



Ecoplast Ltd.

Thirtieth Annual Report 2011-2012

Board of Directors	PHEROZE .P. KHARAS - Chairman JAYMIN B. DESAI - Managing Director BANKIM B. DESAI - Director JEHANGIR .A. MOOS - Director DHANANJAY .T. DESAI - Director (Alternate to Mr.Bankim.B.Desai) MUKUL B.DESAI - Director BHUPENDRA M. DESAI - Director
Compliance Officer	M . D. Desai
Bankers	Bank of Baroda Main Branch, Nani Khatriwad, Valsad – 396 001, Gujarat.
Auditors	M/s Akkad Mehta & Company Chartered Accountants Vatika Bldg. Flat No.2, 14 Baptista Road. Opp. Ishwarlal Park, Vile Parle (W), Mumbai – 400 056.
Share Registrars & Managers to the Fixed Deposit Scheme	TSR DARASHAW LTD. 6-10, Haji Moosa Patrawala, Industrial estate, 20, Dr. E.Moses Road, Mahalaxmi, Mumbai – 400 011.
Registered Office	National Highway No.8, Water Works Cross Road, Abrama, Valsad – 396 002. Gujarat. email : ecoval@ecoplastindia.com
Head Office	4, Magan Mahal, 215, Sir.M.V.Road, Andheri (East), Mumbai : 400 069. email: ecobom@ecoplastindia.com
Website	: http://www.ecoplastindia.com

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NOTICE

Notice is hereby given that the THIRTIETH Annual General Meeting of the Company will be held at the The Club Resort, At & P.O.Vashier, Valsad - 396 001 on Saturday, 22nd September, 2012 at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity shares for the financial year ended 31st March, 2012.
3. To appoint a Director in place of Mr. Bhupendra M. Desai, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Mukul B. Desai, who retires by rotation and, being eligible, offers himself for reappointment
5. To appoint M/s Akkad Mehta & Co., Chartered Accountants (Firm Registration No 100259W), retiring Auditors of the Company, who are eligible for reappointment, as the Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”), and subject to the approval of the Central Government where required, the Company in general meeting hereby approves the re-appointment of Mr. Jaymin B. Desai as Managing Director of the Company for a period of three years with effect from October 01, 2012 upon the terms and conditions including the terms as to remuneration approved by the remuneration committee and set out in the Agreement dated 11th August, 2012 (the “Agreement”), which Agreement as placed before this Meeting be and is hereby specifically approved with liberty to the Board of Directors of the Company (the “Board”) to alter, vary and modify the terms and conditions of the said appointment and the

Agreement in such manner as may be agreed to between the Board and Mr. Jaymin B Desai.

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during Mr. Jaymin B Desai’s term of office as Managing Director the remuneration including perquisites and benefits as contained in the said agreement except commission shall be payable to him as minimum remuneration or as may be approved by the Central Government.

“RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule XIII of the Act, the Board be and is hereby authorised to vary or increase the remuneration including the perquisites within such prescribed limits or ceiling and the Agreement between the Company and Mr. Jaymin B. Desai be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution”.

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT the consent of the Company be and is hereby accorded under Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the company’s bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of Directors shall not, at any time, exceed the sum of Rs. 50 Crores/- (Rupees Fifty Crores only) at any point of time exclusive of interest.”

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the consent of the Company, be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to create/ provide any security and/ or charge and/ or hypothecate, on such terms and conditions and at such time or times, and in such form or manner, as it may think fit, any of the properties and/or any one or more of the undertakings of the Company including the present and/ or future properties whether movable or immovable, comprised in any existing undertaking or undertakings of the Company, as the case may be for the purpose of securing financial assistance not exceeding Rupees Fifty Crores only at any point of time by way of any of the following namely Term Loans in Indian Rupees and Foreign Currency, Export Credit, Equipment Credit Scheme, Leasing Credit Facilities or other facilities from the Financial Institutions and/or Bankers and/or any other parties together with interest thereon, commitment charges, liquidated damages, costs, charges, expenses and other moneys payable by the Company to the respective Financial Institutions and/ or Bankers and/or other parties in terms of their respective Loan Agreements/Deeds of Agreements/ Hypothecation Agreements/ Letters of Sanction/Memorandum of terms and conditions entered into or to be entered into by the Company in respect of the said financial assistance, such security to rank pari passu with or second or subservient to the mortgages and/ or charges and/ or hypothecation already created or to be created in future by the Company or in such other manner as may be agreed to between the concerned parties and as may be thought expedient by the Board of Directors."

Notes:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy form duly completed must be returned so as to reach the registered office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.
- b) The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 15th September, 2012 to Saturday, 22nd September, 2012 (both days inclusive).
- c) Members seeking further information on the financial accounts are requested to write to the Company at least seven days before the meeting, so that relevant information can be kept ready at the meeting.
- d) All correspondence relating to transfer of shares, change of address, dividend mandates etc. should be sent to the Registrar & Share Transfer agents quoting their folio numbers only at the following address:
M/s TSR Darashaw Ltd., 6-10, Haji Moosa Patrawala, Industrial Estate, 20, Dr. E.Moses Road, Mahalaxmi, Mumbai – 400 011.
- e) In terms of Section 205A (5) of the Companies Act, 1956, dividends remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to sub-section (1) of Section 205C of the Companies Act, 1956. Members are requested to make their claim for payment of unpaid dividend without any delay. Members may please note that no claim of the transferred unclaimed / unpaid dividend shall lie against the above said fund or the Company after transfer of the amounts to the said fund.
- f) The Companies Act, 1956 provides facility for making nominations by shareholders in respect of their holding of shares. Such nominations facilitates transmission of shares from the deceased shareholder to his / her nominee without going through the time consuming and cumbersome process of obtaining Succession Certificate / Probate or the Will. It would, therefore, be in the best interest of the shareholders holding shares in physical form as sole registered holders to make such nominations without any delay. Nominations will have to be made in the prescribed Form – 2B (see rule 5D & Form no: 2B). It may be noted that for shares held in electronic form, the concerned shareholders have to register their nominations directly with their respective depository participants.
- g) The relative explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business at item nos 6, 7 & 8 are annexed hereto.

