. **Quarterly Results:** Quarterly Results of the Company are published in a national English news paper "Financial Express" and local language in "Financial Express" and are displayed on the Company's website [www.primaplastics.com](http://www.primaplastics.com)
2. **Website:** The Company's website [www.primaplastics.com](http://www.primaplastics.com) contains a 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 alias, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and other entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website [www.primaplastics.com](http://www.primaplastics.com)
4. **Chairman's Communiqué:** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. The same is also sent to Stock Exchange.
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. **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
7. **Designated Exclusive email-id:** The Company has designated the following email-id exclusively for investor servicing. For queries on Annual Report & in respect of shares in physical mode - [investor@primaplastics.com](mailto:investor@primaplastics.com)

## General Shareholders' Information

1.	<b>Date, Time &amp; Venue of AGM</b>	September 20, 2014 at 11.00 a.m. at Hotel Princes Park, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210.
2.	<b>Financial Calendar:</b>	
	Financial Year	April 01, 2014 to March 31, 2015.
	First Quarter Results	By August 15, 2014.
	Second Quarter Results	By November 15, 2014.
	Third Quarter Results	By February 15, 2015.
	<b>Year Ended March 31, 2015</b>	By May 31, 2015
3.	<b>Book Closure</b>	The Register of Members will remain closed for transfer from September 13, 2014 to September 20, 2014 (inclusive of both days).
4.	<b>Name &amp; Address of Registrar &amp; Transfer Agent</b>	M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072.
5.	<b>Dividend Payment date</b>	Credited / dispatched on or after September 25, 2014.
6.	<b>Registered Office Address</b>	98/4, Prima House, Daman Industrial Estate, Kadaiya, Nani Daman, Daman (U.T.) Pin. – 396 210.
7.	<b>Listing</b>	The Company's shares are listed and traded on the Stock Exchange, Mumbai
	<b>Stock Code:</b> Stock Exchange of Mumbai.	530589
	<b>ISIN No. (Demat No.):</b> NSDL & CDSL.	INE573B01016

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

Month	April -13	May-13	June-13	July-13	Aug-13	Sept-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
High	13.22	11.99	13.90	13.90	15.00	12.99	13.63	13.50	13.02	13.24	14.35	14.85
Low	11.02	10.80	11.40	11.58	11.52	11.65	11.90	11.21	11.25	11.31	11.87	12.06



**Distribution of Shareholding by ownership, March 31, 2014**

Category		No. of Shares Held	% of Shareholding
<b>A</b>	<b>Promoter's holding</b>		
	a) Indian Promoters	5,167,030	46.97
	b) Persons acting in concert.	1,307,113	11.88
	<b>Sub-Total</b>	<b>6,474,143</b>	<b>58.85</b>
<b>B</b>	<b>(i) Non-Promoters Holding</b>		
	a) Mutual Funds and UTI	800	0.01
	b) Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Inst.)		
	<b>Sub-Total</b>	<b>800</b>	<b>0.01</b>
	<b>(ii) Others</b>		
	a) Private Corporate Bodies	284,322	2.58
	b) Indian Public / Others	3,845,449	34.96
	c) NRIs / OCBs	395,756	3.60
	<b>Sub-Total</b>	<b>4,525,527</b>	<b>41.14</b>
	<b>Grand Total</b>	<b>11,000,470</b>	<b>100.00</b>

**Distribution of Shareholding by size, March 31, 2014**

Number of Shares	Number of Shareholders	Shareholders %	Number of Shares held	Shareholding %	
1	500	4,416	85.55	714,663	6.50
501	1000	358	6.94	309,799	2.82
1001	2000	161	3.12	247,018	2.25
2001	3000	94	1.82	239,851	2.18
3001	4000	22	0.42	76,927	0.70
4001	5000	26	0.50	121,441	1.10
5001	10000	39	0.76	279,802	2.54
10001 and above		46	0.89	9,010,969	81.91
<b>TOTAL</b>		<b>5,162</b>	<b>100.00</b>	<b>11,000,470</b>	<b>100.00</b>

**As on March 31, 2014, Shares held in physical and dematerialised form.**

Physical	612,535	5.57%
Dematerialised	10,387,935	94.43%
<b>Total</b>	<b>11,000,470</b>	<b>100.00%</b>

**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. Jayant B. Bhatt – 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](mailto:investor@primaplastics.com)

M. No. 09324777625

**2. M/s. Bigshare Services Pvt. Ltd.,****Unit : Prima Plastics Limited,**

E-2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai – 400 072.

Tel.No.+ 91 22 4043 0200 \* Fax No.+ 91 22 - 2847 5207 \* E-mail: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

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

**Share Transfer System:**

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of fifteen days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

**CEO Certification:**

The Managing Director of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Managing Director also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The annual certificate given by the Managing Director is published in the Report.

**Certificate on Compliance with Code of Conduct.**

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors / Management Personnel for the financial year 2013-14.

For and on behalf of the Board

Mumbai  
August 13, 2014

**Bhaskar M. Parekh (DIN – 00166520)**  
Chairman

## CERTIFICATION BY CEO UNDER CLAUSE 49 V OF THE LISTING AGREEMENT

### The Board of Directors of Prima Plastics Ltd.

I have reviewed the financial statements and the cash flow statement of Prima Plastics Ltd. for the year ended 31st March, 2014 and to the best of my knowledge and belief:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls if any, of which I am aware and the steps I have taken or propose to take for rectifying these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which have become aware and the involvement there in if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Prima Plastics Ltd.

Mumbai  
August 13, 2014

**Dilip M. Parekh (DIN – 00166385)**  
Managing Director

## Auditors' 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, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges 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  
Firm Regn. No. 104768W

Mumbai  
August 13, 2014

**Kirit N. Mehta**  
Partner  
M No.15759

**INDEPENDENT AUDITOR'S REPORT**

**TO**  
**THE MEMBERS OF**  
**PRIMA PLASTICS LIMITED**

**Report on the financial statement**

We have audited the accompanying financial statements of **PRIMA PLASTICS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub Section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Company Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) 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 those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the balance sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Company Affairs in respect of Section 133 of the Companies Act, 2013; and
  - e) On the basis of the written representation received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **G. P. KAPADIA & Co.**  
 Chartered Accountants  
 (Firm Registration no. 104768W)

**Kirit N. Mehta**  
 Partner

Membership No. 15759

Mumbai  
 May 30, 2014

**ANNEXURE TO THE AUDITOR'S REPORT**

**Referred to in our Report of even date:**

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.
  - b) As explained to us, some of 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, inventories were physically verified during the year by the management at reasonable intervals. In our opinion our frequency is reasonable.
  - 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 has maintained proper records of its inventories. As explained to us, there is no material discrepancies noticed on physical verification of inventory, as compared to book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to / from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - a) The company has granted loan to two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2,61,77,258/- and the year-end balance of loans granted to such parties was Rs. 2,48,05,500/-
  - b) In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the company.
  - c) The parties have repaid the principal amounts as stipulated and have also been regular in the payment of interest to the company.
  - d) There is no overdue amount in excess of Rs. 1 lakh in respect of loans granted to company, listed in the register maintained under section 301 of the Companies Act, 1956.
  - e) The company has not taken loan from parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses (iii) (f) 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 of the Companies Act, 1956 and exceeding Rs 5,00,000/- in respect of each party are at market prices for such goods and materials or the prices at which transactions for similar goods have been made with other parties.
6. The Company has not accepted any deposit from the public.
7. In our Opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and 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. According to the information and explanations given to us in respect of statutory dues

- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Profession Tax, Income-Tax, Sales-Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b) There are no material dues of Custom Duty, Excise Duty and Cess which have not been deposited with the appropriate authorities on account of any dispute. However according to information and explanation given to us, the following dues of Income Tax have not been deposited on account of disputes

Name of statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	37,14,015	Ass Yr 2006-07, 2007-08, 2009-10, 2010-11	Income Tax Authorities

10. In our opinion and according to the information and explanations given to us, 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 institutions, banks.
12. In our opinion and according to the information and explanations given to us and based on our examination of records, 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 and explanation given to us, the Company is not a chit fund/nidhi/mutual benefit/society.
14. In our opinion and according to the information and explanations given to us, the company has maintained proper records of transactions and contracts for dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and other securities have been held by the company in its own name.
15. In our opinion and according to the information and explanations given to us and based on our examination of records, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the company did not have any term loan outstanding during the year.
17. In our opinion and according to the information and explanations given to us and based on our examination of records, we report that no funds raised on short-term basis have been used for long term investments.
18. In our opinion and 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. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year nor have we been informed of such case by the management.

For **G. P. KAPADIA & Co.**  
Chartered Accountants  
(Firm Registration no. 104768W)

**Kirit N. Mehta**  
Partner  
Membership No. 15759

Mumbai  
May 30, 2014

**BALANCE SHEET AS AT MARCH 31, 2014**

	Notes	As At March 31, 2014 Rs.	As At March 31, 2013 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	3	110,004,700	110,004,700
(b) Reserves and Surplus	4	<u>315,036,107</u>	<u>296,016,909</u>
		<u>425,040,807</u>	<u>406,021,609</u>
<b>2 Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	<u>4,339,089</u>	<u>5,741,774</u>
		<u>4,339,089</u>	<u>5,741,774</u>
<b>3 Current Liabilities</b>			
(a) Short-Term Borrowings	6	93,225,938	38,197,501
(b) Trade Payables	7	43,886,636	83,854,169
(c) Other Current Liabilities	8	19,144,225	17,739,739
(d) Short-Term Provisions	9	<u>28,864,405</u>	<u>22,007,943</u>
		<u>185,121,204</u>	<u>161,799,352</u>
	<b>Total</b>	<u><u>614,501,100</u></u>	<u><u>573,562,735</u></u>
<b>II ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	120,893,822	129,821,942
(ii) Capital Work-in-Progress		<u>2,527,828</u>	<u>1,486,823</u>
(b) Non-Current Investments	11	16,196,820	16,873,902
(c) Long Term Loans and Advances	12	<u>39,096,332</u>	<u>35,971,281</u>
		<u>178,714,802</u>	<u>184,153,948</u>
<b>2 Current Assets</b>			
(a) Inventories	13	194,438,896	173,280,916
(b) Trade Receivables	14	166,350,332	138,462,859
(c) Cash and Cash Equivalents	15	25,303,092	20,109,943
(d) Short-Term Loans and Advances	16	27,670,473	39,435,185
(e) Other Current Assets	17	<u>22,023,505</u>	<u>18,119,884</u>
		<u>435,786,298</u>	<u>389,408,787</u>
	<b>Total</b>	<u><u>614,501,100</u></u>	<u><u>573,562,735</u></u>
<b>Significant Accounting Policies</b>	<b>2</b>		
<b>Notes on Financial Statements</b>	<b>1 to 26</b>		

