



PROMACT PLASTICS LIMITED

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PROMACT PLASTICS LIMITED

TWENTYSIXTH ANNUAL REPORT 2009-10

BOARD OF DIRECTORS

Ms. Payalben J. Patel	Chairperson
Mr. Babubhai A. Patel	Director
Mr. Dharmendrakumar B. Patel	Director
Mr. Shyamlal Gupta	Director
Ms. Nikitaben J. Patel	Director
Mr. Ankit J. Patel	Director

PRINCIPAL BANKERS

The Mehsana Urban Co.op. Bank Ltd.,
Mehsana.

AUDITORS

M/s. R. R. S. & Associates,
Chartered Accountants,
Ahmedabad.

COMPANY LAW CONSULTANTS

Mr. Kashyap R. Mehta,
Company Secretary,
Ahmedabad.

REGISTERED OFFICE

106, Hanikrupa Chambers,
Behind National Chambers,
Ashram Road,
Ahmedabad-380 009.

FACTORY

391 to 404, GIDC Estate, Phase-II,
Dediyasan, Mehsana-384 002.

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NOTICE

NOTICE is hereby given that the **TWENTYSIXTH ANNUAL GENERAL MEETING** of the members of **PROMACT PLASTICS LIMITED** will be held as scheduled below:

Date : 30th September, 2010
 Day : Thursday
 Time : 12 Noon
 Place : Conference Hall of Hotel City Pride,
 Opp. Gurukul, Drive - In Road, Ahmedabad - 380 052.

to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Profit and Loss Account of the year ended on 31st March, 2010 and the Balance Sheet as on that date along with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Babubhai A. Patel, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
 "RESOLVED THAT Ms. Payalben J. Patel be and is hereby appointed as a Director of the Company, liable to retire by rotation."
 5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
 "RESOLVED THAT Ms. Nikitaben J. Patel be and is hereby appointed as a Director of the Company, liable to retire by rotation."
 6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
 "RESOLVED THAT Mr. Ankit J. Patel be and is hereby appointed as a Director of the Company, liable to retire by rotation."
 7. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:
 "RESOLVED THAT pursuant to Section 149 (2A) of the Companies Act, 1956 and any other applicable provisions if any, consent of the members of the Company be and is hereby accorded to commence other objects as mentioned under Object No. 8, 17 and 36 of sub clause C under the main clause III of the Memorandum of Association of the Company:
- (8) To purchase or otherwise acquire any land, building or premises and to turn in to account, develop, improve, alter, demolish or let out for the purpose of carrying on the business of hotel, motel, restaurant, coffee house, lodging, house keeper or related business which can be conveniently or usefully carried on in connection with the aforesaid business of the Company.
 - (17) To carry on the business as organisers, developers, contractors or owners or dealers in any land, residential buildings, commercial buildings, shops, offices or any other buildings and for the purposes to purchase, take on lease, acquire, hold, develop, prepare building sites, construct, reconstruct, repair, maintain, pull down, alter, improve, decorate, furnish, sell, market, give on hire purchase or on instalment or deal in any land, residential buildings, commercial buildings, shops, offices, club houses, works and sanitary conveniences of all kinds and to lay out roads, drainage pipes, water pipes and electric installations and to set apart land for pleasure gardens and recreation grounds or otherwise improve the land or any part thereof.
 - (36) To carry on the business of all or any kind of iron and steel makers, founders, steel melters, steel shapers, slitters, and manufacturers, assemblers, mechanical engineers and fabricators, contractors, tool makers, brass foundries, metal workers, manufactures of steel, metal and malleable grey casting including ferrous,



PROMACT PLASTICS LIMITED

nonferrous, special and alloy steel, spring steel, forging quality steel manufacturers, processors of all types of forged components, railway tracks, wagons and components and all other types of rounds, nails, tools, all types of hardware items, platemakers, wire drawers, galvanizers, japanners, re-rollers, annealers, enamellers, saddlers, packing case makers, die makers, gas makers and electroplaters."

Registered Office:

106, Harikrupa Chambers,
Behind National Chambers,
Ashram Road,
Ahmedabad-380 009.
Date : 29th May, 2010.

By the Order of the Board,

Payalben J. Patel
Chairperson

NOTES :

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item Nos. 4 to 7 as set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
3. Pursuant to Section 154 of the Companies Act, 1956, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 8th September, 2010 to Thursday, the 30th September, 2010 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to:
 - a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notify immediately the change in their registered address, if any, to the Company.
6. The Equity Shares of the Company are now available for dematerialisation, as the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN of the Equity Shares is INE818D01011.

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item Nos. 4 to 7 of the accompanying notice dated 29th May, 2010 and should be taken as forming part of the notice.

In respect of Item No. 4:

The Board of Directors of the Company in their meeting held on 29th May, 2010 appointed Ms. Payalben J. Patel as Director of the Company. As per the Articles of Association of the Company and section 260 of the Companies Act, 1956, she will hold the office up to the date of this General Meeting.

As required under the provisions of Section 257 of the Companies Act, 1956, notice has been received from some of the members signifying their intention to propose her as candidate for office of the Director.

Ms. Payalben J. Patel is M.B.A. and is having practical experience in the field of Banking, Accounts, Finance and Statutory Audit.

Ms. Payalben J. Patel is concerned or interested in the said business, since it relates to her appointment as Director of the Company. Ms. Nikitaben J. Patel and Mr. Ankit J. Patel may also be deemed as interested as they are relatives of Ms. Payalben J. Patel. Except them, none of the Directors is in any way concerned or interested in the said business.

In respect of Item No. 5:

The Board of Directors of the Company in their meeting held on 29th May, 2010 appointed Ms. Nikitaben J. Patel as Director of the Company. As per the Articles of Association of the Company and section 260 of the Companies Act, 1956, she will hold the office up to the date of this General Meeting.

As required under the provisions of Section 257 of the Companies Act, 1956, notice has been received from some of the members signifying their intention to propose her as candidate for office of the Director.

Ms. Nikitaben J. Patel is M. C. A. and is having practical experience in the field of Computer Software Programmer and also possesses knowledge about Hardware.

Ms. Nikitaben J. Patel is concerned or interested in the said business, since it relates to her appointment as Director of the Company. Ms. Payalben J. Patel and Mr. Ankit J. Patel may also be deemed as interested as they are relatives of Ms. Nikitaben J. Patel. Except them, none of the Directors is in any way concerned or interested in the said business.

In respect of Item No. 6:

The Board of Directors of the Company in their meeting held on 29th May, 2010 appointed Mr. Ankit J. Patel as Director of the Company. As per the Articles of Association of the Company and section 260 of the Companies Act, 1956, he will hold the office up to the date of this General Meeting.

As required under the provisions of Section 257 of the Companies Act, 1956, notice has been received from some of the members signifying their intention to propose him as candidate for office of the Director.

Mr. Ankit J. Patel is Diploma in Computer Engineer and is having practical experience in the field of Computer Software Programming.

Mr. Ankit J. Patel is concerned or interested in the said business, since it relates to his appointment as Director of the Company. Ms. Payalben J. Patel and Ms. Nikitaben J. Patel may also be deemed as interested as they are relatives of Mr. Ankit J. Patel. Except them, none of the Directors is in any way concerned or interested in the said business.