For and on behalf of the Board of Directors

J.B.Desai
Managing Director

Mumbai, 11th August, 2012

ANNEXURE TO NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956

Item No. 6

The Board of Directors of the Company (the "Board") has by a resolution passed on 11th August, 2012, re-appointed Mr. Jaymin B. Desai as Managing Director of the Company for a further period of three years with effect from October 01, 2012. The re-appointment of Mr. Jaymin B. Desai and the remuneration payable to him on his re-appointment is subject to the approval of the Members of the Company and of the Central Government if required. The material terms of the Agreement dated 11th August, 2012 entered into by the Company with Mr. Desai for the said reappointment referred to in the Resolution at Item No. 6 of the accompanying Notice are as follows:-

- a) SALARY: Rs. 2,50,000/- per month with such increments, effective 1st October every year, as may be decided by the Board of Directors of the Company within the scale of Rs. 2,50,000/- to Rs. 3,50,000/- per month during the tenure of his appointment.
- Commission: Commission at 1% on Net Profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956.
- b) Perquisites: In addition to the aforesaid Salary and commission the Managing Director shall be entitled to the following perquisites:
- Payment/reimbursement of actual medical expenses incurred for self and family.
 - Reimbursement of Medical Insurance premium not exceeding Rs. 25,000 per annum.
 - Personal Accident Insurance policy to cover the risk up to an annual premium not exceeding a sum of Rs. 10,000
 - Reimbursement of Leave Travel expenses as per rules of the Company for self and family not exceeding Rs 1,50,000 per annum

The above perquisites shall be evaluated as per the Income tax Rules wherever applicable. In the absence of such rules, perquisites will be evaluated at actual costs.

Notwithstanding anything to the contrary here in contained,

where, in any financial year during the currency of the tenure of Mr. J B Desai as the Managing Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Managing Director, the above Salary and perquisites except commission, as Minimum Remuneration or as may be approved by the Central Government.

- c) The Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above :
- Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
 - Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
 - Earned privilege leave at the rate of one month's leave for every eleven months of service. The Managing Director shall be entitled to encash leave at the end of his tenure as Managing Director.
 - Provision for Car including driver's salary and Telephone at the residence of the Managing Director and mobile phone for the business of the Company shall not be treated as perquisites.

All income tax and other impositions, if any, in respect of Mr. Jaymin B. Desai's remuneration shall be calculated by the Company and deducted in accordance with the applicable provisions of the Income tax law for the time being in force.

- (d) Mr. Jaymin B. Desai shall perform such duties and exercise such powers as may be from time to time delegated to him by the Board of Directors of the Company
- (e) Mr. Jaymin B. Desai shall devote all the time required for the business of the Company and do his utmost to advance its interest and shall exercise all his powers subject to the superintendence and control of the Board of Directors of the Company.
- (f) Mr. Jaymin B. Desai during the currency of the Agreement shall not disclose or give information regarding the affairs of the Company to any other person.

- (g) Mr. Jaymin B. Desai shall not after the termination of this agreement represent himself as being in any way connected with or interested in the business of the Company.
- (h) The Company shall be entitled to terminate the Agreement in the event of Mr. Jaymin B. Desai found guilty of misconduct or negligence in the discharge of his duties.
- (i) Mr. Jaymin B. Desai shall cease to be a Managing Director of the Company if he ceases, for whatever reason, to be a Director of the Company.
- (j) Either party shall be entitled to terminate the Agreement by giving the other party not less than three calendar months notice in writing without showing any cause.
- (k) The agreement supercedes all prior agreements, arrangements or understandings whether oral or in writing.

Additional information required to be given alongwith a Notice calling General Meeting as per sub para (B) of para 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given hereunder:

I. General Information:

- (1) Nature of industry Manufacturing Industry - Plastics
- (2) Date or expected date of commencement of commercial production The Company has been in the business for many years
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. Not Applicable

- (4) Financial performance based on given indicators

	2011-2012	2010-2011	2009-2010
			(Rs. in lacs)
Turnover	5971.70	6606.14	4847.17
Net profit (as computed under section 198)	279.57	468.10	246.83
Net profit/ (Loss) as per profit and loss account	179.37	305.58	130.29
Amount of Dividend paid	41.84	94.45	62.97
Rate of Dividend declared	12%	27%	18%
Earning before interest, depreciation & taxes	565.81	673.96	431.21
% of EBIDT to turnover	9.47	10.20	8.90

- (5) Export performance and net Foreign exchange collaborations

Exports	787.39	1507.72	1342.98
Foreign Collaborations	Not Applicable	Not Applicable	Not Applicable

- (6) Foreign investments or collaborators, if any.

Not Applicable

II. Information about the appointee:

- (1) Background details
- Name:** Mr. Jaymin B. Desai
- Designation:** Managing Director
- Father's name:** Balwantrai Desai
- Nationality:** Indian

	Date of Birth: 30.09.1960
	Qualifications: B.E (Chemical)
	Experience: Over 27 years
(2) Past remuneration	The gross remuneration paid to him in the year 2011-2012 was Rs. 17.23 lacs per annum.
(3) Recognition or awards	Nil
(4) Job profile and his suitability	The Managing Director shall be responsible for the management of the whole of the affairs of the Company and to do all acts and things, which, in the ordinary course of business, he considers necessary or proper or in the interest of the Company. Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company.
(5) Remuneration proposed	A gross remuneration not exceeding Rs. 60.44 lacs per annum plus incentives as may be decided by the Board of directors.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin)	Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid is very low.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	The Managing Director has no other pecuniary relationship with the Company or with the managerial personnel except the remuneration being paid to him as Managing Director of the Company.
III. Other information:	
(1) Reasons of loss or inadequate profits	Economic Slowdown and competition
(2) Steps taken or proposed to be taken for improvement	Capacity Expansion and adding new products
(3) Expected increase in productivity and profits in measurable terms.	With above steps profitability is expected to increase by 10 %
IV. Disclosures:	
The remuneration package of Mr. Jaymin B. Desai and other details such as remuneration, service contract, notice period etc. have been disclosed above. The Company does not have any scheme for grant of stock options.	The above may be treated as an abstract of the terms of reappointment and remuneration payable to Mr. Jaymin B. Desai, as Managing Director as contained in the said agreement pursuant to Section 302 of the Act.
The Board commends the approval by the members of the re-appointment of Mr. Jaymin B. Desai as Managing Director and payment of remuneration to him.	Mr. Jaymin B. Desai is concerned or interested in the said Resolution at item no. 6 of the accompanying notice as it relates to his own re-appointment.
	The Agreement dated 11 th august, 2012, referred to in the

Resolution at Item no. 6 of the accompanying Notice is open for inspection by the members at the Registered Office of the Company between 11.00 a. m. to 1.00 p. m. on any working day of the Company except Saturday and Sunday.

Item No. 7

The company may have to from time to time borrow funds from bankers and financial institutions and also from other parties for meeting its business requirements. Section 293 (1) (d) of the Companies Act, 1956 requires the Board of Directors of the Company to obtain members' approval to borrow monies (excluding temporary loans obtained from the Company's bankers in the ordinary course of business).

in excess of the aggregate of the paid-up share capital and its free reserves, that is to say reserves not set apart for any specific purpose.

An ordinary resolution under Section 293(1) (d) of the Companies Act, 1956 is therefore proposed at item no 7 of the accompanying notice for approval by the Shareholders.

None of the Directors of the Company is interested in the said resolution.