As per our Report of even date attached

For and on behalf of the Board

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

**Bhaskar M. Parekh**  
Chairman

**Kirit N. Mehta**  
Partner  
Membership No.15759

**Dilip M. Parekh**  
Managing Director

Mumbai  
May 30, 2014

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Notes	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
I. <b>Revenue from operations (Gross)</b>	18	<b>862,720,723</b>	771,266,994
Less: Excise Duty		<b>68,121,181</b>	60,483,804
<b>Revenue from operations (Net)</b>		<b>794,599,542</b>	710,783,190
II. <b>Other Income</b>	19	<b>8,317,223</b>	46,138,054
III. <b>Total Revenue</b>		<b>802,916,765</b>	756,921,244
IV. <b>Expenses:</b>			
Cost of Materials and Components Consumed	20	<b>524,272,374</b>	487,199,258
Purchase of Stock-in-Trade		<b>24,895,469</b>	28,380,074
Changes in Inventories of Finished Goods, Work-in-Progress	21	<b>(30,860,881)</b>	(23,980,552)
Employee Benefit Expenses	22	<b>42,290,586</b>	36,867,690
Financial Costs	23	<b>11,360,776</b>	9,677,809
Depreciation and Amortization Expenses	24	<b>16,375,899</b>	16,069,900
Other Expenses	25	<b>173,848,653</b>	168,763,883
		<b>762,182,876</b>	722,978,062
V. <b>Profit Before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>40,733,889</b>	33,943,182
VI. Exceptional Items		<b>Nil</b>	Nil
VII. <b>Profit Before Extraordinary Items and Tax (V - VI)</b>		<b>40,733,889</b>	33,943,182
VIII. Extraordinary Items		<b>Nil</b>	Nil
IX. <b>Profit Before tax (VII - VIII)</b>		<b>40,733,889</b>	33,943,182
X. Tax Expense:			
- Current tax (net of MAT)		<b>8,844,221</b>	7,599,991
XI. <b>Profit from the period from Continuing Operations (IX - X)</b>		<b>31,889,668</b>	26,343,191
XII. Profit from Discontinuing Operations		<b>Nil</b>	Nil
XIII. Tax Expense of Discontinuing Operations		<b>Nil</b>	Nil
XIV. <b>Profit from Discontinuing Operations (XII - XIII)</b>		<b>Nil</b>	Nil
XV. <b>Profit/(Loss) for the Period (XI + XIV)</b>		<b>31,889,668</b>	26,343,191
XVI. Earning Per Equity Share (equity share of Rs.10/- each)			
<b>Basic</b>		<b>2.90</b>	2.39
<b>Diluted</b>		<b>2.90</b>	2.39
<b>Significant Accounting Policies</b>	<b>2</b>		
<b>Notes on Financial Statements</b>	<b>1 to 26</b>		

As per our Report of even date attached

For and on behalf of the Board

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

**Bhaskar M. Parekh**  
Chairman

**Kirit N. Mehta**  
Partner  
Membership No.15759

**Dilip M. Parekh**  
Managing Director

Mumbai  
May 30, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
<b>A. Cash Flow from Operating Activities</b>		
<u>Net Profit Before Extraordinary Items and Tax</u>	<b>40,733,889</b>	33,943,182
<u>Adjustments :</u>		
Depreciation	<b>16,375,899</b>	16,069,900
Interest Expenses	<b>8,318,238</b>	6,719,413
(Profit) / Loss on Sale of Assets	<b>(678,970)</b>	68,223
(Profit) / Loss on Sale of Investments	<b>Nil</b>	1,780,054
Dividend Income	<b>(32,270)</b>	(33,670)
Diminution in Value of Long Term Investments	<b>Nil</b>	4,250,976
Diminution in Value of Trade Investments	<b>Nil</b>	567,242
Interest Income	<b>(7,391,416)</b>	(5,276,268)
Maturity Proceeds from LIC	<b>Nil</b>	(47,500,000)
Other (Income)/Expenses	<b>(214,567)</b>	5,389
<b>Operating Profit before Working Capital Changes</b>	<b>57,110,803</b>	10,594,441
<u>Changes in Working Capital</u>		
<u>Adjustments for (Increase)/decrease in Operating Assets:</u>		
Trade Receivables	<b>(27,887,473)</b>	10,424,531
Inventories	<b>(21,157,980)</b>	(31,285,493)
Short Term Loan and Advances	<b>11,764,712</b>	(5,667,399)
Long Term Loan and Advances	<b>(3,125,051)</b>	445,512
Other Current Assets	<b>(3,903,621)</b>	5,726,076
<u>Adjustments for (Increase)/Decrease in Operating Liabilities:</u>		
Trade Payable	<b>(39,967,533)</b>	60,012,899
Short Term Provisions	<b>6,856,462</b>	(597,672)
Other Current Liabilities	<b>1,404,486</b>	(27,833,827)
<b>Cash Generated From Operations</b>	<b>(18,905,195)</b>	21,819,068
Income Tax Paid	<b>(8,844,221)</b>	(7,599,991)
<b><u>Net Cash Inflow / (Outflow) from Operating Activities (A)</u></b>	<b>(27,749,416)</b>	14,219,077
<b>B. Cash Flow from Investment Activities</b>		
Purchase of Fixed Assets	<b>(7,796,410)</b>	(19,159,031)
Sales of Fixed Assets	<b>1,027,601</b>	920,000
Capital Work-in-Progress	<b>(1,041,005)</b>	(115,612)
Sale of Investments	<b>677,082</b>	2,373,243
Purchase of Investments	<b>Nil</b>	(1,452,695)
Interest, Dividend & Other Income	<b>7,638,253</b>	51,024,495
<b><u>Net Cash Inflow from Investing Activities (B)</u></b>	<b>505,521</b>	33,590,400

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**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**


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	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	(1,402,685)	5,741,774
Proceeds from Short Term Borrowings	51,412,037	(30,975,798)
Net Increase / (Decrease) in Working Capital Borrowings	3,616,400	(3,829,685)
Interest Paid	(8,318,238)	(6,719,413)
Dividend Paid	(11,000,470)	(11,000,470)
Tax on Dividend	(1,870,000)	(1,785,000)
<b><u>Net Cash Inflow / (Outflow) from Financing Activities(C)</u></b>	<b>32,437,044</b>	<b>(48,568,592)</b>
<b><u>Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)</u></b>	<b>5,193,149</b>	<b>(759,115)</b>
Cash & Cash equivalents as at March 31, 2014	25,303,092	20,109,943
Cash & Cash equivalents as at March 31, 2013	20,109,943	20,869,058

## Notes:

- a) Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 notified under the companies (Accounting Standard) Rules, 2006.
- b) Refer Note No.15.

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As per our Report of even date attached

For and on behalf of the Board

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

Chairman

**Kirit N. Mehta**
Partner  
Membership No.15759
**Dilip M. Parekh**

Managing Director

Mumbai  
May 30, 2014

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE NO.1**

**COMPANY INFORMATION**

**PRIMA PLASTICS LIMITED** ("the Company") is a public Company, resident in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of manufacturing of Plastic Moulded Articles and Aluminum Composite Panel.

**NOTE NO. 2**

**SIGNIFICANT ACCOUNTING POLICIES:**

**1) Basis of preparation of Financial Statements:**

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

**2) Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

**3) Revenue Recognition:**

Revenue on sales is recognized when risk and rewards of ownership of products are passed on to customers, which are generally on dispatch of goods. Incomes from services are recognized when services are rendered. Sales are net of discounts, sales tax and returns; excise duty collected on sales is shown by way of deduction from sales. Dividend income is recognized when right to receive dividend is established and there is no uncertainty as to its reliability. Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

**4) Fixed Assets:**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress.

**5) Impairment of Assets:**

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

**6) Depreciation:**

i) Depreciation is provided on Straight Line method at the rates specified in Schedule XIV of the Companies Act, 1956.

ii) Premium on leasehold land and improvement to leasehold premises are being written off over the period of lease.

**7) Investments:**

Long term investments are stated at cost of acquisition. Provision for diminution in value is made only if, in the opinion of management such a decline is other than temporary. Investments in foreign currency are stated at cost by converting at exchange rate prevailing at the time of acquisition / remittance.

Investment in Joint Ventures are held for long term and valued at cost reduced by diminution of permanent nature therein, if any.

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014****8) Inventories:**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on First-In-First-Out (FIFO) basis. The excise duty in respect of the closing inventory of finished goods is included as part of the finished goods. Cost formula used are 'Weighted Average Cost'.

**9) Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and in respect of which reliable estimate can be made. At each Balance Sheet date, the carrying value of provisions is reviewed and adjusted to reflect the best current estimate.

Contingent liabilities are not recognized but disclosed in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

**10) 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 Statement of Profit and Loss 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 reassure 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.

**11) Foreign Currency Transactions:**

- a) Transactions in foreign currencies are recognized at rate of overseas currency ruling on the date of transactions. Gain / Loss arising on account of rise or fall in overseas currencies vis-à-vis reporting currency between the date of transaction and that of payment is charged to Statement of Profit & Loss.
- b) Receivables / payables (excluding for fixed assets) in foreign currencies are translated at the exchange rate ruling at the year end date and the resultant gain or loss is accounted for in the Statement of Profit & Loss.
- c) Increase / Decrease in foreign currency loan on account of exchange fluctuation are debited / credited to Statement of Profit & Loss.

**12) Employee Benefits:****Defined Contribution Plan**

Defined Benefit Plan:

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 Statement of Profit & Loss. 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.

Contribution to provident fund etc. is accounted on accrual basis.

A defined contribution plan is a post employment benefit plan under which the Company and employee make monthly contribution to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which employee renders the related service.

**13) Earning Per Share:**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of shares that could have been issued upon conversion of all dilutive potential equity shares.

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
<b>3. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
1,20,00,000 (P.Y.1,20,00,000) Equity Shares of Rs.10/- each	120,000,000	120,000,000
<b>Issued, Subscribed Fully Paid up Shares</b>		
1,10,00,470 (P.Y.1,10,00,470) Equity Shares of Rs.10/- each	110,004,700	110,004,700
	<u>110,004,700</u>	<u>110,004,700</u>

**A. Reconciliation of the number of Share and amount outstanding at the beginning and at the end of the reporting period.**

Equity Shares	March 31, 2014		March 31, 2013	
	No's	Amount	No's	Amount
At the beginning of the period	11,000,470	110,004,700	11,000,470	110,004,700
Add/(Less) : Issued / (reduction) during the year	Nil	Nil	Nil	Nil
Outstanding at the year end of the period	11,000,470	110,004,700	11,000,470	110,004,700

**B. Terms/rights attached to Equity Shares:**

The Company has issued only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The Board of Directors of the Company proposed a dividend subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2014, the amount of dividend per share recognized as distributions to equity shareholders was Rs.1/- per share of face value of Rs.10/- each (March 31, 2013, Rs.1/- per share of face value of Rs.10/-each.)