In respect of Item No. 7:

The Company presently carries on the business as manufacturers, producers, buyers etc. and are also dealers of plastic polymer including all types of packing materials, HDPE/PP Woven Fabrics and Sacks. For the past some time, the Board of Directors of the Company has been considering proposals for diversifying the activities of the Company. Section 149(2A) of the Companies Act, 1956, requires that the members of the Company should approve, by special resolution, of the commencement of any new business by the Company included in the other objects of the Company in its Memorandum of Association as on that date. The business which the members are being requested to approve for commencement are within the scope of the sub clause C i.e. Other Objects No. 8, 17 and 36 of the main clause III of the Memorandum of Association of the Company.

In view of better future of real estate market and construction activities and metal business, the Board is actively thinking of diversifying the activities of the Company. The Board feels that the proposed activities of the Company will prove to be useful and beneficial to the Company and therefore commends the Special Resolution proposed for the Members acceptance.

The Board is hopeful that the proposed business can be combined conveniently and advantageously with the existing business of the Company under the existing circumstances.

Memorandum of Association of the Company and other relevant papers are open for inspection at the Registered Office of the Company during the normal business hours on any working day.

None of the Directors of the Company is concerned or interested in any way in the Special Resolution.

Registered Office:

106, Harikrupa Chambers,
Behind National Chambers,
Ashram Road,
Ahmedabad-380 009.
Date : 29th May, 2010.

By the Order of the Board,

Payalben J. Patel
Chairperson



DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the TWENTYSIXTH ANNUAL REPORT together with the Audited Statement of Accounts for the financial year 2009-10 ended on 31st March, 2010.

1. FINANCIAL RESULTS

(Rs.in Lacs)

Particulars	2009-2010	2008-2009
Profit / (Loss) Before Interest and Depreciation	104.90	(0.94)
Less : Interest	108.62	106.98
(Loss) before Depreciation	(3.72)	(107.92)
Less : Depreciation	60.28	61.34
Profit / (Loss) before tax	(64.00)	(169.27)
Less : Provision for tax	-	-
Add/(Less) : Deferred Tax Asset / (Liabilities)	237.02	(11.63)
Less : Provision for Fringe Benefit Tax	-	0.06
Profit / (Loss) after tax	173.02	(180.96)
Add / (Less) : Previous Years' (Expenses)/Income	5.32	(4.00)
Profit / (Loss) for the year	178.34	(184.96)
(Debit) Balance brought forward from Previous year	(749.48)	(564.52)
(Debit) Balance carried to Balance Sheet	(573.13)	(749.48)

2. DIVIDEND

As the Company has accumulated losses, your Directors are unable to recommend any Dividend for the Year 2009-10.

3. SALES & WORKING RESULTS:

The Sales during the year 2009-10 was Rs. 1091 lacs as compared to Rs. 1286 lacs during the year 2008-09.

The Profit before Interest and Depreciation during the year 2009-10 was Rs. 104.90 lacs as against Loss of Rs. 0.94 lacs during 2008-09. As the Company had to provide for Interest of Rs. 108.62 lacs during the year under review, the Loss before Depreciation was Rs. 3.72 lacs during the year under review, compared with Loss of Rs. 107.92 lacs during 2008-09. The Company provided Rs. 60.28 lacs for Depreciation and therefore Loss before tax stood at Rs. 64 lacs during the year under review compared to Loss of Rs. 169.27 lacs for the year 2008-09. After taking into account Deferred Tax Asset, the Net Profit for the year under review stood at Rs.173.02 lacs as against Net Loss of Rs.180.96 lacs during 2008-09.

4. ISO 9002:

Your Company is maintaining all necessary quality standards as prescribed while receiving ISO 9002 Certification from UKAS Quality Management.

5. FINANCE:

5.1 During the year under review, the Company was generally regular in payment of Principal and Interest to the Financial Institutions/Banks. The Company is enjoying Working Capital Facilities from Mehsana Urban Co-Operative Bank Limited.

5.2 The Income-tax and Sales-tax Assessment of the Company have been completed upto Assessment Year 2008-09 and the Financial Year 2006-07 respectively.

6. DIRECTORS:

Ms. Payalben J. Patel, Ms. Nikitaben J. Patel and Mr. Ankit J. Patel were appointed as Directors by the Board of Directors w.e.f. 29th May, 2010. Mr. Sachin N. Patel and Mr. Arvindbhai N. Patel ceased to be Directors upon resignation w.e.f. 29th May, 2010. The Board recommends their appointment as provided in the Notice of 26th Annual General Meeting.

One of your Directors viz. Mr. Babubhai A. Patel retires by rotation in terms of Articles 150 and 151 of the Articles of Association of the Company. He, however, being eligible, offers himself for re-appointment.

7. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that 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 at 31st March, 2010 being end of the financial year 2009-10 and of the Profit of the Company for the year;
- (iii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

8. CHANGE OF REGISTRAR AND TRANSFER AGENTS:

During the period under review the Registrar and Transfer Agents of the Company have been changed to M/s. Link Intime (India) Private Limited.

9. COMMENCEMENT OF OTHER OBJECTS IN THE COMPANY:

The Company proposes to commence new business as mentioned in Object no. 6, 17 and 36 under sub clause C of main clause III of the Memorandum of Association relating to real estate, construction and metal business so as to diversify the business activities of the Company. The Board is hopeful that the proposed business will benefit the Company. The Board recommends the resolution for approval of Members.

10. DEMATERIALISATION OF EQUITY SHARES:

The Company, to facilitate the Shareholders to hold their shareholding in Electronic Form, has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN allotted is INE818D01011.

11. CORPORATE GOVERNANCE:

The Report on Corporate Governance as required under Clause 49 of the Listing Agreement forms part of the Annual Report.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

13. LISTING:

The Equity Shares of the Company are listed on Ahmedabad and Mumbai Stock Exchanges and the Company has paid Annual Listing Fees to both the Stock Exchanges upto the year 2010-11.

14. RECONSTITUTION OF AUDIT COMMITTEE:

The Audit Committee is reconstituted w.e.f. 29th May, 2010 due to appointment of Ms. Payalben J. Patel and Ms. Nikitaben J. Patel and resignation of Mr. Sachin N. Patel and Mr. Arvind N. Patel as the Directors of the Company.

The Audit Committee consist of:

- | | |
|--------------------------------|-------------|
| 1. Ms. Payalben J. Patel | Chairperson |
| 2. Ms. Nikitaben J. Patel | Member |
| 3. Mr. Dharmendrabhai B. Patel | Member |



15. RECONSTITUTION OF REMUNERATION COMMITTEE:

The Remuneration Committee is reconstituted w.e.f. 29th May, 2010 due to appointment of Ms. Payalben J. Patel and Ms. Nikitaben J. Patel and resignation of Mr. Sachin N. Patel and Mr. Arvind N. Patel as the Directors of the Company. The Remuneration Committee consist of:

- | | | |
|----|-----------------------------|-------------|
| 1. | Ms. Payalben J. Patel | Chairperson |
| 2. | Ms. Nikitaben J. Patel | Member |
| 3. | Mr. Dharmendrabhai B. Patel | Member |

16. RECONSTITUTION OF SHAREHOLDERS GRIEVANCE COMMITTEE:

The Shareholders Grievance Committee is reconstituted w.e.f. 29th May, 2010 due to appointment of Ms. Payalben J. Patel, Ms. Nikitaben J. Patel and resignation of Mr. Sachin N. Patel and Mr. Arvind N. Patel as the Directors of the Company. The Shareholders Grievance Committee consists of:

- | | | |
|----|------------------------|-------------|
| 1. | Ms. Payalben J. Patel | Chairperson |
| 2. | Ms. Nikitaben J. Patel | Member |

17. GENERAL:

17.1 INSURANCE:

The Companies properties including plant, Machinery, Stock, store etc., continue to be adequately insured against risks, such as fire, riot, strikes etc.