Item No. 8

The proposed loans from the Banks, financial institutions or other parties may be secured by mortgaging or charging the moveable and/or immovable assets of the Company.

Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors of the Public Company shall not except with the consent of such Public Company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company has more than one undertaking of the whole, or substantially the whole of any such undertaking. Since mortgage of the Company's property may be considered as disposal of the Company's properties, it is considered desirable that the members give their consent for the creation of mortgage/ charge as described above.

An ordinary resolution under Section 293(1) (a) of the Companies Act, 1956 is therefore proposed at item no 8 of the accompanying notice for approval by the Shareholders.

None of the Directors of the Company is interested in the said resolution.

For and on behalf of the Board of Directors

J.B.Desai
Managing Director

Mumbai, 11th August, 2012

FINANCIAL HIGHLIGHTS**(Rs.'000)**

		31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
OPERATION						
Sales (Net)		597,170	660,615	484,717	318,030	371,583
Other Income		1,640	1,578	1,339	1,759	2,740
Operating Profit		39,304	56,368	33,627	8,699	24,425
[Before Depreciation]						
Profit before Tax		25,744	44,911	22,698	(2,246)	14,249
Profit after Tax (including prior period items)		17,937	30,558	13,066	(287)	10,384
Dividend and Corporate Tax thereon		4,184	9,445	6,297	0	6,318
Retained Earnings		13,753	21,113	6,769	(287)	4,066
Earnings per Share (Rs.)		5.98	10.19	4.36	(0.10)	3.46
[On Face Value of Rs.10/-]						
ASSETS						
Gross Block		265,764	259,910	225,273	224,944	223,389
Net Block		122,007	129,256	105,361	117,258	126,647
Net Current Assets		41,158	57,805	113,782	57,487	105,962
Non Current Investments		13,325	3,575	3,575	3,525	3,525
Long Term Loans & Advances		26,532	4,264	-	-	-
Total Assets		203,022	194,900	222,718	178,270	236,134
NET WORTH						
Equity Capital		30,000	30,000	30,000	30,000	30,000
Reserves and Surplus		133,879	120,126	99,013	92,244	92,530
Net Worth		163,879	150,126	129,013	122,244	122,530
Book value per share (Rs.)		54.63	50.04	43.00	40.75	40.84
[On Face Value of Rs.10/-]						
BORROWINGS						
Long Term		19,241	23,354	12,205	17,689	24,063
Short Term		93,763	50,806	62,499	19,345	68,162
		113,004	74,160	74,704	37,033	92,226
RATIOS						
Profit before Tax to Sales and other Income	%	4.30	6.78	4.67	(0.70)	3.81
Profit before Tax to Net Worth	%	15.71	29.92	17.59	(1.84)	11.63
Dividend to Equity Capital	%	12	27	18	-	18
Dividend to Net Worth [Yield]		3	6	5	-	5
Return on Capital Employed	%	25	34	13	5	12
Dividend Cover	Times	4.29	3.24	2.08	-	1.64
Current Ratio	Ratio	1.27:1	1.36:1	1.45:1	1.67:1	1.29:1
Long Term Debt : Equity	Ratio	0.12:1	0.16:1	0.17:1	0.21:1	0.28:1

DIRECTORS' REPORT

To

The Members,

The Directors are pleased to present their Thirtieth Annual Report and Audited Accounts for the year ended 31st March 2012.

1. FINANCIAL RESULTS

	Rs.'000	
	<u>31.03.2012</u>	<u>31.03.2011</u>
Net Sales	597,170	660,615
Other Income	1,640	1,578
Sales and Other Income	598,810	662,193
Operating Profit (before Depreciation)	39,304	56,368
Less: Depreciation	13,560	11,456
Profit before Tax	25,744	44,911
Less: Provision for Tax		
Current Tax	8,940	14,025
Deferred Tax Credit	(1,312)	306
Profit after Tax	18,116	30,580
Short Provision of Tax for Prior Years	(179)	(22)
Net Profit after Prior period items	17,937	30,558
Add : Balance Brought Forward	50,845	33,232
Profit available for Appropriation	68,782	63,790
APPROPRIATION :		
Transfer to General Reserve	1,500	3,500
Dividend on Equity Shares	3,600	8,100
Corporate Dividend Tax	584	1,345
Balance Carried Forward	68,782	50,845
	68,782	63,790

2. OPERATING RESULTS

During the year under review, net sales decreased by 9.6% to Rs. 5972 lacs, from Rs. 6606 lacs in the previous year. Operating profit before depreciation decreased by 30.27% to Rs. 393 lacs from Rs.564 lacs in previous year. The resulting net profit after tax (with prior period adjustments), decreased by 41.31% to Rs. 179 lacs from Rs. 306 lacs in previous year.

3. DIVIDEND

The Board of Directors recommend a dividend of Rs. 1.20 per equity share (12%) for the year 2011-12. (Previous year – 27 %) for approval at the Annual General Meeting. The dividend if approved will result in a cash outflow of Rs. 41.84 lacs including dividend tax compared to Rs. 94.45 lacs in previous year.

4. TRANSFER TO RESERVES

The Company proposes to transfer Rs. 15.00 lacs to the General Reserve out of the amount available for appropriations and an amount of Rs. 137.53 lacs is proposed to be retained in the statement of Profit and Loss.

5. FIXED DEPOSIT

The Company continued accepting Fixed Deposits from the public during the year under review. The Company received Rs. 49,83,000/- under the Fixed Deposit scheme. At the close of the year there were no Fixed Deposits due for payment which remained either unclaimed or unpaid, except 14 deposits amounting to Rs. 4,95,000/- which have matured but have not been claimed. Of these, 10 Deposits, amounting to Rs. 3,35,000/- have been renewed or repaid up to the date of this Report.

The Company has complied with the requirements of the Companies (Acceptance of Deposits) Rules, 1975.

6. OPERATIONS

During the year under review the traditional business of lamination films in Export market was adversely affected, because one of the customers has back-integrated into film manufacture based on the large quantity of film required. Sales of films for other application have grown marginally.

Volatility in input cost, inflationary trend in commodity market, higher borrowing cost and fluctuations in Exchange rate has adversely affected the business growth and profit margins.

The company continues to make investments in equipments and ancillaries to provide customers with improved film performance and quality consistent with their requirements.

7. PROSPECTS FOR THE CURRENT YEAR:

The company expects current year to be full of challenges. The abnormal increase in input cost, stagnancy in demand coupled with high inflation rate and increased borrowing cost will put pressure on volume growth as well as profit margins. Medium and small enterprises will look for consolidation

The uncertainty continues in behaviour of oil prices which will affect the prices and availability of critical raw material. Abnormal fluctuations in Exchange Rate will also have adverse impact on cost of raw material

The company expects a marginal growth in volumes. However profitability will be determined by focussing efforts on promoting films for speciality applications.