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

**C. Details of Shareholders Holding more than 5% Shares in the Company:**

Name of Share Holder	March 31, 2014		March 31, 2013	
	No of Shares	% holding	No of Shares	% holding
Bhaskar M. Parekh	2,551,610	23.20%	2,551,610	23.20%
Dilip M. Parekh	2,615,420	23.78%	2,615,420	23.78%
Dipak Kanayalal Shah	652,625	5.93%	603,692	5.49%

**D. Share reserved for issue under options and contracts / commitments:**

The Company has not made any contracts / commitments to issue under option (P.Y.Nil)

**4. RESERVES & SURPLUS****A) Securities Premium Account:**

Balance as per last Financial Statements	13,080,000	13,080,000
Add/(Less) Adjustments during the year	Nil	Nil
Closing Balance	<u>13,080,000</u>	<u>13,080,000</u>

**B) General Reserve:**

Balance as per last Financial Statements	90,656,286	85,656,286
Add : Amount transferred from Statement of Profit and Loss	5,000,000	5,000,000
Closing Balance	<u>95,656,286</u>	<u>90,656,286</u>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
<b>C) Surplus in Statement of Profit and Loss:</b>		
Balance as per last Financial Statements	192,280,623	183,722,902
Add : Profit for the Year	31,889,668	26,343,191
Less : Appropriations		
a) Transfer to General Reserve	5,000,000	5,000,000
b) Proposed Final Dividend (Dividend per share Rs.1/-)	11,000,470	11,000,470
c) Tax on Proposed Equity Dividend	1,870,000	1,785,000
Net surplus in the Statement of Profit and Loss	<u>206,299,821</u>	<u>192,280,623</u>
<b>TOTAL (A+B+C)</b>	<u><u>315,036,107</u></u>	<u><u>296,016,909</u></u>
<b>5. LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Term Loans	4,339,089	5,741,774
<b>TOTAL</b>	<u><u>4,339,089</u></u>	<u><u>5,741,774</u></u>
A. Car loans (two loans) aggregating to Rs. 43,39,089/- (previous year Rs. 57,41,774/-) are secured against the respective vehicles and at the rate of interest @ 10.99% p.a. The Loans are repayable in equal monthly installments of Rs.81,850/-. Last installments of both the loans are due on September 2017 and October 2017.		
<b>6. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Loan from Bank	72,119,096	20,707,059
<b>Unsecured</b>		
Working Capital Loan from Bank	21,106,842	17,490,442
<b>TOTAL</b>	<u><u>93,225,938</u></u>	<u><u>38,197,501</u></u>
A. Secured working capital loans are secured by hypothecation of inventories, receivable, other current assets and other tangible fixed assets, pledge of immovable properties and personal guarantee of promoter directors. The working capital is repayable on demand and carries interest @13.85% p.a..		
B. Unsecured working capital loan is repayable in 90 days and carries interest @12.50% p.a. and guaranteed by personal guarantee of promoter directors.		
<b>7. CURRENT LIABILITIES</b>		
<b>Trade Payable</b>		
Micro, Small and Medium Enterprises	Nil	Nil
Others	43,886,636	83,854,169
<b>TOTAL</b>	<u><u>43,886,636</u></u>	<u><u>83,854,169</u></u>
A. 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 disclosures required to be made under said Act. There are no amount is payable to any Small Scal Industrial undertaking.		

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
<b>8. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts	1,331,963	1,257,284
Interest accrued but not due on Borrowings	117,236	274,944
Interest accrued on Trade Payable	75,811	324,135
Unclaimed Dividend	1,379,113	1,000,008
Statutory Remittances	4,598,005	3,835,262
Advances from Customers	6,756,707	4,559,216
Other Payable	4,885,390	6,488,890
<b>TOTAL</b>	<b>19,144,225</b>	<b>17,739,739</b>

A. Car loans (two loans) aggregating to Rs.1,331,963/-(previous year Rs.12,57,284/-) are secured against the respective vehicles and at the rate of interest @ 10.99% p.a. The Loans are repayable in equal monthly installments of Rs.81,850/-. Last installments of both the loans are due on September 2017 and October 2017.

B. Unclaimed Dividend do not include any amount, due and outstanding, to be credited to investor Education and protection fund.

<b>9. SHORT TERM PROVISIONS</b>		
Provision for Bonus/Leave Salary and Gratuity	1,721,930	1,695,258
Provision for Current Income Tax (Net)	4,278,578	95,141
Provision for Proposed Dividend	11,000,470	11,000,470
Provision for Tax on Dividend	1,870,000	1,785,000
Other Provisions	9,993,427	7,432,074
<b>TOTAL</b>	<b>28,864,405</b>	<b>22,007,943</b>

A. The Company had recognized other provision based on substantial degree of estimation for excise duty payable on clearance of goods lying in finished goods.

**10. FIXED ASSETS (Rs)**

GROSS BLOCK	Freehold Land	Leasehold Land	Buildings	Plant & Machineries	Furniture & Fixture	Equipments	Vehicles	Total	Previous Year
As on April 1, 2013	10,613,540	1,041,581	66,978,899	310,432,581	8,182,113	5,811,307	14,837,675	417,897,696	401,393,822
Additions during the year				6,293,221	337,977	644,627	520,585	7,796,410	19,159,031
Deletions during the year			(222,011)	(466,963)	Nil	(19,500)	(135,000)	(843,474)	(2,655,157)
<b>As on March 31, 2014</b>	<b>10,613,540</b>	<b>1,041,581</b>	<b>66,756,888</b>	<b>316,258,839</b>	<b>8,520,090</b>	<b>6,436,434</b>	<b>15,223,260</b>	<b>424,850,632</b>	<b>417,897,696</b>
Up to April 1, 2013	-	75,075	27,603,930	247,544,980	6,075,970	4,439,152	2,336,647	288,075,754	273,672,788
For the Year		10,725	2,147,494	12,171,425	283,000	317,004	1,446,251	16,375,899	16,069,900
Adjustment during the year			(69,613)	(403,459)	Nil	(1,848)	(19,923)	(494,843)	(1,666,934)
<b>Up to March 31, 2014</b>	<b>-</b>	<b>85,800</b>	<b>29,681,811</b>	<b>259,312,946</b>	<b>6,358,970</b>	<b>4,754,308</b>	<b>3,762,975</b>	<b>303,956,810</b>	<b>288,075,754</b>
<b>NET BLOCK</b>									
<b>As at March 31, 2014</b>	<b>10,613,540</b>	<b>955,781</b>	<b>37,075,077</b>	<b>56,945,893</b>	<b>2,161,120</b>	<b>1,682,126</b>	<b>11,460,285</b>	<b>120,893,822</b>	<b>129,821,942</b>
As at March 31, 2013	10,613,540	966,506	39,374,969	62,887,601	2,106,143	1,372,155	12,501,028	129,821,942	127,721,034

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

		As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
<b>11. NON-CURRENT INVESTMENTS</b>			
<b>TRADE INVESTMENTS (valued at cost, unless stated otherwise)</b>			
<b>Unquoted</b>			
Equity Shares of Subsidiary Company fully paid-up			
<b>Prima Global FZE</b>			
1 Equity shares of AED 100,000/- each amounting to AED 100,000/-		Nil	677,082
Equity Shares of Joint Venture Company fully paid up			
<b>Prima Dee-Lite Plastics Pvt. Ltd.</b>			
11500 Equity shares of FCFA 10,000/- each amounting to Cameroon FCFA 1,15,000,000/-		<u>10,207,570</u>	<u>10,207,570</u>
<b>TOTAL</b>		<u>10,207,570</u>	<u>10,884,652</u>
<b>OTHER INVESTMENTS</b>	<b>Qty.</b>		
Investment in Equity Shares ( <b>Quoted</b> )			
Nilkamal Ltd. (FV Rs.10/- Per Share)	2,786	604,563	604,563
Provogue India Ltd. (FV Rs. 1/- Per Share)	135,210	2,577,687	2,577,687
Prozone Capital Shopping Centres Ltd. (Rs.2/- per share)	74,210	2,287,282	2,287,282
Relaince Power Ltd. (FV Rs. 10/- Per Share)	139	12,718	12,718
Poddar Developers Ltd. (FV Rs. 10/- Per Share)	5,070	507,000	507,000
<b>TOTAL</b>		<u>5,989,250</u>	<u>5,989,250</u>
Aggregate amount of quoted investments		<u>5,989,250</u>	<u>5,989,250</u>
Market Value of quoted investments		3,269,862	3,946,662
Aggregate amount of Un-quoted investments		10,207,570	10,884,652
<b>12. LONG TERM LOANS AND ADVANCES</b>			
<b>(Unsecured and Considered Good)</b>			
Security Deposits with Related Parties		3,000,000	3,000,000
Others Security Deposits		6,154,770	3,238,268
Loans and Advances to Employees		2,316,000	3,014,808
Advances Income Tax (Net)		1,328,810	1,105,682
Advances for Capital Goods		1,491,252	3,417,454
Loans and Advances to Joint Ventrue		24,805,500	20,848,500
Loans and Advances to Subsidiaries		Nil	1,346,569
<b>TOTAL</b>		<u>39,096,332</u>	<u>35,971,281</u>
A. Security deposits with related parties are interest free and given against the occupation of office premises on rent.			
B. Loan to employees is interest free as per Company policy.			
C. Loan to Joint Venture is given on interest @7% p.a. and repayable in a period of 3 to 5 years.			
<b>13. INVENTORIES</b>			
Raw Materials		52,530,556	63,675,872
Raw Materials in Transit		4,761,250	4,973,077
Finished Goods		133,290,427	102,429,546
Store and Packing Material		3,856,663	2,202,421
<b>TOTAL</b>		<u>194,438,896</u>	<u>173,280,916</u>
A. Inventories are measured at cost or net realizable value whichever is lower.			
B. The excise duty in respect of the inventory of finished goods is included as part of the finished goods.			

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
<b>Inventories</b>		
<b>Finished Goods</b>		
Moulded Plastics Articles	114,305,277	81,484,157
Aluminum Composite Panel	16,607,632	18,437,512
<b>Traded Goods</b>		
Moulded Plastics Articles	2,377,518	2,507,876
<b>TOTAL</b>	<u>133,290,427</u>	<u>102,429,545</u>

**14. TRADE RECEIVABLES**

Trade Receivable outstanding for a period exceeding six months from the date they are due for payment.

Unsecured, Considered Good. 19,518,838 19,342,688

Trade Receivable outstanding for a period less than six months from the date they are due for payment.

Unsecured, Considered Good. 146,831,494 119,120,171

**TOTAL**

166,350,332 138,462,859

A. Trade receivables are due in respect of goods sold in the normal course of business and the normal credit period allowed by the Company is taken in to consideration for computing due dates.

**15. CASH AND CASH EQUIVALENTS**

Cash on Hand 205,024 268,697

Balance with Bank

(i) Current Account 10,678,820 8,571,747

(ii) EEFC Account 12,768 Nil

(iii) Deposit Account / Margin Money 13,027,367 10,269,491

(iv) In earmarked accounts - Unpaid Dividend 1,379,113 1,000,008

**TOTAL**

25,303,092 20,109,943

**16. SHORT TERM LOANS AND ADVANCES**

Balance with Government Authorities

Cenvat Credit receivable 9,949,958 7,302,335

Inter Corporate Deposits

- Unsecured, Considered Good 15,000,000 30,000,000

Loans and Advances to Employees 2,720,515 2,132,850

**TOTAL**

27,670,473 39,435,185

A. Loans and advances to employees are interest free as per Company policy.

**17. OTHER CURRENT ASSETS**

Pre-paid Expenses 1,954,826 2,235,754

Advances to Creditors 15,235,612 11,809,403

Interest Receivable 4,663,797 3,312,015

Others 169,270 762,712

**TOTAL**

22,023,505 18,119,884

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
<b>18. REVENUE FROM OPERATIONS</b>		
<b>Sales (Gross)</b>		
Export	186,361,535	152,615,136
Local	670,854,896	618,651,858
Other Operating Revenues	5,504,292	Nil
	<u>862,720,723</u>	<u>771,266,994</u>
Less : Excise Duty	68,121,181	60,483,804
<b>TOTAL</b>	<u><u>794,599,542</u></u>	<u><u>710,783,190</u></u>

<b>DETAILS OF SALE OF PRODUCT</b>		
<b>Finished Goods</b>		
Moulded Plastics Articles	669,013,348	597,831,146
Aluminum Composite Panel	61,625,114	42,689,298
<b>Traded Goods</b>		
Moulded Plastics Articles and Related Material	58,456,788	70,262,746
Other Operating Revenues	5,504,292	Nil
<b>TOTAL</b>	<u><u>794,599,542</u></u>	<u><u>710,783,190</u></u>