17.2 AUDITORS:

The present Auditors of the Company M/s. R. R. S. & Associates, Chartered Accountants were appointed as Auditors for the year 2009-10 and as such they will retire at the ensuing Annual General Meeting of the Company. They have submitted Certificate for their eligibility for re-appointment under Section 224 (1-B) of the Companies Act, 1956.

The notes of the Auditors to the accounts are self explanatory.

17.3 PARTICULARS OF EMPLOYEES:

There is no employee drawing remuneration requiring Disclosure under Section 217(2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

17.4 DEPOSITS:

The Company has not invited/accepted any Deposits from the Public within the meaning of Section 58 A of the Companies Act, 1956 and Rules made there under.

18. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 IS AT ANNEXURE - I.

19. ACKNOWLEDGMENT:

Your Directors are pleased to take this opportunity to express sincere gratitude for the assistance and continued co-operation extended by Promoters, Financial Institutions, Banks, Government Authorities, Shareholders, Suppliers and Customers.

Your Directors also wish to place on record their deep appreciation of the contribution made by employees at all levels towards the growth of the Company.

For and on behalf of the Board,

Place : Ahmedabad.
Date : 29th May, 2010.

Payalben J. Patel
Chairperson

ANNEXURE - I

A. CONSERVATION OF ENERGY :

- a) Energy consumption measures taken and implemented and its impact.
1. Centralization of operational to save energy consumption.
 2. Installation of modern circular looms which give same production with less power consumption.
 3. Installation of one higher capacity compressor in place of three compressors with less power consumption.
 4. Installation of high capacity modern tape plant which reduce energy consumption.
 5. Installation of six shuttles modern circular looms which give bigger size of fabric with same power consumption.
- b) Total Energy consumption and Energy Consumption per unit of production as per Form A prescribed in the Rules is annexed to this report.

B. TECHNOLOGY ABSORPTION :

- a) Efforts made in the technology absorption:

The Company is using indigenous technology which is the latest technology anywhere and the Company is implementing the recommendations received from machinery suppliers for advancement of technology. The Company has not carried out any specific Research and Development activities except for routine quality improvement and process development.

- b) Total Foreign Exchange earned and used.

The Company has not earned or spent any foreign exchange during the year under review.

FORM - A		
Disclosure of particulars with respect to Conservation of Energy		
Particulars	2009-10	2008-09
A. Power and fuel Consumption		
1. Electricity		
a) Purchased Units	14,18,088	16,30,592
Total amount (Rs. in lacs)	87.93	98.17
Rate/Unit Rs.	6.20	6.02
b) Through Diesel Generator		
Units	-	-
Total amount (Rs. in lacs)	-	-
Cost/Unit Rs.	-	-
2. Coal	-	-
3. Furnace oil	-	-
4. LSHS	-	-
5. Gas (Amt. in Lacs)	-	-
B. Unit of Production		
Products	HDPE Fabrics/Sacks	

For and on behalf of the Board,

Place : Ahmedabad
Date : 29th May, 2010.

Payalben J. Patel
Chairperson

PROMACT PLASTICS LIMITED

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. The Company has implemented the mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-a-vis the Stock Exchange Listing Agreement is presented below.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors as on the date of this Report:

Name of Directors	Category of Directorship	No. of other Directorships *	Committee (1) Membership (2) Meetings Chairmanship in other companies	No. of Board Meetings attended	Attendance at the AGM held on 30 th September, 2009 Yes(Y)/No(N)
Babubhai A. Patel,	Non-Executive	—	—	5	Y
Dharmendrakumar B. Patel	Independent Non Executive	—	—	5	Y
Shyam Lal H. Gupta	Independent Non Executive	—	—	5	Y
Payalben J. Patel Chairperson (w.e.f. 29 th May, 2010)	Independent Non Executive	—	—	1	N.A.
Nikitaben J. Patel (w.e.f. 29 th May, 2010)	Independent Non Executive	—	—	1	N.A.
Ankit J. Patel (w.e.f. 29 th May, 2010)	Independent Non Executive	—	—	1	N.A.

* Private companies excluded.

b) Details of the Directors seeking Appointment/Reappointment in forthcoming Annual General Meeting:

	Babubhai A. Patel	Payalben J. Patel
Name of Director		
Date of Birth	01-06-1959	28-09-1981
Date of Appointment	23-02-2004	29-05-2010
Expertise in specific functional areas	Marketing & Administration	Banking, Finance, Accounts and Statutory Audit
List of Public Limited Companies in which Directorship held	—	—
Chairmanship of the Committees of the Board of Directors of the Company	—	—
Chairman/Member of the Committees of Directors of other companies.	—	—

Name of Director	Niktaben J. Patel	Ankit J. Patel
Date of Birth	11-06-1984	21-03-1988
Date of Appointment	29-05-2010	29-05-2010
Expertise in specific functional areas	Technical, Factory Management and Computer Software and Hardware Programming	Factory Administration and Computer Software Programming
List of Public Limited Companies in which Directorship held	---	---
Chairmanship of the Committees of the Board of Directors of the Company	---	---
Chairman/Member of the Committees of Directors of other companies.	---	---

c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, about the overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors were held on 15-04-2009, 30-06-2009, 31-07-2009, 30-10-2009 and 29-01-2010.

3. AUDIT COMMITTEE:

The Audit Committee is reconstituted w.e.f. 29th May, 2010 which consists of the following Directors as Members as on the date of Report:

Name of the Director	Expertise	Functions of the Committee	Attendance
Payalben J. Patel	All members are non-executive. Chairman is independent Director and majority are independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s) which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	All the members at the time of relevant audit committee meetings were present on: 30-06-2009, 31-07-2009, 30-10-2009 and 29-01-2010.
Niktaben J. Patel			
Dharmendra B. Patel			

4. REMUNERATION COMMITTEE:

The Board Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.

The Remuneration Committee consists of the following Directors as Members as on the date of Report:

1. Ms. Payal J. Patel - Non-executive Independent
2. Ms. Nikita J. Patel - Non-executive Independent
3. Mr. Dharmendrabhai B. Patel - Non-executive Independent

Details of remuneration paid:

1. None of the Directors was paid any managerial remuneration during the year 2009-10.
2. No Sitting Fees, Commission or Stock Option has been offered to the Directors.

5. SHAREHOLDERS/INVESTORS' GRIEVANCES COMMITTEE:

The Board has constituted a Shareholders/Investors' Grievances Committee for the purpose of effective redressal of the complaints of the shareholders such as Dematerialisation, Share Transfer, Non-receipt of Balance Sheet, Dividend Warrants etc.

The Shareholders/Investors' Grievances Committee consists of Ms. Payalben J. Patel and Ms. Niktaben J. Patel, Directors as the Members of the Committee as on the date of Report.

The Company received six complaints during the year and all were resolved to the satisfaction of the shareholders. There was no valid request for transfer of shares pending as on 31st March, 2010.

Shri Babubhai A. Patel, Director is the Compliance Officer for the above purpose.

GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2006-07	22-09-2007	12 Noon	Conference Hall of Hotel City Pride, Opp. Gurukul, Drive-In Road, Ahmedabad - 380 052.
2007-08	30-09-2008	12 Noon	
2008-09	30-09-2009	12 Noon	

Pursuant to the provisions of Section 192 A of the Companies Act, 1956, there was no matter required to be dealt by the Company to be passed through postal ballot.

7. DISCLOSURES:

- The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- There was neither any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI during the year under review.

8. MEANS OF COMMUNICATIONS:

- In compliance with the requirements of the Listing Agreement, the Company regularly intimates Unaudited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are not displaying on Website and are not sent individually to the Shareholders.
- During the year ended on 31st March, 2010, no presentations were made to Institutional Investors or analyst or any other enterprise.
- Management Discussion and Analysis forms part of the Annual Report.

9. SHAREHOLDERS' INFORMATION:

- Registered Office : 106, Hanikrupa Chambers, Behind National Chambers, Ashram Road, Ahmedabad - 380 009.
- Annual General Meeting : Day : Thursday
Date : 30th September, 2010
Time : 12 Noon.
Venue : Conference Hall of Hotel City Pride, Opp. Gurukul, Drive - In Road, Ahmedabad - 380 052.
- Financial Calendar :
1st Quarter Results : 1st / 2nd week - August, 2010.
Half-yearly Results : 1st / 2nd week - November, 2010.
3rd Quarter Results : 1st / 2nd week - February, 2011.
Audited yearly Results : End - May, 2011.
- Book Closure Dates : From : Wednesday, the 8th September, 2010
To : Thursday, the 30th September, 2010.
(Both days inclusive).
- Dividend Payment Date : Not Applicable
- Listing of Shares on : 1. Ahmedabad Stock Exchange Limited,
Kamdhenu Complex, 1st Floor,
Opp. Sahajanand College,
Panjara Pole, Ambawadi, Ahmedabad - 380 015.
2. Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.

g) Stock Exchange Code	: Stock Exchange	Code
	ASE	45611
	BSE	526494

h) Stock Price Data :

The shares of the Company have been traded on The Stock Exchange, Mumbai during the period from 1st April, 2009 to 31st March, 2010. The details of which are as under:

Month	BSE		
	High (Rs.)	Low (Rs.)	Shares Traded (No.)
April, 2009	1.99	1.64	69,996
May, 2009	2.38	1.64	1,15,733
June, 2009	2.64	1.97	1,50,172
July, 2009	2.43	2.00	32,685
August, 2009	2.91	1.96	76,793
September, 2009	3.67	2.91	1,74,729
October, 2009	3.71	2.81	52,702
November, 2009	3.41	2.72	31,653
December, 2009	3.23	2.49	61,543
January, 2010	4.39	3.00	1,16,479
February, 2010	3.66	3.21	34,304
March, 2010	4.59	2.96	77,593

i) Registrar and Share Transfer Agents. :

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2003 dated 27th December, 2002 read with Circular No. D&CC/FITTC/CIR-18/2003 dated 12th February, 2003, on appointment of common agency for share registry work, the Company has appointed the below mentioned agency as Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:

For both Physical and Electronic Form :

M/s. Link Intime India Private Limited,
211, Sudarshan Complex, Nr. Mithakhali Under Bridge,
Navrangpura, Ahmedabad - 380 009
Tele. No. : (079) 2646 5179
Fax No. : (079) 2646 5179
e-mail Address: ahmedabad@linkintime.co.in

j) Share Transfer System :

The transfer of shares in physical form is processed and completed by M/s. Link Intime India Private Limited within a period of 25 days from the date of receipt thereof.

In case of Shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

k) Distribution of Shareholding as on 31st March, 2010:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	1866	63.58	353491	5.43
501 to 1000	416	14.17	319214	4.90
1001 to 2000	274	9.34	386889	5.94
2001 to 3000	119	4.05	307121	4.72
3001 to 4000	40	1.36	148024	2.27
4001 to 5000	42	1.43	197097	3.03
5001 to 10000	86	2.94	615038	9.44
10001 to above	92	3.13	4184926	64.27
Grand Total	2935	100.00	6511800	100.00

PROMACT PLASTICS LIMITED

l) Category of Shareholders as on 31st March, 2010:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	5,83,452	8.96
Financial Institutions/Banks	-	-
Mutual Fund	-	-
Bodies Corporate	2,67,330	4.11
NRIs	11,839	0.18
Public	56,49,179	86.75
Grand Total	65,11,800	100.00

m) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

The Company has not issued any GDRs/ADRs.

n) Dematerialisation of Shares :

The Company has entered into Shares. Agreement with NSDL / CDSL for Dematerialisation of Shares. As on 31st March, 2010, a total of 59,49,177 Shares of the Company which form 91% of the Share Capital of the Company stands dematerialised.

10. PLANT LOCATIONS:

The Company's plant is located at 391 to 404, GIDC Estate, Phase-II, Dediyaan, Mehsana- 384 002.

11. ADDRESS FOR CORRESPONDENCE:

For both Physical and Electronic Form:

M/s. Link Intime India Private Limited.
211, Sudarshan Complex, Nr. Mithakhali Under Bridge,
Navrangpura, Ahmedabad – 380 009
Tele. No. : (079) 2646 5179
Fax No. : (079) 2646 5179
e-mail Address: ahmedabad@linkintime.co.in

For any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relating to shares:

Registered Office :

106, Harikrupa Chambers, Behind National Chambers,
Ashram Road, Ahmedabad - 380 009.

Telephone Nos.: (079) 2658 3479, 2658 7373

Compliance Officer : Shri Babubhai A. Patel

For and on behalf of the Board,

Place : Ahmedabad
Date : 29th May, 2010.

Payalben J. Patel
Chairperson

AUDITORS' CERTIFICATE

To
The Members of
Promact Plastics Limited, Ahmedabad

We have examined the compliance of conditions of Corporate Governance by M/s. Promact Plastics Limited, for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 in all materials respects with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Shareholders'/ Investors' Grievance Committee, no investor grievance remaining unattended/ pending for more than 30 days.

We further 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 affair of the Company.

R.R.S. & ASSOCIATES
Chartered Accountants
FIRM REGN.NO. 118336W

Place : Ahmedabad
Dated : 29th May, 2010

Rajesh R. Shah
Proprietor
Membership No. 034549

MANAGEMENT DISCUSSION AND ANALYSIS**a. Industry Structure and Developments:**

The industry is dependent on performance of core sectors like agriculture, fertilizer, cement and exports. Due to indifferent monsoon during last few years and in general recessionary economy, the performance of the above sectors was hit. The policy changes in infrastructure and good monsoon during the year will lead towards the brighter future of the Company.

b. Opportunities and Threats:

The HDPE/PP Woven Sacks/Bags industry as a whole will be benefited by 40 % relaxation of Jute Mandatory and Packaging Order which will enable Food Corporation of India and other agencies to pack 40 % of food grains in HDPE/PP Bags. HDPE/PP Bags sector is the biggest sector in India for packaging. The industry is threatened by non-existence exports to European Union due to heavy anti-dumping duty levied on Indian products.

c. Segmentwise Performance:

The Company is operating only in one segment. The production/ turnover/performance of the Company have been disclosed in the Directors' Report under the Head 'Sales and Working Results'.

d. Recent Trend and Future Outlook:

The recent trend is quite favourable for the industry in view of good monsoon as the Company has sizable presence in fertilizer sector. The opening up of food grains sector will enable the Woven Sacks industry to see better times again.

e. Risks and Concerns:

The industry is plagued by intense competition due to major petrochemical manufacturers making available cheap raw material abundantly.

f. Internal Control Systems and their Adequacy:

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2009-10 is described in the Directors' Report under the head 'Sales and Working Results'.

h. Material Developments in Human Resources and Industrial Relations Front:

The Company has undertaken certain employees' development initiatives which have very positive impact on the morale and team spirit of the employees. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

i. Cautionary Statement:

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

For and on behalf of the Board,

Place : Ahmedabad
Date : 29th May, 2010.