The traditional business of multilayer film for production of laminates for consumer packaging has become very competitive but the volume of business in this sector has some relevance in providing improved plant productivity.

The company's strength has been in ability to understand the ultimate customer's end use performance characteristics of the film and to develop its properties that meet with specific performance requirements. It is this strength that has allowed the business to venture in to some niche market applications hitherto serviced by imports. These are mostly industrial applications, pharmaceutical packaging and highly specialised laminate applications where the margins on sales are consistent with company's growth objectives and its reputation as a supplier providing value to customer.

8. SUBSIDIARY COMPANY

During the year under review the company has acquired additional 5, 96,680 equity shares in Synergy Films Private

Limited for a total consideration of Rs.97, 50,000. With this, company now holds 8, 96,020 Equity shares of Synergy Films Private Limited which is 74.96% of its Equity Capital. Synergy films Private Limited thus has become subsidiary of the company.

Pursuant to provisions of Section 212(8) of the Companies Act, 1956(Act), the Ministry of Corporate Affairs vide its General Circular No 2/2011 dated February 8, 2011 has granted general exemption subject to certain conditions to holding companies from complying with the provisions of Section 212 of the Act which requires the attaching of the Balance Sheet, Statement of Profit & Loss and other documents of its subsidiary companies to its Balance sheet. Accordingly, the said documents are not being included in this Annual Report. The main financial summaries of the subsidiary company are provided under the section "Subsidiary Company: Financial Highlights 2011-12" in the Annual report. However the company will make available the said annual accounts and related detailed information of the subsidiary company upon request by any member of the Company or its subsidiary company and the same will also be kept open for inspection by any member at the Registered Office of the Company and the Subsidiary

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with Clause (e) of Sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the financial year ended 31st March 2012 is given in the Annexure to this Report.

10. PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is not provided, as none of the employees of the Company is drawing salary above the limits prescribed under the above rules.

11. AUDITORS QUALIFICATION

Auditor's remarks referred in para 4(f) in form of non qualifying remarks and are self explanatory as per Note No. 29 of Notes to Accounts.

12. DIRECTORS

Mr. Mukul B. Desai, Director of the Company, liable to retire by rotation, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Bhupendra M. Desai, Director of the Company, liable to retire by rotation, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

13. CORPORATE GOVERNANCE

Pursuant to Clause - 49 of the Listing Agreement with the Stock Exchange, Mumbai a report on Corporate Governance, Management Discussion and Analysis, and a Certificate obtained from the Auditors of the Company regarding Compliance with the conditions of Corporate Governance, form part of this Report.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors confirm that :

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures from the applicable accounting standards.
- (ii) The Directors had 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 on 31st March, 2012 and of the profit of the company for the year ended on that date;
- (iii) The Directors had taken proper and sufficient care for the 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) The Directors had prepared the Annual Accounts on a "going concern" basis.

15. AUDITORS

M/s. Akkad Mehta and Co., Chartered Accountants, Auditors of the Company will retire at the 30th Annual General Meeting and are eligible for re-appointment. A Certificate to the effect that their reappointment, if made, will be in accordance with the limit specified in Sub-section (1-B) of Section 224 of the Companies Act, 1956 has been furnished.

16. SECRETARIAL AUDIT REPORT

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital of the Company. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board of Directors. The audit, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the number of shares in dematerialized form (held with NSDL and CDSL) and the total number of shares in physical form.

17. COMPLIANCE CERTIFICATE

The Compliance Certificate as required under Section 383A of the Companies Act, 1956 from a Practicing Company Secretary is attached.

18. ACKNOWLEDGMENT

The Directors wish to convey their appreciation to Customers, Suppliers, Bankers, other Stakeholders and specially the employees for their co-operation. The Directors also appreciate the confidence reposed in the Management of the Company by its shareholders.

For and on behalf of the Board of Directors

P. P. Kharas
Chairman

Mumbai, 11th August, 2012

ANNEXURE TO THE DIRECTORS' REPORT 2011 - 12

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

A. CONSERVATION OF ENERGY

The requirement of disclosure with respect to conservation of energy is not applicable to the Company. There is however, an on-going effort to monitor and control energy consumption, supported by findings of an energy audit conducted by an independent consultant.

B. TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT (R&D)

Broadly, the development of multilayer film structures to meet the performance requirements for a specific application, involves :

- A knowledge of the molecular structure of various raw material grades and the properties developed after extrusion to a film, under predetermined process conditions.
- Both film surfaces are critical for an application and therefore the knowledge of grades and properties needs to be extended to selection of three or more process compatible grades in a multilayer film structure to meet the performance requirements on several parameters. Thirty critical performance parameters logically grouped under six heads have been identified for selection of the critical few that determine the performance requirements of a film for a specific application.
- Selecting equipment and appropriate process condition, which determine the ultimate properties and the film's behaviour when further processing is carried out by customers, to develop the final product.
- Several laboratory tests to determine film properties; laboratory findings are then related to film performance. Here, knowledge and experience have an important role.
- Repeating (if required) the entire process until a right combination of properties for a specific performance is attained.
- Evaluation and validation of films under actual processing, packaging, storage, handling and transportation conditions to establish performance characteristics as determined with the customer.
- Technical support to the customer in the event the end user has a problem; most often the problem is

related to changes in processing, packaging system parameters or others, without informing the Company

Future plan of action :

Focus on future development will continue on:

- Films required for extending shelf-life for packaging fruits, vegetables, marine products and poultry in the domestic and export markets.
- Development of specialty films, which are import substitutes for our customers, and films which, due to their technology content, are difficult to replicate.

C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The thrust has been on improving the quality of all films and developing new products to provide Value to customers.

To continue the Process of improving efficiencies in all areas of Operations to reduce costs, improve profit margin, while increasing the Customer Satisfaction Rating.

D. R & D EXPENDITURE

	(Rs.'000)	
	31.03.12	31.03.11
a) Capital Expenditure	-	-
b) Recurring Expenditure	959.00	738.00
c) Total Expenditure	959 .00	738.00
d) Total R & D Expenditure as a percentage of total turnover.	0.16	0.11

No technology has been imported by the Company over the last five years.

E. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs.'000)	
a) Foreign Exchange Earnings	:	79,652
b) Foreign Exchange Outgo	:	194,130
(Raw material, Spares & Others)		

For and on behalf of the Board of Directors

P. P. Kharas
Chairman

Mumbai, 11th August, 2012

COMPLIANCE CERTIFICATE

CIN No: L25200GJ1981PLC004375
Authorised Capital: Rs. 10,00,00,000/-

Compliance Certificate

To,
The Members
ECOPLAST LIMITED
National Highway No.8,
Water Works Cross Road,
Abrama, Valsad
Gujarat – 396001

We have examined the registers, records, books and papers of **ECOPLAST LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2012**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and the entries therein have been recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time as mentioned in the said annexure.
3. The Company being a Public Limited Company, comments that a Private Limited Company has minimum prescribed paid-up capital, maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 7 (Seven) times on 07.05.2011, 09.05.2011(Adjourned meeting), 28.05.2011, 05.08.2011, 09.11.2011, 13.02.2012 and on 07.03.2012 in respect of which meetings notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose. (No circular resolution was passed.)
5. The Company closed its Register of Members from 29.07.2011 to 05.08.2011 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2011 was held on 05.08.2011 after giving notice to the members of the company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/ or persons or firms or companies referred to in the Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or the previous approval of the Central Government.
12. The duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. (i) The Company has delivered all the certificates on lodgment of securities for transfer/ transmission or any other purpose in accordance with the provisions of the Act. There was no allotment of securities during the year.
(ii) The Company deposited the amount of dividend declared at Annual General Meeting held on 05.08.2011 in a separate Bank Account on 06.08.2011 which is within five days from the date of declaration of such dividend.
(iii) The Company posted warrants to all the members within the period of 30 days from the date of declaration and that all unclaimed /unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank, Mumbai on 12.09.2011.

-
- (iv) The Company has transferred the amounts of unpaid dividend and interest accrued on matured deposits, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund within the time prescribed under the Act and the Rules made thereunder.
- (v) The Company has generally complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The Company has not appointed any Managing Director/ Whole-time Directors/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the provisions of sections 58A and 58AA read with the Companies (Acceptance of Deposit) Rules, 1975 in respect of deposits accepted and the company has filed the copy of Statement in lieu of Advertisement and return of deposit with the Registrar of Companies.
24. The amount borrowed by the Company from financial institutions, banks and others during the financial year ending 31st March, 2012 is within the borrowing limits of the company.
25. The company has made loans and investments and given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the Registers kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. We are informed that there were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For Parikh & Associates

Name of Company Secretary : P. N. Parikh

C. P. No. : 1228

Place: Mumbai

Date: 28.05.2012

Annexure 'A'

Statutory Registers as maintained by the Company

1. Register of Charges u/s 143 of the Act
2. Register of Members u/s 150 of the Act.
3. Minutes Book of Board Meetings u/s 193 of the Act. (In loose leaf)
4. Minutes Book of Audit Committee Meetings (In loose leaf)
5. Minutes Book of Share Transfer / Investor Grievance Committee Meetings (In loose leaf)
6. Minutes Book of Remuneration Committee Meetings (In loose leaf)
7. Minutes Book of General Meetings u/s 193 of the Act.
8. Books of Accounts u/s 209 of the Act are being audited by the Statutory Auditors of the Company.
9. Register of Contracts u/s 301 of the Act.
10. Register of particulars of Directors etc. u/s 303 of the Act.
11. Register of Disclosure of Interest u/s 301 of the Act.
12. Register of Directors' Shareholding u/s 307 of the Act.
13. Register of loans/ Investments u/s 372A of the Act.
14. Register of Duplicate & Renewal Share Certificates

Other Registers

1. Register of Transfers
2. Attendance Register of Board Meetings
3. Attendance Register of General Meetings

For Parikh & Associates
Name of Company Secretary : P. N. Parikh
C. P. No. : 1228

Place : Mumbai
Date : 28th May 2012

Annexure ‘B’

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on March 31, 2012:

Sr. No.	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid. Yes/No
1.	Form 1INV	205C	Interest accrued on matured deposit amounting to Rs. 7950/- credited to IEPF on 23.04.2011	23.04.2011	-	-
2.	Form 62	Rule 10 of the Companies (Acceptance of Deposits) Rules, 1975	Return of Deposits as on 31 st March, 2011	25.06.2011	Yes	N.A.
3.	Form 62	Rule 4A of the Companies Acceptance of Deposit Rules & Sec 58A	Statement in lieu of Advertisement	08.08.2011	Yes	N.A.
5.	Form 66 Compliance Certificate for the financial year 2010-2011	383A	Financial Year 2010-2011	14.09.2011	No	Yes
6.	Form 20B alongwith Annual Return made as on 05.08.2011	159	Annual General Meeting held on 05.08.2011	03.10.2011	Yes	N.A.
7.	Form 1INV	205C	Unpaid dividend amounting to Rs. 1,10,750/- declared on 04.09.2004 credited to IEPF on 17.10.2011	11.10.2011	-	-
8.	Form 1INV	205C	Interest accrued on matured deposit amounting to Rs. 7150/- credited to IEPF on 25.10.2011	25.10.2011	-	-
9.	Form 1INV	205C	Interest accrued on matured deposit amounting to Rs. 88 credited to IEPF on 11.11.2011	14.11.2011	-	-
10.	Form 23 AC XBRL & Form 23ACAXBRL alongwith Annual Report for the year ended 31.03.2011	220	Approved at the Annual General Meeting held on 05.08.2011	28.11.2011	Yes	N.A.
11.	Form 1INV	205C	Unclaimed matured deposit amounting to Rs. 10,000/- credited to IEPF on 08.12.2011	08.12.2011	-	-
12.	Form 8	135	Modification of Charge on 13.12.2011	11.01.2012	Yes	N.A.

Place : Mumbai
Date : 28th May 2012

For Parikh & Associates
Name of Company Secretary : P. N. Parikh
C. P. No. : 1228

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Outlook

Plastic is one of the cheapest material for Flexible Packaging. Its consumption in India is expected to grow at the rate of 10 to 12% per annum in time to come. Majority of Plastic Processing Units are in unorganised sector, basically extruding films for printing and lamination. With a low barrier in terms of technology as well as investment, the industry over the period of time has become a region based industry in domestic as well export market.

Many of the large consumer of multilayer films have put up their own film plants in domestic as well as export market and this trend is continuing.

2. Opportunities and Threat

The opportunities that the company seeks and develops to sustain long term growth in both domestic and export markets for films, are related to a relatively high technology content. These films applications are in non traditional market segment, where the risk of backward integration is relatively less compared to traditional film application for packaging.

However speciality films attract competition, particularly from China through technical collaboration with competitors.

The industry has encountered high volatility and uncertainty on price movement of raw material. Dependency on imported raw material for certain critical applications is a recognised risk.

3. Segment-wise and Product-wise performance

The company has only one segment namely Multilayer Films

4. Outlook

The outlook for the company is positive. Industrial sector in which the speciality films are sold shows good growth prospect

5. Risks and Concern.

The Company faces normal business challenges from market competition and needs to continuously search attractive growth areas and opportunities. The Company has so far adapted successfully to changes in the market environment.

The company now caters to a wider range of applications and user industries, with resultant lower risk in an economic downturn.

Operational risk: Payment recoveries in uncertain economic conditions are and will continue to be a risk, which will need a very close attention.