<b>19. OTHER INCOME</b>		
<b>Interest Income</b>		
from Banks Fixed Deposits	855,512	841,714
from Inter Corporate Deposits	4,374,583	2,975,159
from Loan and Advance to Joint Venture	1,736,385	1,459,395
others	424,936	Nil
	<u>7,391,416</u>	<u>5,276,268</u>
<b>Dividend Income</b>		
from Investment in Shares	32,270	33,670
	<u>32,270</u>	<u>33,670</u>
<b>Other Non-operating Income</b>		
Profit / (Loss) on Sale of Fixed Assets	678,970	(68,223)
Profit / (Loss) on Sale of Long Term Investments	Nil	(1,780,054)
Miscellaneous Income/(Expenses)	214,567	(5,389)
Diminution in Value of Long Term Investments	Nil	(4,250,976)
Diminution in Value of Long Trade Investments	Nil	(567,242)
Maturity Proceeds of LIC Policies	Nil	47,500,000
	<u>893,537</u>	<u>40,828,116</u>
<b>TOTAL</b>	<u><u>8,317,223</u></u>	<u><u>46,138,054</u></u>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
<b>20. COST OF MATERIAL CONSUMED</b>		
<b>Raw Material Consumed</b>		
Opening Stock of Raw Marterial	68,648,949	60,877,858
Add : Purchases	512,915,231	494,970,349
	581,564,180	555,848,207
Less : Closing Stock	57,291,806	68,648,949
<b>TOTAL</b>	<b>524,272,374</b>	<b>487,199,258</b>

<b>DETAILS OF RAW MATERIAL CONSUMED</b>		
Polypropylene	483,632,441	453,887,290
Aluminium Coil	24,030,537	17,913,613
Others	16,609,396	15,398,355
<b>TOTAL</b>	<b>524,272,374</b>	<b>487,199,258</b>

<b>21. CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Inventories at the End of the year	133,290,427	102,429,546
Inventories at the Beginning of the year:	102,429,546	78,448,994
<b>TOTAL</b>	<b>(30,860,881)</b>	<b>(23,980,552)</b>

<b>22. EMPLOYE BENEFIT EXPENSES</b>		
Salaries,Wages and Bonus	34,484,700	30,380,398
Leave Salary	2,470,988	2,073,682
Contribution to provident and other funds	2,045,671	1,868,362
Gratuity Expenses	1,123,020	923,257
Staff Welfare	2,166,207	1,621,991
<b>TOTAL</b>	<b>42,290,586</b>	<b>36,867,690</b>

<b>A. Disclosures under Accounting Standard 15 on Employee benefits :</b>		
<b>Components to employer Expenses</b>		
a) Current Services Cost	634,498	557,642
b) Interest Cost	417,347	354,683
c) Expected return of Plan Assets	(440,283)	(348,226)
d) Actuarial (Gain) / Loss	402,564	246,841
e) Total Expenses recognised in the Profit and Loss Account	1,014,126	810,940
<b>Net Liability recognised in Balance Sheet</b>		
a) Present Value of Obligation	(6,556,114)	(5,216,834)
b) Fair Value of Plan Assets	6,535,691	4,809,431
c) Liability recognised in the Balance Sheet	(20,423)	(407,403)
<b>Change in Defined Benefit Obligation (DBO) during the year</b>		
a) Present Value of Obligation as at beginning of the year	5,216,834	4,433,541
b) Current Service Cost	634,498	557,642
c) Interest Cost	417,347	354,683

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
d) Actuarial (Gain) / Loss	402,564	246,841
e) Benefits paid	(115,129)	(375,873)
f) Present Value of Obligation as at the end of the year	6,556,114	5,216,834
<b>Changes in the Fair Value of Plan Assets</b>		
a) Present Value of Plan Assets as at beginning of the year	4,809,431	3,411,025
b) Contribution to the Fund	1,401,106	1,426,053
c) Expected return of Plan Assets	440,283	348,226
d) Actuarial (Gain) / Loss	(115,129)	(375,873)
e) Fair Value of Plan Assets as at the end of the year	6,535,691	4,809,431
<b>Actuarial Assumptions</b>		
a) Discount Rate (per annum)	8%	8%
b) Expected Rate of Return on Assets (per annum)	8.75%	9.15%
c) Salary Escalation Rate (per annum)	5%	5%
<b>Percentage of each Category of Plan Assets to total Fair Value of Plan Assets</b>		
Insurer Managed Funds	100%	100%
<b>B. Employer's Contribution to Provident Fund</b>	<b>1,808,577</b>	<b>1,623,677</b>
<b>23. FINANCIAL COSTS</b>		
Interest Expenses		
On Borrowings	8,318,238	6,719,413
Others Borrowings Cost	3,042,538	2,958,396
<b>TOTAL</b>	<b>11,360,776</b>	<b>9,677,809</b>
<b>24. DEPRECIATION EXPENSES</b>		
Depreciation	16,375,899	16,069,900
<b>TOTAL</b>	<b>16,375,899</b>	<b>16,069,900</b>
<b>25. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Labour Charges	8,525,215	9,041,986
Store, Spare and Packing Expenses	8,188,734	7,862,669
Power and Fuel	24,545,029	23,352,666
Repairs to Buildings	217,447	855,037
Repairs to Machinery	5,184,069	4,059,540
Insurance	903,753	727,174
Excise Duty on Finished Goods	8,606,842	7,074,455
Freight Inward	4,263,385	5,833,774
Factory Expenses	923,130	1,256,870
Other Manufacturing Expenses	3,359,179	3,160,653
	<b>64,716,783</b>	<b>63,224,824</b>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	<b>For the year ended March 31, 2014 Rs.</b>	<b>For the year ended March 31, 2013 Rs.</b>
<b>Selling and Distribution Expenses</b>		
Business Promotion	702,729	393,295
Brokerage and Commission	1,091,741	2,329,619
Freight, Forward and others	34,214,741	33,464,285
Sales Discount and others	23,879,484	22,017,368
	<u>59,888,695</u>	<u>58,204,567</u>
<b>Other Expenses</b>		
Professional Fees	2,479,853	1,685,933
Rent	7,246,685	6,365,919
Insurance	1,075,118	681,399
Travelling Expenses	2,955,092	2,383,848
Telephone Expenses	1,363,559	1,247,532
Octroi	197,131	554,201
General Expenses	6,372,693	4,659,953
Director's Remuneration	6,120,000	3,640,000
Printing and Stationery	1,353,238	950,052
Repairs to Others	519,556	427,474
Payment to Statutory Auditors		
- Audit Fees	175,000	150,000
- Tax Audit	55,000	45,000
- Others Services	51,545	46,236
Exchange Loss / (Gain)	7,012,137	1,712,421
Postage and Telegram	851,927	699,476
Bad Trade and other receivable w/off	7,759,643	19,004,166
Director's Sitting Fees	121,250	100,000
Conveyance Expenses	1,385,927	1,411,857
Vehicle Expenses	2,147,821	1,569,025
	<u>49,243,175</u>	<u>47,334,492</u>
<b>TOTAL</b>	<u>173,848,653</u>	<u>168,763,883</u>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014****NOTE NO.26****NOTES TO ACCOUNTS****1. Contingent Liabilities not provided for:****Claim against the Company not acknowledged**

Sr. No.	Particulars	March 31, 2014
1.	Income Tax	1,838,485
2.	Dividend Distribution Tax	1,869,530
3.	Fringe Benefit Tax	6,000
4.	VAT/CST	100,000

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance payment) Rs.4,265,948/- (previous year of Rs.1,465,641/-).

3. In accordance with Accounting Standard 17 "Segment Reporting", segment information has been given in the Consolidated Financial Statement and therefore no separate disclosure on segment information is given in these financial statements.

**4. Information on Joint Ventures:**

- Contingent Liability in respect of the Jointly Controlled Entities: Nil
- Capital Commitment in respect of the Jointly Controlled Entities: Nil
- The proportionate share of assets, liabilities, income and expenditure as on December 31, 2013 based on audited accounts of Prima Dee-Lite Plastics Pvt. Ltd. (50% Joint Venture) are stated as under:

(Rs.)

Particulars	December 31, 2013	December 31, 2012
<b>A) ASSETS</b>		
Tangible Assets (net)	82,990,466	73,417,291
Long Term Loans and Advances	233,970	205,185
Inventories	35,907,108	26,790,347
Trade Receivable	29,585,434	11,612,315
Short Term Loans and Advances	1,337,746	1,120,306
Other Current Assets	7,237,182	6,275,096
Cash and Bank Balances	21,046,152	16,179,670
<b>B) LIABILITIES</b>		
Long Term Borrowings	24,802,634	31,758,989
Short Term Borrowings	11,411,701	22,934,565
Trade Payable	7,351,110	7,898,014
Other Current Liabilities	7,221,307	2,281,309
Short Term Provision	11,899,996	4,090,293
<b>C) INCOME</b>		
Revenue from Operation (Net)	236,235,275	163,359,776
Other Income	583,567	63,949
<b>D) EXPENDITURE</b>		
Cost of Material and Components Consumed	118,265,300	95,769,649
Operating Costs and Other Expenses	26,304,923	17,587,424
(Increase) / Decrease in Stock of Finished Goods	(1,245,965)	(4,907,291)
Employee Benefits Expenses	14,543,81	8,638,015
Finance Cost	3,505,920	4,643,381
Depreciation and Amortization	16,879,646	11,226,443
Profit / (Loss) Before Tax for the Period	58,565,937	30,466,104

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

5. The Company's subsidiary "Prima Global FZE" incorporated on October 21, 2010 at RAS Al Khaimah UAE with an intention to start commercial operation in UAE. Due to economic recession and adverse market conditions business did not materialise. However, no operations were conducted and eventually subsidiary was liquidated and received consideration of Rs. 1,544,712/-.
6. 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 breaks up of Net Deferred Tax Assets are as under:

<b>Timing Differences on account of</b>		<b>As on</b>	<b>As on</b>
		<b>March 31, 2014</b>	<b>March 31, 2013</b>
(Rs.)			
<b>Deferred Tax Assets</b>			
1.	Diminution in Value of Long Term Investments	Nil	1,379,229
2.	Disallowance in earlier year u/s. 43 B of the Income Tax Act.	350,773	791,160
3.	Provision for Employee benefit (AS-15)	Nil	1,692,602
4.	MAT Credit	Nil	24,889,302
5.	Depreciation	363,111	(18,129,224)
	<b>Total</b>	<b>713,884</b>	<b>10,623,069</b>

7. **Disclosure in respect of derivative instruments:**

- a) Derivatives contracts entered by the Company and outstanding as at year end :

(Rs.)			
<b>Particulars</b>	<b>Currency</b>	<b>2013-14</b>	<b>2012-13</b>
Receivables	USD	Nil	3,348,024

- b) All derivative and financial instruments acquired by the Company are for hedging purpose only.
- c) Foreign currency exposure that are not hedged by derivate instruments as at year end.

(Rs.)			
<b>Particulars</b>	<b>Currency</b>	<b>2013-14</b>	<b>2012-13</b>
Receivables	USD	44,465,291	18,056,247
Payables	USD	29,970,796	79,103,681
Loan Given	EURO	24,805,500	20,848,500
Loan Given	AED	Nil	1,346,569

8. **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**

Mr. Bhaskar M. Parekh (Chairman) (DIN – 00166520); Mr. Dilip M. Parekh (Managing Director) (DIN – 00166385); 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)**

M/s. Classic Plastics; M/s. Sanya Plastics and M/s. National Plastics and Allied Industries.

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014****(B) The following transactions were carried out with the related parties in the ordinary course of business.**

(Rs.)