Payalben J. Patel
Chairperson

AUDITORS' REPORT

To,
The Members
PROMACT PLASTICS LIMITED

We have audited the attached Balance Sheet of **Promact Plastics Limited** as at 31st March, 2010 and the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report, are in agreement with the books of Account;
- (iv) In our opinion Balance Sheet, Profit & Loss Account and Cash flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of Companies Act, 1956.
- (v) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31/03/10 from being appointed as a Director in terms of clauses (g) of sub sections (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the State of affairs of the company as at 31st March, 2010 and
 - (ii) In the case of Profit and Loss Account, of the loss for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

R.R.S. & ASSOCIATES
Chartered Accountants
FIRM REGN.NO. 118336W

Place : Ahmedabad
Dated : 29th May, 2010

Rajesh R. Shah
Proprietor
Membership No. 034549

ANNEXURE TO THE AUDITORS' REPORT
[Referred to in paragraph 1 of our report of even date]

1. a. As informed to us, the Company is in the process of maintaining of fixed assets register showing full particulars including quantitative details and situation of its Fixed Assets.
b. As informed to us, the management has not verified any of the Fixed Assets of the Company during the year.
c. In our opinion and according to the information and explanation given to us, Substantial part of fixed assets has not been disposed off by the company during the year
2. a. As explained to us, the management at the year-end has physically verified inventory. In our opinion, the frequency of verification is reasonable.
b. As per the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c. On the basis of our examination of the inventory records, we are of the opinion that, the company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
3. In respect of loans / deposits taken or given from or to any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, we report that:

The Company has taken loan from one party covered in the register maintained under section 301 to the Companies Act, 1956. In respect of said loan, the maximum amount outstanding at any time during the year is Rs. 8.00 lacs and the year ended balance is 8.00 lacs.

The Company has not granted any loan parties covered in the register maintained under section 301 to the Companies Act, 1956.
4. In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. a. According to the information and explanations given to us, we are of the opinion that the particulars of transactions that need to be entered into the register maintained under section 301 of the Company Act, 1956 have been so entered.
b. In our opinion and according to the information and explanations given to us the above transactions, wherever they exceed the threshold limit specified, are made at prices which are not prejudicial to the interest of the Company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the provisions of section 58A, section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
7. The Company does not have any Internal Auditor of any special department / cell for Internal Audit, but looking towards the quantum and value of transactions and the Internal Control Procedures, the company has enough control over the transactions of the business.
8. As explained to us, The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the products of the company.
9. a. According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, service tax, customs duty, excise duty, cess have generally been generally regularly deposited with the appropriate authorities.
b. According to the information and explanations given to us, there were no undisputed statutory dues, outstanding at the year end, for a period of more than six months from the date they became payable.

- c. According to the information and explanation given to us the Company does not have any disputed liability with any government department
10. The Company has accumulated losses at the end of the financial year amounting to Rs. 572.35 lacs and has incurred cash loss of Rs 2.00 lacs during the year.
 11. According to the records of the company and the information and explanation given to us, the Company has not defaulted in repayment of either of loan or interest dues to banks.
 12. According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
 14. In our opinion, the Company is not dealing in shares, securities, debentures and other investments therefore; the clause 4 (xvi) of the Order is not applicable to the Company.
 15. According to the information and explanations given to us, the Company has not provided corporate guarantee for loans taken by others from bank.
 16. In our opinion and according to the information and explanation given to us, the company has not raised any term loan during the year.
 17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
 18. As the Company has not made any preferential allotment of share, hence the provision of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
 19. The Company has not issued any debenture during the year.
 20. The Company has not raised any money by way of Public Issues; therefore clause 4 (xx) of the Order is not applicable to the Company.
 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, nor such type of the case been reported or informed to us by the management.

R.R.S. & ASSOCIATES
Chartered Accountants
 FIRM REGN.NO. 118336W

Place : Ahmedabad
 Dated : 29th May, 2010

Rajesh R. Shah
Proprietor
 Membership No. 034549

BALANCE SHEET AS AT 31ST MARCH, 2010

		(Amount in Rs.)	
		As at	As at
		31-3-2010	31-3-2009
SCHEDULE			
A SOURCES OF FUNDS			
1	Shareholders' Funds		65118000
	Share Capital	A 65118000	9096527
	Reserves & Surplus	B 9096527	74214527
			22572112
		74214527	
2	Deferred Tax Liability	C -	
3	Loan Funds		70333122
	Secured Loans	D 85658587	66765927
	Unsecured Loans	E 39833724	137099049
		125492311	233885688
		199706838	
	TOTAL		
B APPLICATION OF FUNDS			
1	Fixed Assets	F	146950865
	Gross Block	146712019	71971916
	Less : Depreciation	76536348	74978949
	Net Block		1929952
		70175672	
		1929952	
2	Investments	G	
3	Current Assets, Loans & Advances	H	20022060
	Inventories	25506649	61586047
	Sundry Debtors	37355621	55557
	Cash & Bank Balances	325464	12265699
	Loans & Advances	9052072	93929363
	Total (A)	72239805	
	Less : Current Liabilities & Provisions	I	9771826
	Current Liabilities	2245801	2331701
	Provisions	666868	12103527
	Total (B)	2912668	
	Net Current Assets		69327137
			1130313
4	Deferred Tax Asset	J	
5	Miscellaneous Expenditure to the extent not written off or adjusted	K	29797
			201972
6	Profit and Loss A/C (Dr. Bal)	B	57113967
			74948979
	TOTAL		199706838
			233885688

Notes to Accounts

As per our Report of even date
For **R. R. S. & Associates**
Chartered Accountants

Rajesh R. Shah
Partner
Membership No. 034549
Firm Regn. No. 118336W
Place : Ahmedabad
Date : 29th May, 2010