Competition Risk: In order to mitigate competition risk the Company is moving into higher value added products, which are difficult to replicate and need time and technical service competency for product acceptance.

Financial risk: The Company's operations are exposed to various types of financial risks, like currency risk, interest risk, liquidity risk and credit risk. The continuous monitoring of cash flow and market factors helps in minimizing these risks and disruptions in normal operations.

Litigation risk: Outcome of litigation in matters of Tax Law or in any other statutory obligation cannot always be predicted and therefore also poses a risk. Currently there is no litigation of any materially significant value.

6. Internal Control Systems and their adequacy:

The Company has a proper and adequate system of internal controls commensurate with its nature and size of business and meets the following objectives:

- Providing assurance regarding the effectiveness and efficiency of operations;
 - Efficient use and safeguarding of resources;
 - Compliance with policies, procedures and applicable laws and regulations; and
 - Transactions being accurately recorded and reported timely.
- The Company has a budgetary control system to monitor expenditures and operations against budgets on an on going basis.
 - The Internal Auditor also regularly reviews the adequacy of internal control system.

7. Human Resource Developments:

The company has a team of able and experienced professionals and believes that the quality of its employees is the key to its success in the long run. During the year under review, industrial relations continued to be cordial and peaceful.

Cautionary Statement :

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH 2012

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The Company in its day-to-day working, in framing its policies and in its work culture, strives to adopt and comply with generally accepted Corporate Governance principles, such as

- a) Fair business practices.
- b) Effective Management control by the Board.
- c) Monitoring of executive performance by the Board.
- d) Compliance with Law in all facets of operation.
- e) Attainment of highest level of transparency and accountability
- f) Timely disclosure of financial and management information.

II. BOARD OF DIRECTORS AND BOARD PROCEDURE :

Composition, attendance at Board meetings and the last AGM, Outside Directorships; for the year April '11 to March '12.

Names	No. of Board Meetings Attended	No. of Audit Committee Meetings Attended	No. of Remuneration Committee Meetings Attended	No of Shareholders Investor Grievance Committee Meetings Attended	Attendance at Previous AGM held on 05.08.2011	No. of Outside Directorships held in other public Companies as on 31.03.2012	Executive / Non-Executive Independent
P. P. Kharas Chairman	6	4	1	5	Present	Nil	Non Executive
J. B. Desai Managing Director	6	N.A.	N.A.	N.A.	Present	Nil	Executive
J. A. Moos	6	4	1	5	Present	Nil	Non Executive & Independent
D. T. Desai (Alternate to Mr. B. Desai)	2	N.A.	N.A.	N.A.	Present	2	Non Executive
Mr. B. Desai	6	4	1	5	Present	4	Non Executive & Independent
Mr. B. Desai	5	3	1	NA	Present	Nil	Non Executive & Independent

- i) The Board comprises of one Executive Director and five non-executive Directors. Out of five non-executive Directors three Directors are independent.
- ii) During the year 2011-12, the Board of Directors met six times on 7th May, 2011, 28th May, 2011, 5th August, 2011, 9th November, 2011, 13th February, 2012 and 7th March, 2012. The details of attendance of each Director at the Board meetings and the last AGM held and details of number of outside Directorships held by each Director are given above.
- iii) Mr. Mukul B. Desai and Mr. Bhupendra M. Desai are liable to retire by rotation and offer themselves for re-election.
 - a) Mr. Mukul B. Desai, age 56 years is a Chartered Accountant by profession and having varied experience in the field of Audit, Taxation, Corporate Law, Corporate Finance Structuring for more than 30 years
 Mr. Mukul B. Desai retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Mukul B. Desai holds 5,551 equity shares (0.19%) in the Company as on 31st March, 2012. .

He is a member of the Audit Committee, the Shareholders & Investors Grievance Committee and the Remuneration Committee.

- b) Mr. Bhupendra M. Desai, age 65 years, is a B. Tech from the Indian Institute of Technology (I.I.T) and an MBA from the Indian Institute of Management (I.I.M.). He joined Larsen & Toubro Ltd. In 1972, as post graduate trainee in Central Planning Department and subsequently transferred to Tractor Engineers Ltd. (a wholly owned subsidiary of L&T Ltd. in 1973. He retired from L & T Ltd; in 2005. After retirement he has worked as supply chain management consultant with L & T Ltd for two years and subsequently has worked as business consultant to various companies for three years.

He has varied experience in following areas;

- (a) Material Planning , sourcing and inventory control
- (b) Production management, process engineering, planning of plant capacity and human resources
- (c) SAP R2, SAP R3, ISO 9000, KAIZAN, Supply Chain Management and business process re-engineering

Mr. Bhupendra M.Desai retires by rotation at the forthcoming Annual General Meeting and being eligible, officers himself for re-appointment.

Mr. Bhupendra M. desai holds 100 equity shares (0.003%) in Ecoplast Ltd as on 31st March, 2012. He is a member of the Audit Committee and the Remuneration Committee.

None of the Directors of the Company are member of more than ten Board-level committees or Chairman of more than 5 such committees across all the companies as per the restrictions under clause - 49 of the listing agreement.

- iv) The information as required under Annexure IA to Clause 49 was made available to the Board before each meeting which comprises of:
- Review of Annual Operating Plans of the business, Capital Budget and Updates.
 - Quarterly results of the Company.
 - Minutes of Meeting of Audit Committee.

- Information on recruitment, remuneration and resignations of Senior Officers just below the Board level.
- Materially important show cause, demand, prosecution and penalty notices.
- Any materially relevant default in financial obligations to and by the Company or substantial non payment for goods sold by the Company.
- Details of any joint venture agreement.
- Transactions that involves substantial payment towards intellectual property.
- Sale of material nature of investments, subsidiaries which is not in the normal course of business
- Non compliance of any regulatory or statutory provisions or listing requirements as well as share holder services such as non payment of dividend and delays in share transfer.

The Board is routinely presented with all information under the above heads, wherever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board Meetings or are tabled before the appropriate committees of the Board.

III. REMUNERATION COMMITTEE :

- The Remuneration Committee consists of Mr. Mukul B Desai, Mr. P. P. Kharas, Mr. Bhupendra M. Desai and Mr. J. A. Moos.
- Except Mr. P. P. Kharas, all other Directors are Independent Directors.
- Matters of remuneration of Executive and Non - Executive Directors are considered by the Remuneration Committee.
- The remuneration policy of the Company is to remain competitive in the industry and to selectively reward personnel for their contributions.
- Independent Director Mr. Mukul B. Desai is the Chairman of Remuneration Committee
- The Compliance Officer of the Company Acts as the Secretary of the Committee.
- During the year April, 2011 – March, 2012 one Remuneration Committee meeting was held on 7th March, 2012.

Remuneration of Directors from April 2011 to March 2012.