	2013-2014	2012-2013
<b>Key Management Personnel</b>		
Remuneration to Directors	6,271,200	3,755,200
Remuneration to Relatives	1,400,000	1,400,000
<b>Other Entities.</b>		
Purchase of Services	3,679,015	7,812,514
Purchase of Raw Materials	1,374,824	1,539,638
Purchase of Capital Goods	Nil	1,35,000
Payment of Rent	3,714,864	3,253,304
Reimbursement of Expenses	79,041	55,567
Sale of Raw Material	5,008,929	3,991,898
<b>Joint Venture Company</b>		
Interest on Unsecured Loan	1,736,385	1,459,395

Balances receivable at the end of the year.

Name of Subsidiary/JV Companies	Amount Outstanding		Maximum Balance outstanding during the Year		Investment by subsidiary in Shares of the Company (no. of shares)
	2013-14	2012-13	2013-14	2012-13	
					Nil
Prima Dee-Lite Plastics Pvt. Ltd.	24,805,500	20,848,500	24,805,500	20,848,500	Nil
Prima Global FZE	Nil	1,346,569	1,371,758	1,346,569	Nil

(Rs.)

Particulars	2013-2014	2012-2013
<b>Other Entities.</b>		
Rent Deposit (Dr.)	3,000,000	3,000,000
<b>Joint Venture Company.</b>		
Investment equity of Prima Dee-Lite Plastics Pvt. Ltd. Cameroon	10,207,570	10,207,570
<b>Joint Venture Company.</b>		
Unsecured loan paid to Prima Dee-Lite Plastics Pvt. Ltd. Cameroon	24,805,500	20,848,500
<b>Subsidiary Company.</b>		
Investment in equity of Prima Global FZE, UAE	Nil	677,082
Unsecured loan paid to Prima Global FZE, UAE	Nil	1,346,569

**9. Amounts remitted in foreign currency during the year on account of dividend**

Particulars	2013-14	2012-13
Amount of dividend remitted in foreign currency	Nil	Nil
Amount of dividend remitted to NRI in Indian Rupees	184,837	190,637
Total number of non-resident shareholders	188	194
Total number of share held by NRI	184,837	190,637

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014****10. Earning per Share (EPS)**

Particulars	2013-2014	2012-2013
Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders.	<b>31,889,668</b>	26,343,191
Weighted Average number of equity shares used as denominator for calculating EPS	<b>11,000,470</b>	11,000,470
EPS- Basic/Diluted (in Rs.)	<b>2.90</b>	2.39
Face Value per equity shares (in Rs.)	<b>10</b>	10

**11. a) Details of Imported and Indigenous Raw Material Consumed:**

Particulars	2013-14		2012-13	
	Rs.	%	Rs.	%
Imported	<b>88,969,020</b>	<b>16.97</b>	97,356,490	19.98
Indigenous	<b>435,303,354</b>	<b>83.03</b>	389,842,768	80.02
<b>Total</b>	<b>524,272,374</b>	<b>100.00</b>	487,199,258	100.00

**b) Value of Import on CIF basis**

(Rs.)

Particulars	2013-14	2012-13
Raw Material	<b>90,256,910</b>	111,735,759
Capital Goods	<b>5,356,236</b>	9,309,758

**c) Expenditure in Foreign Currency**

(Rs.)

Particulars	2013-14	2012-13
Traveling Expenses	<b>573,713</b>	263,800
Others	<b>1,105,180</b>	1,515,139

**d) Earnings in Foreign Exchange**

(Rs.)

Particulars	2013-14	2012-13
Export of Finished Goods on FOB basis	<b>171,028,947</b>	133,840,727

12. The previous year figures have been regrouped/reclassified wherever necessary.

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

**Kirit N. Mehta**  
Partner  
Membership No.15759

Mumbai  
May 30, 2014

**For Prima Plastics Limited**

**Bhaskar M. Parekh**  
Chairman

**Dilip M. Parekh**  
Managing Director

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**TO,  
THE BOARD OF DIRECTORS OF PRIMA PLASTICS LIMITED**

### **Report on the financial statement**

We have audited the accompanying Statement of Standalone and Consolidated Financial Results ("the Statement") of **PRIMA PLASTICS LIMITED** ("the Company"), and its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") for the year ended March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance and cash flows of the Group in accordance with the Accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and there as on ability of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act 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 March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **Other matter**

We have not audited the financial statements of subsidiary and jointly controlled entities, whose financial statements reflect total assets of Rs. 1,783.38 Lacs as at December 31, 2013, total revenues of Rs. 2,362.35 lacs and net cash inflow amounting to Rs. 33.99 Lacs for the period January 1, 2013 to December 31, 2013 as considered in the Consolidated Financial Statements are unaudited and certified by the Management and our opinion in so far as it relates to the amounts included in respect of these jointly controlled entities is based solely on such management certification.

For **G. P. KAPADIA & Co.**  
Chartered Accountants  
(Firm Registration no. 104768W)

**Kirit N. Mehta**  
Partner

Membership No. 15759

Mumbai  
May 30, 2014

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014**

	Notes	As At March 31, 2014 Rs.	As At March 31, 2013 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	3	110,004,700	110,004,700
(b) Reserves and Surplus	4	420,277,893	353,374,335
		<u>530,282,593</u>	<u>463,379,035</u>
<b>2 Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	4,339,089	15,749,526
		<u>4,339,089</u>	<u>15,749,526</u>
<b>3 Current Liabilities</b>			
(a) Short-Term Borrowings	6	104,637,639	61,132,067
(b) Trade Payables	7	51,237,746	91,752,183
(c) Other Current Liabilities	8	22,748,486	21,630,696
(d) Short-Term Provisions	9	40,764,401	22,882,883
		<u>219,388,272</u>	<u>197,397,829</u>
	<b>Total</b>	<u>754,009,954</u>	<u>676,526,390</u>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	201,696,345	203,239,235
(ii) Capital Work-in-Progress		4,715,773	1,486,823
(b) Non-Current Investments	11	5,989,250	5,989,250
(c) Long Term Loans and Advances	12	14,524,802	13,981,397
		<u>226,926,170</u>	<u>224,696,705</u>
<b>2 Current Assets</b>			
(a) Inventories	13	230,346,004	200,071,264
(b) Trade Receivables	14	195,935,766	150,075,174
(c) Cash and Cash Equivalents	15	46,349,244	37,757,537
(d) Short-Term Loans and Advances	16	29,008,219	40,555,491
(e) Other Current Assets	17	25,444,551	23,370,219
		<u>527,083,784</u>	<u>451,829,685</u>
	<b>Total</b>	<u>754,009,954</u>	<u>676,526,390</u>
<b>Significant Accounting Policies</b>	2	-	-
<b>Notes on Financial Statements</b>	1 to 26		

As per our Report of even date attached

For and on behalf of the Board

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

**Bhaskar M. Parekh**  
Chairman

**Kirit N. Mehta**  
Partner  
Membership No.15759

**Dilip M. Parekh**  
Managing Director

Mumbai  
May 30, 2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

	Notes	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
I. <b>Revenue from operations (Gross)</b>	18	<b>1,098,955,998</b>	934,626,770
Less: Excise Duty		<b>68,121,181</b>	60,483,804
<b>Revenue from operations (Net)</b>		<b>1,030,834,817</b>	874,142,966
II. <b>Other Income</b>	19	<b>7,164,405</b>	44,742,608
III. <b>Total Revenue</b>		<b>1,037,999,222</b>	918,885,574
IV. <b>Expenses:</b>			
Cost of Materials and Components Consumed	20	<b>642,537,675</b>	582,968,906
Purchase of Stock-in-Trade		<b>24,895,469</b>	28,380,074
Changes in Inventories of Finished Goods, Work-in-Progress	21	<b>(32,106,847)</b>	(28,887,842)
Employee Benefit Expenses	22	<b>56,833,667</b>	45,505,704
Financial Costs	23	<b>12,634,202</b>	12,746,392
Depreciation and Amortization Expenses	24	<b>33,255,544</b>	27,296,343
Other Expenses	25	<b>200,224,234</b>	186,601,662
		<b>938,273,944</b>	854,611,239
V. <b>Profit Before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>99,725,278</b>	64,274,335
VI. Exceptional Items		<b>Nil</b>	Nil
VII. <b>Profit Before Extraordinary Items and Tax (V - VI)</b>		<b>99,725,278</b>	64,274,335
VIII. Extraordinary Items		<b>Nil</b>	Nil
IX. <b>Profit Before tax (VII - VIII)</b>		<b>99,725,278</b>	64,274,335
X. Tax Expense:			
Current tax		<b>23,725,017</b>	13,473,072
XI. <b>Profit from the period from Continuing Operations (IX- X)</b>		<b>76,000,261</b>	50,801,263
XII. Profit from Discontinuing Operations		<b>Nil</b>	Nil
XIII. Tax Expense of Discontinuing Operations		<b>Nil</b>	Nil
XIV. <b>Profit from Discontinuing Operations (XII - XIII)</b>		<b>Nil</b>	Nil
XV. <b>Profit/(Loss) for the period (XI + XIV)</b>		<b>76,000,261</b>	50,801,263
XVI. Earning Per Equity Share (equity share of Rs.10/- each)			
Basic		<b>6.91</b>	4.62
Diluted		<b>6.91</b>	4.62
<b>Significant Accounting Policies</b>	2		
<b>Notes on Financial Statements</b>	1 to 26		

As per our Report of even date attached

For and on behalf of the Board

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

**Bhaskar M. Parekh**  
Chairman

**Kirit N. Mehta**  
Partner  
Membership No.15759

**Dilip M. Parekh**  
Managing Director

Mumbai  
May 30, 2014

**CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014**

	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
<b>A. Cash Flow from Operating Activities</b>		
<u>Net Profit Before Extraordinary Items and Tax</u>	<b>99,725,278</b>	64,274,335
<u>Adjustments :</u>		
Depreciation	<b>33,255,544</b>	27,296,343
Interest Expenses	<b>9,645,764</b>	9,304,910
Misc. Expenses Written off	<b>355,392</b>	323,287
Diminution in Value of Long Term Investments	<b>Nil</b>	4,250,976
Diminution in Value of Trade Investments	<b>Nil</b>	567,242
(Profit) / Loss on Sale of Assets	<b>(1,181,706)</b>	68,223
(Profit) / Loss on Sale of Investments	<b>Nil</b>	1,780,054
Dividend Income	<b>(32,270)</b>	(33,670)
Interest (Income)/Expenses	<b>(5,655,031)</b>	(3,816,873)
Maturity Proceeds from LIC	<b>Nil</b>	(47,500,000)
Other Income	<b>(295,398)</b>	(58,560)
<b>Operating Profit Before Working Capital Changes</b>	<b>135,817,573</b>	56,456,267
<u>Changes in Working Capital</u>		
<u>Adjustments for (Increase)/decrease in operating assets:</u>		
Trade Receivables	<b>(45,860,592)</b>	2,880,215
Inventories	<b>(30,274,740)</b>	(45,456,258)
Short Term Loan and Advances	<b>11,547,272</b>	2,507,190
Long Term Loan and Advances	<b>(543,405)</b>	1,652,402
Other Current Assets	<b>(2,429,724)</b>	8,403,825
<u>Adjustments for (Increase)/decrease in operating liabilities:</u>		
Trade payable	<b>(40,514,437)</b>	55,227,115
Short Term Provisions	<b>17,881,518</b>	(399,779)
Other Current Liabilities	<b>1,117,790</b>	(28,508,677)
<b>Cash Generated From Operations</b>	<b>46,741,255</b>	52,762,300
Income Tax Paid	<b>(23,725,017)</b>	(13,473,072)
<b><u>Net Cash Inflow / (Outflow) from Operating Activities (A)</u></b>	<b>23,016,238</b>	39,289,228

**CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014**

	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(32,061,285)	(27,590,552)
Less : Revaluation of Fixed Assets	5,691,005	Nil
Sales of Fixed Assets	1,530,337	920,000
Capital Work-in-Progress	(3,228,950)	(115,612)
Sale of Investments	Nil	2,373,243
Purchase of Investments	Nil	(1,452,696)
Interest, Dividend & Other Income	5,982,699	49,061,807
<b><u>Net Cash Inflow from Investing Activities (B)</u></b>	<b>(22,086,194)</b>	<b>23,196,190</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	(11,410,437)	(12,854,784)
Proceeds from Short Term Borrowings	51,412,037	(30,975,798)
Net Increase / (Decrease) in working capital borrowings	(7,906,465)	(3,829,685)
Interest Paid	(9,645,764)	(9,304,910)
Dividend Paid	(11,000,470)	(11,000,470)
Tax on Dividend	(1,870,000)	(1,785,000)
<b><u>Net Cash Inflow / (Outflow) from Financing Activities(C)</u></b>	<b>9,578,901</b>	<b>(69,750,647)</b>
<b>D. Change in translation reserve arising on consolidation</b>	<b>(1,917,238)</b>	<b>(778,675)</b>
<b><u>Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C+D)</u></b>	<b>8,591,707</b>	<b>(8,043,904)</b>
Cash & Cash equivalents as at March 31, 2014	46,349,244	37,757,537
Cash & Cash equivalents as at March 31, 2013	37,757,537	45,801,441
	<b>8,591,707</b>	<b>(8,043,904)</b>

a) Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 notified under the Companies (Accounting Standard) Rules, 2006.

b) Refer Note No.15.

As per our Report of even date attached

For and on behalf of the Board

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

**Bhaskar M. Parekh**  
Chairman

**Kirit N. Mehta**  
Partner  
Membership No.15759

**Dilip M. Parekh**  
Managing Director

Mumbai  
May 30, 2014

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014****NOTE NO.1****COMPANY INFORMATION**

PRIMA PLASTICS LIMITED (“the parent Company”) is a public Company, resident in India and incorporated under the provisions of the Companies Act, 1956. The Company along with its Joint Venture is primarily engaged in the business of manufacturing of Plastic Moulded Articles.

**NOTE NO.2****Report for Consolidation:****1) Basis of preparation of Financial Statements:**

- (i) The financial statements of Joint Venture Company used in the consolidation are drawn up to their year ended December 31, 2013.
- (ii) The financial statements of the Joint Venture Company have been prepared under historical cost convention on an accrual basis and comply with Accounting Standards. The financial statements of the foreign Joint Venture Company have been prepared in accordance with the local laws and the applicable accounting standards / generally accepted accounting principles.

**2) Principles of Consolidation:**

The consolidated financial statements relate to Prima Plastics Ltd. (“the Company”) and its Joint Venture Company. The consolidated financial statements have been prepared on the following basis.

- The financial statements of the Company and Joint Venture Company have been consolidated on a line-by-line basis by adding together the book values like items of assets, liabilities, income and expenses after eliminating material intra-group balances and intra-group transactions as per Accounting Standard (AS-21) “Consolidated Financial Statement” and the unrealized profits or losses.
- The consolidated financial statements have been prepared using uniform accounting policies like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate financial statements.
- Accounts of the Joint Venture Company are Audited and converted by the Management as per the requirement of Indian GAAP and are not audited.

The Joint Venture Company considered in the consolidated financial statement is:

Name of the Company	Country of Incorporation	% of Ownership held as at March 31, 2014	% of Ownership held as at March 31, 2013
Prima Dee-Lite Plastics Pvt. Ltd.	Cameroon (West Africa)	50%	50%

**3) Depreciation:**

- i) By in Indian Company Depreciation is provided on Straight Line method at the rates specified in Schedule XIV of the Companies Act, 1956.
- ii) By in Joint Venture Company’s Depreciation is provided on Written Down method at the rates and in the manner specified as per local law.
- iii) Premium on leasehold land and improvement to leasehold premises are being written off over the period of lease.

**4) Foreign Currency Translation:**

The foreign has been identified as non-integral operations. Accordingly, the summarized Revenue and Expenses transactions of the Joint Venture Company at the year-end reflected in the Statement of Profit and Loss have been translated into Indian Rupees at an average exchange rate.

The Assets and Liabilities in the Balance Sheet have been translated into Indian Rupees at the closing exchange rate at the year end.

The resultant translation exchange gain/loss has been disclosed as Translation Reserve under the Reserve and Surplus.

**5) Other significant accounting policies:**

These are set out under “Significant Accounting Policies” as given in the Standalone Financial Statements. (Refer Note No.2 on Standalone result on Page No. 34).

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	As At March 31, 2014 Rs.	As At March 31, 2013 Rs.
<b>3. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
1,20,00,000 (P.Y.1,20,00,000) Equity Shares of Rs.10/- each	120,000,000	120,000,000
<b>Issued, Subscribed Fully Paid up Shares</b>		
1,10,00,470 (P.Y.1,10,00,470) Equity Shares of Rs.10/- each	110,004,700	110,004,700
	<u>110,004,700</u>	<u>110,004,700</u>

**A. Reconciliation of the number of Share and amount outstanding at the beginning and at the end of the reporting period.**

Equity Shares	March 31, 2014		March 31, 2013	
	No's	Amount	No's	Amount
At the beginning of the period	11,000,470	110,004,700	11,000,470	110,004,700
Add/(Less) : Issued / (reduction) during the year	Nil	Nil	Nil	Nil
Outstanding at the year end of the period	11,000,470	110,004,700	11,000,470	110,004,700

**B. Terms/rights attached to Equity Shares:**

The Company has issued only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The Board of Directors of the Company proposed a dividend subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2014, the amount of dividend per share recognized as distributions to equity shareholders was Rs.1/- per share of face value of Rs.10/- each (March 31, 2013, Rs.1/- per share of face value of Rs.10/-each.)

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

**C. Details of Shareholders Holding more than 5% Shares in the Company:**

Name of Share Holder	March 31, 2014		March 31, 2013	
	No of Shares	% holding	No of Shares	% holding
Bhaskar M. Parekh	2,551,610	23.20%	2,551,610	23.20%
Dilip M. Parekh	2,615,420	23.78%	2,615,420	23.78%
Dipak Kanayalal Shah	652,625	5.93%	603,692	5.49%

**D. Share reserved for issue under options and contracts / commitments:**

The Company has not made any contracts / commitments to issue under option (P.Y. Nil)

**4. RESERVES & SURPLUS**

**A) Securities Premium Account:**

Balance as per last Financial Statements	13,080,000	13,080,000
Add/(Less) Adjustments during the year	Nil	Nil
Closing Balance	<u>13,080,000</u>	<u>13,080,000</u>

**B) Revaluation Reserve:**

Balance as per last Financial Statements	Nil	Nil
Add :Addition on Revaluations during the year	5,691,005	Nil
Closing Balance	<u>5,691,005</u>	<u>Nil</u>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	As At March 31, 2014 Rs.	As At March 31, 2013 Rs.
<b>C) General Reserve:</b>		
Balance as per last Financial Statements	92,500,558	87,500,558
Add : Amount transferred from Statement of Profit and Loss	5,000,000	5,000,000
Closing Balance	<u>97,500,558</u>	<u>92,500,558</u>
<b>D) Translation Reserve:</b>		
Balance as per last Financial Statements	981,049	1,936,024
Less : Elimination on Consolidation	(1,917,238)	(954,975)
Closing Balance	<u>(936,189)</u>	<u>981,049</u>
<b>E) Surplus in Statement of Profit and Loss:</b>		
Balance as per last Financial Statements	246,812,728	213,796,935
Add : Profit for the Year	76,000,261	50,801,263
Less : Appropriations		
a) Transfer to General Reserve	5,000,000	5,000,000
b) Proposed Dividend on Equity Shares	11,000,470	11,000,470
c) Tax on Proposed Equity Dividend	1,870,000	1,785,000
Net surplus in the Statement of Profit and Loss	<u>304,942,519</u>	<u>246,812,728</u>
<b>TOTAL (A+B+C+D+E)</b>	<u><u>420,277,893</u></u>	<u><u>353,374,335</u></u>
<b>5. LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Term Loans	4,339,089	5,741,774
<b>Unsecured</b>		
Term Loan from Bank	Nil	10,007,752
<b>TOTAL</b>	<u><u>4,339,089</u></u>	<u><u>15,749,526</u></u>
A	Car loans (two loans) aggregating to Rs.43,39,089/-(previous year Rs.57,41,774/-) are secured against the respective vehicles and at the rate of interest @ 10.99% p.a. The Loans are repayable in equal monthly installments of Rs.81,850/-. Last installments of both the loans are due on September 2017 and October 2017.	
B	Interest on Term Loan is Nil (Previous year Interest on Term Loan is@6% The repayable in equal monthly installments of Rs. 20,34,400/-)	
<b>6. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Loan from Bank	72,119,096	20,707,059
<b>Unsecured</b>		
Term Loan	11,411,701	22,934,566
Working Capital Loan	21,106,842	17,490,442
<b>TOTAL</b>	<u><u>104,637,639</u></u>	<u><u>61,132,067</u></u>
A.	Secured working capital loans are secured by hypothecation of inventories, receivable, other current assets and other tangible fixed assets, pledge of immovable properties and personal guarantee of promoter directors. The working capital is repayable on demand and carries interest @13.85% p.a.	
B.	Interest on unsecured Term Loan @ 6% p.a. The repayable in equal monthly installments of Rs.13,27,526/- (Previous year Rs. 20,34,400/-) last installment is due on May 2014.	
C.	Unsecured working capital loan is repayable in 90 days and carries interest @12.50% p.a. and guaranteed by personal guarantee of promoter directors.	

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	As At March 31, 2014 Rs.	As At March 31, 2013 Rs.
<b>7. CURRENT LIABILITIES</b>		
<b>Trade Payables</b>		
Micro, Small and Medium Enterprises	Nil	Nil
Others	51,237,746	91,752,183
<b>TOTAL</b>	<b>51,237,746</b>	<b>91,752,183</b>
A.. 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 disclosures required to be made under said Act. There are no amount is payable to any Small Scal Industrial undertaking.		
<b>8. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts	1,331,963	1,257,284
Interest accrued but not due on Borrowings	117,236	274,944
Interest accrued on Trade Payable	75,811	324,135
Unclaimed Dividend	1,379,113	1,000,008
Statutory Remittances	6,410,821	4,247,682
Advances from Customers	6,761,809	4,609,783
Other Payable	6,671,733	9,916,860
<b>TOTAL</b>	<b>22,748,486</b>	<b>21,630,696</b>
A. Car loans (two loans) aggregating to Rs.13,311,963/- (previous year Rs.12,57,284/-) are secured against the respective vehicles and at the rate of interest @ 10.99% p.a. The Loans are repayable in equal monthly installments of Rs.81,850/-. Last installments of both the loans are due on September 2017 and October 2017.		
B. Unclaimed Dividend do not include any amount, due and outstanding, to be credited to investor Education and protection fund.		
<b>9. SHORT TERM PROVISIONS</b>		
Provision for Bonus/Leave Salary and Gratuity	1,721,930	1,695,258
Provision for Current Income Tax	16,178,574	95,141
Provision for Proposed Dividend	11,000,470	11,000,470
Provision for Tax on Dividend	1,870,000	1,785,000
Other Provisions	9,993,427	8,307,014
<b>TOTAL</b>	<b>40,764,401</b>	<b>22,882,883</b>
A. The Company had recognized other provision based on substantial degree of estimation for excise duty payable on clearance of goods lying in finished goods.		