For and on behalf of the Board

Payalben J. Patel Director
Babubhai A. Patel Director

Place : Ahmedabad
Date : 29th May, 2010

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

		(Amount in Rs.)	
		2009-2010	2008-2009
SCHEDULE			
A. INCOME:	L	109147529	128669744
Sales		8564339	13925396
Less : Excise duty on Sales		100583190	114744348
	M	626926	714094
Other Income		3982484	(1904726)
Increase/(Decrease) in Closing Stock	N	116881	---
Profit on Sale of Assets		105309482	113553716
TOTAL			
B. EXPENDITURE:	O	91383975	109216541
Materials & Manufacturing Expenses	P	1322662	1918056
Payments to & for Employees	Q	1990314	1879558
Administrative & Selling Expenses	R	10862320	10698331
Interest & Financial Charges		6027764	6134100
Depreciation		50000	50000
Audit fees		---	385574
Sundry Dr/Cr Balance Written off / back		172175	198483
Preliminary and preoperative expense written off		111709209	130480643
TOTAL		(6399727)	(16926927)
C. Profit Before Tax		---	---
D. Provision For Tax		---	---
Current Tax		23702425	(1163161)
Deferred Tax Assets / (Liabilities)		---	6000
Fringe Benefit Tax		---	---
E. Income Tax for Earlier Years		17302698	(18096088)
F. Profit After Tax		532314	(400894)
Previous Year Expense/(Income)		17835012	(18496982)
Profit After Previous Year Expense		(74948979)	(56451997)
Add : Balance as per last Year		(57113967)	(74948979)
G. Profit available for appropriation		---	---
Proposed Dividend		---	---
Corporate Dividend Tax		---	---
General Reserve		(57113967)	(74948979)
H. Balance Carried to Balance Sheet			
I. Basic/Diluted Earning Per Share of		2.66	(2.78)
Rs. 10/- each fully paid up			
Notes to Accounts	S		

As per our Report of even date
For **R. R. S. & Associates**
Chartered Accountants

Rajesh R. Snah
Partner
Membership No. 034549
Firm Regn. No. 118336W
Place : Ahmedabad
Date : 29th May, 2010

For and on behalf of the Board

Payalben J. Patel Director
Babubhai A. Patel Director

Place : Ahmedabad
Date : 29th May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULAR			(Rs. in Lacs)	
	2009-10		2008-09	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Taxes & Extra-Ordinary Items	(58.67)		(173.28)	
Adjustments for :				
Depreciation	60.28		61.34	
Loss / (Profit) on Sale of Assets (net)	(1.17)		---	
Interest & Finance Charges	108.62		106.98	
Dividend received	(2.31)		(1.41)	
Interest received	(3.56)		(4.30)	
Prior period expenses / (income)	---		4.01	
Preliminary Expenses Written off	1.72		1.98	
	163.58	163.58	168.61	168.61
Operating Profit before Working Capital Changes	104.91		(4.67)	
(Increase) / Decrease in Inventory	(54.85)		(19.42)	
(Increase) / Decrease in Trade Receivables	242.30		32.83	
(Increase) / Decrease in Loans & Advances	31.77		40.74	
Increase / (Decrease) in Trade Payables	(91.91)		41.10	
	127.32	127.32	95.26	95.26
Cash Generated from Operation	232.24		90.59	
Direct Taxes Paid	(0.36)		2.00	
Net Cash from Operating Activities	232.60		88.59	
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(14.28)		---	
Sale Of assets	3.20		---	
Purchase of Investments	---		(8.42)	
Dividend received	2.31		1.41	
Interest received	3.56		4.30	
Net Cash (used in) / from Investing Activities	(5.21)	(5.21)	(2.71)	(2.71)
C CASH FLOW FROM FINANCING ACTIVITIES				
Share Application Money Received	---		---	
Increase/(Decreased) in Long Term Loans & Other Borrowings	(116.07)		15.73	
Dividend Paid (with Tax)	---		---	
Shares Issue Expenses incurred	---		---	
Interest Paid	(108.62)		(106.98)	
Net Cash (used in) / from Financing Activities	(224.69)	(224.69)	(91.26)	(91.26)
D Net increase/(decrease) in Cash and Cash Equivalents	2.70		(5.38)	
Cash & Cash Equivalents in the beginning	0.56		5.93	
Cash & Cash Equivalents at the end	3.25		0.56	

As per our Report of even date
For **R. R. S. & Associates**
Chartered Accountants

Rajesh R. Shah
Partner
Membership No. 034549
Firm Regn. No. 118336W
Place : Ahmedabad
Date : 29th May, 2010

For and on behalf of the Board

Payalben J. Patel Director
Babubhai A. Patel Director
Place : Ahmedabad
Date : 29th May, 2010

SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	(Amount in Rupees)	
	As at 31-03-2010	As at 31-03-2009
SCHEDULE - A : SHARE CAPITAL		
A Authorised Share Capital		
7000000 (P.Y. 7000000) Equity Shares of RS. 10 Each	70000000	70000000
TOTAL	70000000	70000000
Issued, Subscribed and Paid up Capital		
6511800 (P.Y. 6511800) Equity Shares of RS. 10/- each fully paid up	65118000	65118000
TOTAL	65118000	65118000
SCHEDULE - B : RESERVE AND SURPLUS		
General Reserve		
As per last Balance Sheet	9096527	9096527
Less: Bonus Shares Issued	---	---
Add : Transfer from Profit & Loss Account	---	---
	9096527	9096527
Profit and Loss Account		
As per last Balance Sheet	(74948979)	(56451997)
Add : Profit for the year	17835012	(18496982)
	(57113967)	(74948979)
TOTAL	(48017440)	(65852452)
SCHEDULE - C : DEFERRED TAX LIABILITY		
As per Last Balance Sheet	22572112	21408951
Less : Transfer to Deferred Tax Assets	(22572112)	1163161
TOTAL	---	22572112
SCHEDULE - D : SECURED LOANS		
WORKING CAPITAL		
Bank Overdraft		
Mehsana Urban Bank A/c no. 27/44 (Against Mortgage of factory, land and building)	65668931	50644551
Cash Credit Limit		
Mehsana Urban Bank A/c no. 13/05/260 (Against Stock & Bood Debts and Secured by Fixed Assets of the Company)	19989656	19688571
TOTAL	85658587	70333122
SCHEDULE - E : UNSECURED LOANS		
From Inter Corporate Company	8109670	20357182
From Others	1003551	5330674
Sales Tax Deferred Payment	30720503	41078071
TOTAL	39833724	66765927

PROMACT PLASTICS LIMITED

SCHEDULE - F : FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on	Addition	Deduction	As on	As on	For the	As on	As on	As on
	1-4-2009			31-3-2010	1-4-2009	year	31-3-2010	31-3-2010	31-3-2009
Air Condition	354185	0	0	354185	180719	16824	0	197543	156642
Computer	673822	0	0	673822	554351	32007	0	586358	87464
Electrical Installations	4002575	0	0	4002575	1944208	190122	0	2134330	1868245
Equipment	237833	0	0	237833	116112	11288	0	127400	110233
Factory Building	19269104	0	0	19269104	6440966	643588	0	7084554	12184550
Flats	804818	0	0	804818	122587	13119	0	135706	669112
Furniture and Fixture	1547943	0	0	1547943	923527	96437	0	1019964	527979
Mobile	22475	0	0	22475	11748	1068	0	12816	9659
Plant & Machinery	117342101	1427605	1866451	117103255	60841747	5023311	1463331	64401726	52701529
Vehicles	835951	0	0	835951	835951	0	0	835951	0
Leasehold land	1860258	0	0	1860258	0	0	0	1860258	1860258
TOTAL	146950865	1427605	1866451	146712019	71971916	6027764	1463331	76536348	70175671
Previous Year	146950865	0	0	146950865	65837816	6134100	0	71971916	74978949

Particulars

(Amount in Rs.)

As at
31-03-2010 As at
31-03-2009

SCHEDULE - G : INVESTMENTS

Investment in Shares

Quoted

Dena Bank (3686 shares, Market value as on 31.3.2010 of Rs. 52/- share)

Unquoted

Amarnath Co.op. Bank Ltd.

Mehsana Urban Bank

The Co.Op. Bank of Mehsana Ltd.