A. Executive Directors :

Name	Sitting Fees	Salaries & Perqs.	Commission	Total
1. J. B. Desai	-	1,723,996	--	1,723,996
Total - A		1,723,996	--	1,723,996

B. Non -Executive Directors :

1. P. P. Kharas	57,500	-	69,894	1,27,394
2. J. A. Moos	57,500	-	69,893	1,27,393
3. D .T. Desai (waived remuneration)	-	-	-	-
4. Mukul B. Desai	57,500	-	69,893	1,27,393
5. Bhupendra M. Desai	37,500	-	69,893	1,07,393
Total - B	2,10,000		2,79,573	4,89,573
TOTAL (A+B)	2,10,000	1,723,996	2,79,573	22,13,569

IV. AUDIT COMMITTEE :

Terms of reference for Audit Committee :

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the Financial Statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee.
- Reviewing with Management the Annual Financial Statements before submission to the Board.
- Reviewing with the management and external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function.
- Discussing with internal auditors any significant finding and follow up on such issues.

Brief description of the Composition of Audit Committee, name of the Chairperson:

The Audit committee consisted of four non- executive Directors Mr. P. P. Kharas, Mr. J. A. Moos, Mr. Bhupendra M. Desai and Mr. Mukul B Desai of whom three are Independent Directors.

Independent Director Mr. Mukul B Desai is the Chairman of the Audit Committee.

The Compliance Officer of the Company acts as the Secretary of the Committee.

Meeting and Attendance during the year April'11 – March'12.

During the year April '11 – March '12, four Audit Committee meetings were held, 28th May,2011, 5th August, 2011, 9th November, 2011, and 13th February, 2012

V. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE :

The Shareholders / Investors Grievance Committee comprises of three non executive Directors (of whom two are independent Directors) viz. Mr. P. P. Kharas, Mr. J. A. Moos and Mr. Mukul B Desai.

Non Executive Director Mr. P. P. Kharas, is the Chairman of the Committee.

The Compliance Officer of the Company acts as the Secretary of the Committee.

During the year April '11 – March '12, five Shareholders / Investors Grievance Committee meetings were held, on: 7th May,2011, 5th August, 2011, 9th November, 2011 and 9th January, 2012 and 13th February, 2012.

During the year, the Company has received 65 queries and 1 complaints from the shareholders. There were NIL unresolved shareholders complaints as on 31.03.2012. Also, there were NIL shares pending for transfer as on 31.03.2012.

VI. GENERAL BODY MEETINGS :**1. Last 3 AGM's :**

Date	Time	Location
5 th August, 2011	11.30 A.M	The Club Resort, At P.O: Vashier, Valsad, Gujarat, 396 001.
18 th September, 2010	11.30 A.M	The Country Club, At P.O: Vashier, Valsad, Gujarat, 396 001.
11 th September, 2009	11.30 A.M	The Country Club, At P.O: Vashier, Valsad, Gujarat, 396 001.
EGM held on :		
5 th June, 2001	11.00 A.M	Registered office of the Company

2. Special Resolutions passed in the last three Annual General Meetings :

On 18th September, 2010 -

1. Payment of Commission to non-executive Directors pursuant to provisions of Section 309 of the Companies Act, 1956.
2. Approval of Salary of over Rs. 10,000/- to a relative of a Director pursuant to provisions of Section 314 of the Companies Act, 1956.

There were no other General Body Meetings during the last three years and no Resolution was put to vote through postal ballot.

VII. DISCLOSURES :

- i) No transactions of material nature has been entered into by the Company with its Promoters, Directors or Management or relatives etc. that may have potential conflict with the interest of the Company, except as disclosed in the note No: 33 to the notes on accounts.
- ii) There were no instances of non compliances, penalty, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
- iii) The company has complied with all the mandatory requirements of Clause -49 of the Listing Agreements, except the whistle blower policy.

VIII. MEANS OF COMMUNICATION :

The Quarterly, Half-yearly and Annual results are published by the Company in the Economics Times, Gujarati edition and the Times of India, English edition. Annual reports are sent to households or shareholders. The Company's results are also displayed on the web-site at : <http://www.ecoplastindia.com>.

Exclusive Email ID for redressal of investor complaints.

In terms of Clause 47(f) of the Listing Agreement, Company has displayed the following information on it's website for redressal of Investor Complaints.

Email : mahadevdesai@ecoplastindia.com
Compliance Officer : Mr. M. D. Desai – Compliance Officer,
Tel. No. : 02632 -226257.

IX. CODE OF CONDUCT.

The Board has laid down the Code of Conduct for the Board Members. The Code of Conduct for the Board members is posted on the web-site www.ecoplastindia.com

The Board members have affirmed compliance with the Code of Conduct for the year 2011-12.

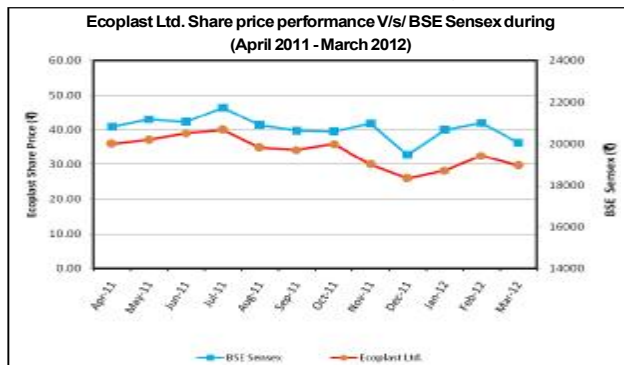
X. GENERAL SHAREHOLDER INFORMATION :

1. Annual General Meeting :
 Day, Date & Time : Saturday, 22nd September, 2012, at 11.30 A.M.
 Venue : The Club Resort, At & P.O. Vashier, Valsad -396 001.
2. Financial Calendar : (tentative)
 From 1st April to 31st March every year.
 First Quarter Results : Before 15th August, 2012.
 Second Quarter Results : Before 15th November, 2012.
 Third Quarter Results : Before 15th February, 2013.
 Fourth Quarter Results or : Before 31st May, 2013
 Annual results :
 AGM for the year : before the end of September, 2013
3. Date of Book Closure : 15th Sept, 2012 to 22nd Sept., 2012
4. Dividend Payment date : 24th Sept. 2012
5. Listing on Stock Exchanges : Stock Exchange, Mumbai. The Company
 Has paid listing Fees for the period 1st April, 2012 to
 31st March, 2013.
6. Stock Code : 526703
7. Market Price Data : The performance of the Company's scrip on the BSE as
 compared to the sensex is as under :

Ecoplast Ltd on BSE Sensex

Month	High (Rs.)	Low (Rs.)
Apr-2011	40.85	36.00
May-2011	43.00	37.10
Jun-2011	42.30	39.00
Jul-2011	46.40	40.00
Aug-2011	41.35	34.90
Sep-2011	39.70	34.25
Oct-2011	39.50	35.90
Nov-2011	41.80	30.00
Dec-2011	32.75	26.00
Jan-2012	40.00	28.25
Feb-2012	41.90	32.55
Mar-2012	36.25	29.70