**10. FIXED ASSETS**

(Rs)

GROSS BLOCK	Freehold Land	Leasehold Land	Buildings	Plant & Machineries	Furniture & Fixture	Equipments	Vehicles	Total	Previous Year
As on April 1, 2013	15,256,989	1,041,581	111,897,598	376,305,333	8,270,602	6,259,227	15,997,568	535,028,898	510,093,503
Additions during the year	1,422,496		5,357,690	23,120,057	355,938	644,627	1,160,477	32,061,285	27,590,552
Deletions during the year			(222,011)	(4,495,255)	Nil	(19,500)	(135,000)	(4,871,766)	(2,655,157)
<b>As on March 31, 2014</b>	<b>16,679,485</b>	<b>1,041,581</b>	<b>117,033,277</b>	<b>394,930,135</b>	<b>8,626,540</b>	<b>6,884,354</b>	<b>17,023,045</b>	<b>562,218,417</b>	<b>535,028,898</b>
DEPRECIATION									
Up to April 1, 2013	-	75,075	33,155,008	284,587,285	6,132,024	4,771,005	3,069,266	331,789,663	306,160,254
For the Year		10,725	5,129,783	25,771,142	300,961	358,110	1,684,823	33,255,544	27,296,343
Adjustment during the year			(69,613)	(4,431,751)	Nil	(1,848)	(19,923)	(4,523,135)	(1,666,934)
<b>Up to March 31, 2014</b>	<b>-</b>	<b>85,800</b>	<b>38,215,178</b>	<b>305,926,676</b>	<b>6,432,985</b>	<b>5,127,267</b>	<b>4,734,166</b>	<b>360,522,072</b>	<b>331,789,663</b>
NET BLOCK									
<b>As at March 31, 2014</b>	<b>16,679,485</b>	<b>955,781</b>	<b>78,818,099</b>	<b>89,003,459</b>	<b>2,193,555</b>	<b>1,757,087</b>	<b>12,288,879</b>	<b>201,696,345</b>	<b>203,239,235</b>
As at March 31, 2013	15,256,989	966,506	78,742,590	91,718,048	2,138,578	1,488,222	12,928,302	203,239,235	203,933,249

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

		As At March 31, 2014 Rs.	As At March 31, 2013 Rs.
<b>11. NON-CURRENT INVESTMENTS</b>			
<b>OTHER INVESTMENTS</b>			
Investment in Equity Shares ( <b>Quoted</b> )	<b>Qty.</b>		
Nilkamal Ltd. (FV Rs.10/- Per Share)	2,786	<b>604,563</b>	604,563
Provogue India Ltd. (FV Rs. 1/- Per Share)	135,210	<b>2,577,687</b>	2,577,687
Prozone Capital Shopping Centres Ltd. (Rs. 2/- per share)	37,105	<b>2,287,282</b>	2,287,282
Relaince Power Ltd. (FV Rs. 10/- Per Share)	139	<b>12,718</b>	12,718
Poddar Developers Ltd. (FV Rs. 10/- Per Share)	5,070	<b>507,000</b>	507,000
<b>TOTAL</b>		<u><b>5,989,250</b></u>	<u>5,989,250</u>
Aggregate amount of Quoted Investments		<b>5,989,250</b>	5,989,250
Market Value of Quoted Investments		<b>3,269,862</b>	3,946,662
<b>12. LONG TERM LOANS AND ADVANCES</b>			
<b>(Unsecured and Considered Good)</b>			
Security Deposits with Related Parties		<b>3,000,000</b>	3,000,000
Others Security Deposits		<b>6,388,740</b>	3,443,453
Loans and Advances to Employees		<b>2,316,000</b>	3,014,808
Advances Income Tax (Net)		<b>1,328,810</b>	1,105,682
Advances for Capital Goods		<b>1,491,252</b>	3,417,454
<b>TOTAL</b>		<u><b>14,524,802</b></u>	<u><b>13,981,397</b></u>
A. Security deposits with related parties are interest free and given against the occupation of office premises on rent.			
B. Loan to employees is interest free as per Company policy.			
<b>13. INVENTORIES</b>			
Raw Materials		<b>76,160,621</b>	79,435,143
Raw Materials in Transit		<b>4,761,250</b>	4,973,077
Finished Goods		<b>145,567,470</b>	113,460,623
Store and Packing Material		<b>3,856,663</b>	2,202,421
<b>TOTAL</b>		<u><b>230,346,004</b></u>	<u>200,071,264</u>
A. Inventories are measured at cost or net realizable value whichever is lower.			
B. The excise duty in respect of the inventory of finished goods is included as part of the finished goods.			
<b>14. TRADE RECEIVABLES</b>			
Trade Receivable outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, Considered Good		<b>20,916,830</b>	19,721,381
Trade Receivable outstanding for a period less than six months from the date they are due for payment			
Unsecured, Considered Good		<b>175,018,936</b>	130,353,793
<b>TOTAL</b>		<u><b>195,935,766</b></u>	<u>150,075,174</u>
A. Trade receivables are due in respect of goods sold in the normal course of business and the normal credit period allowed by the Company is taken in to consideration for computing due dates.			

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	As At March 31, 2014 Rs.	As At March 31, 2013 Rs.
<b>15. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	1,064,476	1,280,268
Balance with Bank		
(i) Current Account	30,865,520	25,207,770
(ii) EEFC Account	12,768	Nil
(iii) Deposit Account / Margin Money	13,027,367	10,269,491
(iv) In earmarked accounts - Unpaid Dividend	1,379,113	1,000,008
<b>TOTAL</b>	<u><u>46,349,244</u></u>	<u><u>37,757,537</u></u>
<b>16. SHORT TERM LOANS AND ADVANCES</b>		
Balance with Government Authorities		
Cenvat Credit receivable	11,018,325	8,289,402
Inter Corporate Deposits		
- Unsecured, Considered Good	15,000,000	30,000,000
Loans and Advances to Employees	2,989,894	2,266,089
<b>TOTAL</b>	<u><u>29,008,219</u></u>	<u><u>40,555,491</u></u>
A. Loans and advances to employees are interest free as per Company policy.		
<b>17. OTHER CURRENT ASSETS</b>		
Unamortized Expenses - Preliminary Expenses	1,104,500	1,300,670
Pre-paid Expenses	3,179,010	3,246,294
Advances to Creditors	20,144,110	15,773,290
Interest receivable	847,661	1,232,263
Others	169,270	1,817,702
<b>TOTAL</b>	<u><u>25,444,551</u></u>	<u><u>23,370,219</u></u>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
<b>18. REVENUE FROM OPERATIONS</b>		
<b>Sales (Gross)</b>		
Export	186,361,535	152,615,136
Local	907,090,171	782,011,634
Other Operating Revenues	5,504,292	Nil
	<u>1,098,955,998</u>	<u>934,626,770</u>
Less : Excise Duty	68,121,181	60,483,804
<b>TOTAL</b>	<u><u>1,030,834,817</u></u>	<u><u>874,142,966</u></u>

<b>DETAILS OF SALE OF PRODUCT</b>		
<b>Finished Goods</b>		
Moulded Plastics Articles	905,248,623	761,190,922
Aluminum Composite Panel	61,625,114	42,689,298
<b>Traded Goods</b>		
Moulded Plastics Articles and Related Material	58,456,788	70,262,746
Other Operating Revenues	5,504,292	Nil
<b>Total</b>	<u><u>1,030,834,817</u></u>	<u><u>874,142,966</u></u>

<b>19. OTHER INCOME</b>		
<b>Interest Income</b>		
from Banks Fixed Deposits	855,512	841,714
from Inter Corporate Deposits	4,374,583	2,975,159
others	424,936	Nil
	<u>5,655,031</u>	<u>3,816,873</u>
<b>Dividend Income</b>		
from investment in shares	32,270	33,670
	<u>32,270</u>	<u>33,670</u>
<b>Other Non-operating Income</b>		
Profit / (Loss) on Sale of Fixed Assets	1,181,706	(68,223)
Profit / (Loss) on Sale of Long Term Investments	Nil	(1,780,054)
Miscellaneous Income / (Expenses)	295,398	58,560
Diminution in Value of Long Term Investments	Nil	(4,250,976)
Diminution in Value of Long Trade Investments	Nil	(567,242)
Maturity Proceeds of LIC Policies	Nil	47,500,000
	<u>1,477,104</u>	<u>40,892,065</u>
<b>TOTAL</b>	<u><u>7,164,405</u></u>	<u><u>44,742,608</u></u>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
<b>20. COST OF MATERIAL CONSUMED</b>		
<b>Raw Material Consumed</b>		
Opening Stock of Raw Marterial	84,408,220	67,373,654
Add : Purchases	<u>639,051,326</u>	<u>600,003,472</u>
	723,459,546	667,377,126
Less : Closing Stock	<u>80,921,871</u>	<u>84,408,220</u>
<b>TOTAL</b>	<u><u>642,537,675</u></u>	<u><u>582,968,906</u></u>
<b>21. CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Inventories at the End of the year	145,567,470	113,460,623
Inventories at the Beginning of the year:	<u>113,460,623</u>	<u>84,572,781</u>
<b>TOTAL</b>	<u><u>(32,106,847)</u></u>	<u><u>(28,887,842)</u></u>
<b>22. EMPLOYE BENEFIT EXPENSES</b>		
Salaries,Wages and Bonus	47,792,831	38,410,000
Leave Salary	2,470,988	2,073,682
Contribution to provident and other funds	3,208,933	2,430,074
Gratuity Expenses	1,123,020	923,257
Staff Welfare	<u>2,237,895</u>	<u>1,668,691</u>
<b>TOTAL</b>	<u><u>56,833,667</u></u>	<u><u>45,505,704</u></u>
<b>23. FINANCIAL COSTS</b>		
<b>Interest Expenses</b>		
On Borrowings	9,645,764	9,304,910
Others Borrowings Cost	<u>2,988,438</u>	<u>3,441,482</u>
<b>TOTAL</b>	<u><u>12,634,202</u></u>	<u><u>12,746,392</u></u>
<b>24. DEPRECIATION EXPENSES</b>		
Depreciation	<u>33,255,544</u>	<u>27,296,343</u>
<b>TOTAL</b>	<u><u>33,255,544</u></u>	<u><u>27,296,343</u></u>
<b>25. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Labour Charges	8,525,215	9,041,986
Store,Spare and Packing Expenses	12,248,784	9,659,542
Power and Fuel	36,506,046	31,376,429
Repairs to Buildings	217,447	855,037
Repairs to Machinery	5,323,012	4,411,254
Insurance	1,726,601	1,472,049
Excise Duty on Finished Goods	8,606,842	7,074,455
Freight Inward	4,263,385	7,669,376
Factory Expenses	4,510,762	1,256,870
Other Manufacturing Expenses	<u>4,028,889</u>	<u>3,213,467</u>
	<u><u>85,956,983</u></u>	<u><u>76,030,465</u></u>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
<b>Selling and Distribution Expenses</b>		
Business Promotion	702,729	393,295
Brokerage and Commission	1,091,741	2,329,619
Freight, Forward and others	34,912,408	33,945,999
Sales Discount and others	24,216,620	22,625,486
	<u>60,923,498</u>	<u>59,294,399</u>
<b>Other Expenses</b>		
Professional Fees	2,609,559	1,685,933
Rent	7,530,583	6,712,944
Insurance	1,075,118	681,449
Travelling Expenses	3,297,120	2,687,233
Telephone Expenses	1,531,176	1,472,168
Octroi	197,131	554,201
General Expenses	8,080,376	6,021,015
Director's Remuneration	6,120,000	3,640,000
Printing and Stationery	1,825,133	1,206,275
Repairs to Other	1,038,804	785,990
Payment to Statutory Auditors - Audit Fees	250,655	168,831
- Tax Audit	55,000	45,000
- Others Services	51,545	46,236
Exchange Loss / (Gain)	6,497,674	2,210,161
Postage and Telegram	861,918	706,094
Bad Trade and other receivable w/off	7,759,643	19,004,166
Amortisation of Preliminary Expenses	355,392	323,287
Director's Sitting Fees	121,250	100,000
Conveyance Expenses	1,623,678	1,411,857
Vehicle Expenses	2,461,998	1,813,958
	<u>53,343,753</u>	<u>51,276,798</u>
<b>TOTAL</b>	<u>200,224,234</u>	<u>186,601,662</u>