104922 104922

73505 73505

1750500 1750500

1025 1025

1929952 1929952

SCHEDULE - H : CURRENT ASSETS

INVENTORIES (as taken, valued and certified by management)

Stock of Raw Materials

Stores and Spares

Stock of Finished Goods and WIP

Total

7189082 5686978

1857426 2035870

16460140 12299212

25506649 20022060

SUNDRY DEBOTS (UNSECURED AND CONSIDERED GOOD)

More than Six months

Others

Total

20603122 42208761

16752498 19377286

37355621 61586047

CASH & BANK BALANCES

Cash on hand

Balance With Scheduled Banks

In Current Accounts

Total

289100 5724

36364 49833

325464 55557

LOANS & ADVANCES

Sundry Loans and Deposits

Advance Receivable in Cash or in Kind or For Value to be Received
(Unsecured and Considered Good)

Advances to Suppliers

Total

3336998 7142990

884347 749884

4830727 4372825

9052072 12265699

Particulars	As at 31-03-2010	(Amount in Rs.) As at 31-03-2009
SCHEDULE : I - CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Creditors for Goods	1017430	8123334
Creditors for Services	1222171	1411045
Advances from Customers	6200	237447
TOTAL	2245801	9771826
PROVISIONS		
Provisions for Taxation incl. FBT	---	6000
Provision for Audit Fees	50000	50000
T.D.S. / T.C.S. Payable	144456	418320
Provision for expenses	282929	1380783
CST/VAT Payable	189483	476598
TOTAL	666868	2331701
Schedule : J : DEFERRED TAX ASSET		
As per last Balance Sheet	(22572112)	---
Add : Adjusted for the year	23702425	---
TOTAL	1130313	---
SCHEDULE : K - MISCELLANEOUS EXPENSES (to the extent not written off)		
A. Preliminary Expenses		
Opening Balance	---	26308
Less : Written off during the year	---	26308
TOTAL (A)	---	---
B. Prooperative Expenses		
Opening Balance	201972	374147
Less : Written off during the year	172175	172175
TOTAL (B)	29797	201972
TOTAL	29797	201972
SCHEDULE : L - SALES		
Gross Sales		
Manufacture Sales	108813036	128342943
Total Gross Sales	108813036	128342943
Less: Excise Duty	8564339	13925396
Net Sales	100248697	114417547
Job Work Income	334493	326801
TOTAL	100583190	114744348
SCHEDULE : M - OTHER INCOME		
Dividend Received	230726	141374
Other Interest Received	351873	429711
Other Income Received	40000	143009
Bank FDR Interest	4327	---
TOTAL	626926	714094

	2009-10 (RS.)	2008-09 (RS.)
SCHEDULE : N - INCREASE / (DECREASE) IN STOCKS		
Closing Stock of Finished Goods and WIP	18317566	14335082
	18317566	14335082
Opening Stock of Finished Goods and WIP	14335082	16239808
	14335082	16239808
TOTAL	3982484	(1904726)
SCHEDULE : O - MATERIALS & MANUFACTURING EXPENSES		
Opening Stock of Raw Material	5686978	1840751
Add : Purchase of Raw Material during the year	77928018	94411021
Freight Inward	1285637	1542327
Less: Closing Stock of Raw Material	7189082	5686978
Raw Material Consumed	77711551	92107121
Manufacturing Expenses		
Water Charges	44435	47439
Electrical Expenses	8793247	9817430
Labour Charges	3983056	4850560
Machine maintenance and repairs	552951	2071756
Excise Duty Expenses	182098	208350
Security Expenses	116637	113885
	13672424	17109420
GRAND TOTAL	91383975	109216541
SCHEDULE : P - PAYMENTS TO & FOR EMPLOYEES		
Salary	1041700	1580038
Medical and Welfare	1298	9008
Provident Fund	141731	244037
Staff Bus Expense	137933	84973
TOTAL	1322662	1918056
SCHEDULE : Q - ADMINISTRATIVE & SELLING EXPENSES		
Miscellaneous Expenses	1597848	1273985
Telephone Expenses	59670	61533
Bad Debt.	---	106996
Insurance	12986	11584
Outward Freight	150683	344697
Stationery and Printing	33262	45176
Travelling Expenses	35865	35587
TOTAL	1890314	1879558
SCHEDULE : R - INTEREST & FINANCIAL CHARGES		
Bank Commission	36868	139233
Interest Paid to bank	9319091	8947354
Other Interest	1506361	1611744
Total	10862320	10698331

SCHEDULE - S : NOTES TO ACCOUNTS**A. SIGNIFICANT ACCOUNTING POLICIES****(a) ACCOUNTING CONCEPT**

The financial statements have been prepared under the historical cost convention, on an accrual basis and in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of Companies Act, 1956. Accounting policies not specifically referred to otherwise are consistent and in consonance with accepted accounting principle.

(b) REVENUE RECOGNITION

- (a) Revenue from sale of goods to domestic customers is recognized on dispatch of goods from the factory. Sales are recorded at invoice value net of sales tax, rate difference and sales return.
- (b) Other Income is recognized on accrual basis except when realization of such income is uncertain.

(c) FIXED ASSETS & DEPRECIATION

1. Fixed assets are shown at their historical cost less depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
2. Depreciation is provided on straight-line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

(d) IMPAIRMENT OF ASSETS

Whenever events indicates that assets may be impaired, the assets are subject to a test of recoverability based on estimates of future cash flows arising from continuing use of assets and from its ultimate disposal. A provision for impairment loss is recognized where it is probable that the carrying value of an asset exceeds the amount to be recovered through use or sales of the asset.

(e) INVENTORIES

Closing stock of Raw Materials, Stores & Spares and Packing Materials are valued at Cost or net realizable value. Cost of inventories comprises of cost of purchase and others cost incurred in brining them to their respective present location and condition. Cost is determined on a first in first out basis.

Finished Goods and work in progress are valued at Cost or Market Value whichever is lower. Cost of Finished Goods and work in progress include direct materials plus labour and manufacturing overheads.

(f) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the balance sheet date is considered probable.

Contingent liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

Any contingent asset is not recognized in the Accounts.

(g) RETIREMENT BENIFITS

1. Short Term Employee Benefits: The undiscounted amount of short term employee benefits expected to be paid in exchange for the service rendered by employee is recognized during the period when the employee render the service.
2. Post Employee Benefits: Contribution to defined contribution scheme such as provident fund etc. is charged to P&L Account as incurred.

(h) INCOME TAX

Income taxes comprises of current and deferred Tax. Current taxes are measured at the amount expected to be paid to the income tax authorities in accordance with the Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

B. NOTES ON ACCOUNTS
1. CONTINGENT LIABILITIES

(Rs. in Lacs)

	<u>2009-10</u>	<u>2008-09</u>
Contingent Liability	Nil	Nil
2. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the current Assets, Loans and Advances in the ordinary course of the business will not be less than the amount stated in the Balance Sheet.		
3. The previous year figures have been regrouped / reclassified, wherever necessary, to make them comparable with the figures of current year.		
4. During the year the company has incurred cash loss of Rs 2.00 lacs and at the end of the year net worth is positive by Rs. 159.40 lacs and the accounts are prepared with the concept of Going Concept. As per the information and explanations given to us, the company is taking positive steps to move further for survival.		
5. No outstanding of SSI creditors to whom an amount of Rs. 1 lac or more payable and was outstanding for more than 30 days as of 31/03/2010.		
6. Micro and Small Scale Business Enterprises:		
The management has initiated the process of identifying enterprises which have been providing goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprise Development Act, 2006. Accordingly, the disclosure requirement here under is not furnished.		
7. Balance conformations in respect of debtors, creditors and loan & Advance granted / taken are subject to confirmation and reconciliation.		
8. Components of Net Deferred Tax Liability		

	<u>As at 31-03-2010 (Rs.)</u>	<u>As at 31-03-2009 (Rs.)</u>
Deferred Tax Liability		
Related to Fixed Assets	17277137	22572112
Deferred Tax Assets		
Carried Forward Loss allowable for tax purposes in the following years	18286176	Nil
Disallowance under the Income Tax Act 1961	121275	Nil
Net Deferred Tax Assets (Liability)	1130313	(22572112)

9. Managerial Remuneration

Paid to Managing Director

	<u>2009-10 (Rs.)</u>	<u>2008-09 (Rs.)</u>
Total	Nil	Nil

10. AUDITORS' REMUNERATION

	<u>2009-10 (Rs.)</u>	<u>2008-09 (Rs.)</u>
For Auditor Remuneration	50000	50000
TOTAL	50000	50000

11. Earning Per Share :

	<u>2009-10 (Rs.)</u>	<u>2008-09 (Rs.)</u>
Profit attributable to the Equity Shareholders	17302698	(18096088)
Weighted average number of Equity shares of Rs. 10/- each fully paid up outstanding during the year	6511800	6511800
Basic / Diluted earning per share of Rs. 10/- each fully paid up	2.66	(2.78)

10. Additional information pursuant to the provisions of Paragraphs 3,4C & 4D of the Part – II of Schedule VI of the Company Act, 1956 as amended by the Companies (Amendment) Act, 1988.

(A) CAPACITY & PRODUCTION

Licence Capacity : NA
 Installed Capacity : 6750 Mt Pa

Production	2009-10	2008-09
HEDP Bags (As Certify by the management)	1,50,04,179	1,76,98,572

(B) CLOSING STOCK OF FINISHED/SEMI FINISHED GOODS PRODUCED

Product Name	Qty. - Finished Goods	Qty. (WIP)	Total Qty.	Amount (Rs.)
Sacks (Nos.)				
- CY	197226	367436	564662	5654758
- PY	160887	42313	203200	2591322
Fabrics (Kgs)				
- CY	85048	5190	90238	8887950
- PY	82486	12381	94867	7988050
Tape on Looms (Kgs)				
- CY	8805	12766	21571	1854243
- PY	9762	13288	23050	1662650
Wastage (Kgs)				
- CY	5456	0	5456	63189
- PY	3719	0	3719	37190
Total				
- CY				16460140
- PY				12299212

(C) CLOSING STOCK OF RAW MATERIALS

(As Certify by the management)

Product Name	Qty – Kgs	Amount
HDPE/PP/LDPE/MB/ FILLER		
- CY	97882	6937857
- PY	87814	5609805
Others		
- CY	2005	251225
- PY	1017	77173
Total		
- CY		7189082
- PY		5686978

(D) SALES OF MANUFACTURED GOODS

(As Certify by the management)

	2009-2010		2008-2009	
Product Name	Qty.	Amount (Rs.)	Qty.	Amount(Rs.)
SACKS (NOS.)	15047840	95532617	17700677	105664758
Wastage (kgs.)	75695	788708	65149	789755
Fabrics (Kgs.)	52867		120019.8	7963034
Tape Strip (Kgs.)	577	3927372	Nil	Nil
TOTAL		100248697		114417547
(E) RAW MATERIAL CONSUMPTION				
HDPE/PP/LDPE & OTHERS Kgs.	1204450	77711551	1443868	92107121
Total	1204450	77711551	1443868	92107121

(F) CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS

	2009 - 2010		2008 - 2009	
	Amount (Rs.)	%	Amount (Rs.)	%
Indigenous	77711551	100	92107121	100
Imported		Nil		Nil

(G) CONSUMPTION OF IMPORTED & INDIGENEOUS STORES & SPARES

	2009 - 2010		2008 - 2009	
	(Rs.)	%	(Rs.)	%
Indigenous	552951	100	2071756	100
Imported		Nil		Nil

(H) EARNINGS / EXPENDITURE IN FOREIGN CURRENCY

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
FOB Value of Exports	Nil	Nil
Expenditure in foreign Currency	Nil	Nil

**(I) CIF Value of Imports
CIF Value of Imports**

Nil Nil

11. BALANCESHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details			04
Registration No.	37432	State Code	
Balance Sheet Date	31 st March, 2010		
2. Capital Raised During the years (Rs. in Lacs)			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
3. Position of Mobilisation & Development of Funds (Rs. in Lacs)			
Total Liabilities	199506838	Total Assets	199506838
Source of Funds			
Paid-up Capital	65118000	Reserve & Surplus	9096527
Share Application Money	-	Differed Tax Provision	---
Secured Loans	85658587	Unsecured Loans	39833724
Application of Funds			
Net Fixed Assets	70175672	Investments	1929952
Net Current Assets	69127137	Misc. Expenditure	29797
Accumulated Losses	57113967	Deferred Tax Provision	1130313
4. Performance of Company (Rs. in Lacs)			
Total Revenue	105309482	Total Expenditure	111709209
Profit/Loss Before Tax	(6399727)	Profit After Tax	17713737
Earning per Share (Rs.)	2.66	Dividend Rate (%)	N.A.
5. Generic Name of Principal Product of Company			
Item Code No.	39239000		
Products Description	HDPE/PP Woven Fabrics & Sacks		

As per our Report of even date
For **R. R. S. & Associates**
Chartered Accountants

Rajesh R. Shah
Partner
Membership No. 034549
Firm Regn. No. 118336W
Place : Ahmedabad
Date : 29th May, 2010

For and on behalf of the Board

Payalben J. Patel Director
Babubhai A. Patel Director

Place : Ahmedabad
Date : 29th May, 2010

PROMACT PLASTICS LIMITED

Regd. Office : 106, Harikrupa Chambers,
Behind National Chambers, Ashram Road, Ahmedabad - 380 009.

26th Annual General Meeting

Thursday, the 30th September, 2010 at 12.00 Noon.

ATTENDANCE SLIP

Place : Conference Hall of Hotel City Pride,
Opp. Gurukul, Drive - In Road,
Ahmedabad - 380 052.

Signature of Member/ Proxy attending the meeting _____

Notes:

1. This meeting is only for members. Please, therefore, do not bring person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place.

PROMACT PLASTICS LIMITED

Regd. Office : 106, Harikrupa Chambers,
Behind National Chambers, Ashram Road, Ahmedabad - 380 009.

FORM OF PROXY

I/We _____

of _____ in the district of _____

being member/s of the above named Company hereby appoint _____

of _____ in the district of _____

or failing him _____

of _____ in the district of _____

as my/our Proxy to attend and vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Thursday, the 30th September, 2010 and at any adjournment thereof.

Signed the _____ day of _____ 2010.

Signature _____

Affix
Revenue
Stamp

N.B.: This Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

**BOOK-POST
PRINTED MATTER**

To,

If undelivered, please return to :

PROMACT PLASTICS LIMITED

Regd. Office : 106, Harikrupa Chambers,
Behind National Chambers, Ashram Road,
Ahmedabad - 380 009.