**NOTE NO.26****NOTES TO ACCOUNTS****1. Contingent Liabilities not provided for:****Claim against the Company not acknowledged**

Sr. No.	Particulars	March 31, 2014
1.	Income Tax	1,838,485
2.	Dividend Distribution Tax	1,869,530
3.	Fringe Benefit Tax	6,000
4.	VAT/CST	100,000

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance payment) Rs. 42,65,948/- (previous year of Rs. 1,465,641/-).
3. Segment have been identified in line with the Accounting Standard on segment reporting (AS-17) taken into account of Company Organization structure as well as differential risks and returns of these segment.

**Segment Information for the year ended March 31, 2014**

(Rs.)

Particulars	Year Ended Audited March 31, 2014	Year Ended Audited March 31, 2013
<b>A. Segment revenue</b>		
Plastic Moulded Furniture	965,579,446	831,329,901
Aluminum Composite Panel	62,396,461	43,655,779
Revenue from operations	1,027,975,907	874,985,680
<b>B. Segment results</b>		
Profit (+) / Loss (-) before Interest and Tax		
Plastic Moulded Furniture	120,158,714	48,505,606
Aluminum Composite Panel	(17,822,549)	(15,385,773)
<b>Total</b>	<b>102,336,165</b>	<b>33,119,833</b>
Less : Financial Expenses	12,634,202	12,746,392
Add : Un-allocable Income	10,023,315	43,900,894
Profit before tax	99,725,278	64,274,335
<b>C. Other Information</b>		
Segment Assets		
Plastic Moulded Furniture	625,158,634	551,018,220
Aluminum Composite Panel	108,618,896	101,570,772
Unallocated Corporate Assets	20,232,424	23,937,398
<b>Total Assets</b>	<b>754,009,954</b>	<b>676,526,390</b>
<b>Segment Liabilities</b>		
Plastic Moulded Furniture	61,765,340	141,339,163
Aluminum Composite Panel	32,566,151	20,466,683
Unallocated Corporate Liabilities	129,395,870	51,341,509
<b>Total Liabilities</b>	<b>22,372,7361</b>	<b>213,147,355</b>
<b>Capital Expenditure</b>		
Plastic Moulded Furniture	29,586,970	18,238,971
Aluminum Composite Panel	80,130	318,591
Unallocated Capital Expenditure	2,394,185	9,032,990
<b>Total</b>	<b>32,061,285</b>	<b>27,590,552</b>
<b>Depreciation</b>		
Plastic Moulded Furniture	28,975,831	23,515,612
Aluminum Composite Panel	2,035,671	2,057,241
Unallocated Depreciation	2,244,042	1,723,490
<b>Total</b>	<b>33,255,544</b>	<b>27,296,343</b>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014****4. 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**

Mr. Bhaskar M. Parekh (Chairman) (DIN – 00166520); Mr. Dilip M. Parekh (Managing Director) (DIN – 00166385); 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)**

M/s. Classic Plastics, M/s. Sanya Plastics and M/s. National Plastics and Allied Industries

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

(Rs.)

Particulars	2013-14	2012-13
<b>Key Management Personnel</b>		
Remuneration to Directors	6,271,200	3,755,200
Remuneration to Relatives	1,400,000	1,400,000
<b>Other Entities</b>		
Purchase of Services	3,679,015	7,812,514
Purchase of Raw Materials	9,441,341	7,641,747
Purchase of Capital Goods	3,845,914	1,144,329
Payment of Rent	3,714,864	3,253,304
Reimbursement of Expenses	79,041	55,567
Sale of Raw Material	5,008,929	3,991,898

Balances receivable at the end of the year.

(Rs.)

Particulars	2013-14	2012-13
<b>Other Entities</b>		
Rent Deposit (Dr.)	3,000,000	3,000,000

**5. Earning per Share (EPS).**

(Rs.)

Particulars	2013-14	2012-13
Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders.	76,000,261	50,801,263
Weighted Average number of equity shares used as denominator for calculating EPS	11,000,470	11,000,470
EPS- Basic/Diluted (in Rs.)	6.91	4.62
Face Value per equity shares (in Rs.)	10	10

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014****6. a. Value of Import on CIF basis.**

(Rs.)

<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
Raw material	<b>141,019,102</b>	186,068,069
Capital goods	<b>21,840,567</b>	12,967,650

**b. Earnings in Foreign Exchange.**

(Rs.)

<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
Export of Finished Goods on FOB basis	<b>171,028,947</b>	133,840,727
Export of Capital Goods	<b>502,731</b>	NIL

**For G. P. Kapadia & Co.**Chartered Accountants  
Firm Regn. No. 104768W**Kirit N. Mehta**Partner  
Membership No.15759Mumbai  
May 30, 2014**For Prima Plastics Limited****Bhaskar M. Parekh**  
Chairman**Dilip M. Parekh**  
Managing Director

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**ATTENDANCE SLIP****PRIMA PLASTICS LIMITED**

CIN:L25206DD1993PLC001470

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

**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\* \_\_\_\_\_ Folio No. \_\_\_\_\_

Client Id\* \_\_\_\_\_ No. of Shares \_\_\_\_\_

**NAME & ADDRESS OF THE SHAREHOLDER :** \_\_\_\_\_

I hereby record my presence at the 20th Annual General Meeting of the Company held on Saturday, September 20, 2014 at 11.00 a.m. at Hotel Princess Park, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210.

\_\_\_\_\_  
Signature of Shareholder / Proxy

\*Applicable for investors holding shares in electronic form.

**The Instructions for members for voting electronically are as under:****A. In case of members receiving e-mail:**

- (i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab and select the "Prima Plastics Limited" from the drop menu and click on "SUBMIT"
- (iii) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID and For Members holding shares in Physical Form: Folio Number registered with the Company) and Image Verification as displayed and Click on Login.
- (iv) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (v) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN\* Enter your 10 digit alpha-numeric \*PAN issued by income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.

\* In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

DOB# Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details # Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

# please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the Electronic Voting Sequence Number (EVSN) for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see Resolution description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option No implies that you dissent to the Resolution.
- (xi) Click on the Resolution file link, if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) a. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to register themselves as Corporate on <https://www.evotingindia.co.in> and submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).  
b. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on and list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.  
c. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xvii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**B. In case of members receiving the physical copy:**

- (i) Please follow all steps from sl. no.(i) to sl. no.(xv) above to cast vote.

**C. Other Instructions:**

- (i) The voting period begins on September 15, 2014 at 9.00 a.m. IST and ends on September 16, 2014 at 6.00 p.m. IST. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 22, 2014, may cast their vote electronically. The e-voting module shall be disable by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- (ii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 22, 2014.
- (iii) The Company has appointed Shri Sadashiv V. Shet, Practising Company Secretary, Membership No. 2477 to act as a Scrutinizer for conducting electronic voting process in a fair and transparent manner.
- (iv) The Scrutinizer appointed by the Company shall, within a period not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (v) The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.primoplastics.com](http://www.primoplastics.com) and on the website of CDSL, [www.evotingindia.co.in](http://www.evotingindia.co.in) within two days of the passing of the resolutions at the 20th AGM of the Company on September 20, 2014 and communicated to the BSE Limited, where the shares of the Company are listed.

**PROXY FORM**

(pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

**PRIMA PLASTICS LIMITED**  
**CIN:L25206DD1993PLC001470****Regd. Office:** 98/4, Prima House, Daman Industrial Estate, Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210.

Name of the Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No. /\*Client Id : \_\_\_\_\_ \*DP Id : \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of Prima Plastics Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail Id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail Id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail Id \_\_\_\_\_ .

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Saturday, September 20, 2014 at 11.00 a.m. at Hotel Princess Park, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\*I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	RESOLUTIONS	For	Against
	<b>Ordinary Business</b>		
1	To consider and adopt the Financial Statement of the Company for the year ended March 31, 2014 and the Reports of the Board of Directors and the Auditors thereon.		
2	To declare dividend on Equity Shares.		
3	To appoint a Director in place of Shri Bhaskar M. Parekh (DIN - 00166520), who retires by rotation at this Annual General Meeting and being eligible, offers him for reappointment.		
4	To appoint Auditors and authorize Board of Directors to fix their remuneration.		
	<b>Special Business</b>		
5	To appoint Shri Mulchand S. Chheda (DIN - 00179932) as an Independent Director of the Company.		
6	To appoint Shri Krishnakant V. Chitalia (DIN - 00443945) as an Independent Director of the Company.		
7	To appoint Shri Rasiklal M. Doshi (DIN - 00239580) as an Independent Director of the Company.		
8	To reappoint Shri Bhaskar M. Parekh (DIN - 00166520) as Executive Chairman of the Company.		
9	To reappoint Shri Dilip M. Parekh (DIN - 00166385) as a Managing Director and KMP of the Company.		
10	To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Signature of Shareholder: \_\_\_\_\_

Affix  
Revenue  
Stamp\_\_\_\_\_  
Signature of first proxy holder\_\_\_\_\_  
Signature of second proxy holder\_\_\_\_\_  
Signature of third proxy holder

**Notes:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act a proxy for any other person or shareholder.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.







# PRIMA<sup>®</sup>

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CHR-2035



# PRIMA

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Corporate Office :

**PRIMA PLASTICS LTD.**

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

Tel.: 91 - 22 - 28574765 / 8 / 9 • Fax : 91 - 22 - 28572859

E-mail : [investor@primoplastics.com](mailto:investor@primoplastics.com) • Website : [www.primoplastics.com](http://www.primoplastics.com)

## FORM A

### Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	Prima Plastics Ltd.
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	<p>To be signed by –</p> <ul style="list-style-type: none"> <li>• CEO/Managing Director</li>   <li>• CFO</li>   <li>• Auditor of the Company</li>   <li>• Audit Committee Chairman</li> </ul>	<p style="text-align: center;"><b>For PRIMA PLASTICS LTD.</b></p> <p style="text-align: center;"><i>Dilip M. Parekh</i> <b>DILIP M. PAREKH</b> <b>MANAGING DIRECTOR</b></p> <p style="text-align: center;"><i>[Signature]</i></p> <div style="text-align: center;">  <p><b>PRIMA PLASTICS LTD.</b> <i>[Signature]</i> <b>AUDIT COMMITTEE CHAIRMAN</b></p> </div>