8. Performance : Ecoplast share price performance vs. BSE Sensex during April 2011 - March 2012.



9. Registrars and Share Transfer Agents : TSR DARASHAW LTD.
6-10, Haji Moosa Patrawala Industrial estate, 20,
Dr. E.Moses Road, Mahalaxmi, Mumbai – 400 011.
10. Share Transfer System : Demat / Physical
11. Distribution of shareholding by size class : As on 31.03.2012

Category	Number of Shareholders	Shareholders % to Total	No. of Shares	Shares % to Total
1 TO 500	2,242	86.30	3,38,131	11.27
501 TO 1000	157	6.04	1,26,177	4.21
1001 TO 2000	78	3.00	1,13,776	3.79
2001 TO 3000	33	1.27	85,423	2.85
3001 TO 4000	16	0.62	58,418	1.95
4001 TO 5000	19	0.73	90,021	3.00
5001 TO 10000	23	0.89	1,63,614	5.45
Over 10000	30	1.15	20,24,440	67.48
TOTAL	2,598	100.00	30,00,000	100.00

12. Dematerialization of shares and liquidity : 2855099 Shares) 95.17% of equity shares of the Company have been dematerialized as on 31st March 2012 and balance (144901 Shares) 4.83 % is in physical form
13. Plant Location : National Highway No.8 Water Works Cross Road Abrama, Valsad – 396 001.
14. Address for correspondence : Ecoplast Ltd. National Highway No.8, Water Works Cross Road Abrama, Valsad – 396 001.
15. Disclosures by Management to the Board :

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussions, nor do they vote on such matters.

For and on behalf of the Board of Directors

J. B. Desai
Managing Director

Mumbai, 11th August, 2012.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,
The Board of Directors,
Ecoplast Ltd.,

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Ecoplast Ltd ("The Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2012 and based on our knowledge and belief we state that :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement 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) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable to the Auditors and Audit Committee :
 - i) significant changes, if any, in the internal control over financial reporting during the year.
 - ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

J. B. Desai
Managing Director

M. D. Desai
Compliance Officer

Mumbai, 28th May, 2012.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its Board Members which is available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2012, received from the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Mumbai, 28th May, 2012

J.B.Desai
Managing Director

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49
OF THE LISTING AGREEMENT(S)**

To
The Members of Ecoplast Ltd.

We have examined the compliance of conditions of Corporate Governance by **Ecoplast Ltd.** for the year ended on March 31, 2012, with the relevant records and documents maintained by the Company as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

As required by the Guidance Note on Certification on Corporate Governance issued by the Institute of Chartered Accountants of India, we state that there is no investor grievance pending for a period exceeding one month as at 31st March, 2012, against the Company as per the certificate received from the Registrar and the Share Transfer Agents and taken on record by the Share Transfer – cum – Shareholders' Grievance Committee of the Company.

For **AKKAD MEHTA & CO**
Chartered Accountants
Firm Registration No. 100256W

SANJAY MEHTA
Partner
Membership No.16859

Mumbai,
Dated: May 28, 2012.

AUDITORS' REPORT

To
The Members of
Ecoplast Ltd

1. We have audited the attached Balance Sheet of **Ecoplast Ltd** as at 31st March, 2012 the Profit and Loss Account and also 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.
2. We conducted our audit in accordance with 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 misstatement. 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.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms 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.
4. Further to our comments in the Annexure referred to above, 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 these books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and Profit and 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 the Companies Act, 1956;
 - (e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we do hereby certify that none of the directors of the company, as on 31st March, 2012 is disqualified for appointment as a director in the aforementioned company in terms of clause (g) of

sub-section (1) of section 274 of the Companies Act, 1956 on the said date.

- (f) Without qualifying our opinion, we draw the attention to the fact that as referred to in Note 9 of Notes to Accounts in Schedule 16 regarding diminution in the value of investment made in the Joint Venture Company, Synergy Film Pvt. Ltd due to more than 100% erosion of the Net Worth of the said company on account of accumulated losses based on unaudited accounts as at 31st March, 2012. However having regard to the continued long-term strategic involvement, Management is of the view that no provision is necessary for any diminution in the value of Investments.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2012
 - ii) in so far as it relates to the Profit and Loss Account, of the **Profit** of the company for the year ended on that date.

and
 - iii) in so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

For **AKKAD MEHTA & CO**

Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA

Partner
Membership No. 16859

Mumbai, 28th May, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there are procedures of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The fixed assets disposed off during the year do not constitute a substantial part and therefore, in our opinion, the disposal does not affect the going concern assumption.
- ii) (a) The inventory has been physically verified by the management at reasonable intervals during the current year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- iii) In respect of the 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 given loans to a subsidiary company. In respect of the said loans, the maximum amount outstanding at any time during the year was Rs. 225.61 lacs and the year end balance is Rs.225.61 lacs (including interest Rs.6.07 lacs.).
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the company, are not prima facie prejudicial to the interest of the company.
 - (c) The principal amounts are repayable over a period of two to five years, while interest is payable annually at the discretion of the company.
 - (d) In respect of the said loan and interest there on, there are no overdue amounts.
 - (e) The company has not taken any loan from companies, firms or other parties covered in Register maintained under Section 301 of the companies Act 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v) (a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations made to us, we are of the opinion that, the particulars of contracts or arrangements in which directors were interested as contemplated under section 297 and sub-section (6) of section 299 of the Companies Act, 1956 and which were required to be entered in the register maintained under section 301 of the said Act, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the aforesaid transactions have been made at prices which are reasonable having regard to the market prices prevailing at the relevant time as evaluated on the basis of prices charged by the Company in case of similar transactions during the year.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. Accordingly, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this matter.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of products where,

pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of subsection (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- ix) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, service tax, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, service tax, excise duty and cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company does not have any accumulated losses at the end of the financial year and the Company has not incurred cash losses in the financial year and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institutions or by way of debentures.
- (xii) According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) The Company has given a corporate guarantee of Rs.4 Crores to North Eastern Development Finance Corp. Ltd., Assam on behalf of Synergy Films Pvt. Ltd., a Subsidiary Company as a collateral security for Term

Loan Facility availed by the Subsidiary Company. In our opinion based on the information and explanations received, the terms and conditions of this guarantee are not prejudicial to the interest of the company.

- (xvi) In our opinion and according to the explanations given to us, the term loans obtained during the year have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and an overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis to the extent of 106.97 lacs have been used for long term investment.
- (xviii) 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.
- (xix) The company has not issued debentures and hence no securities have been created.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) 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 explanations 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.

FORAKKAD MEHTA & CO

Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA

Partner
Membership No. 16859

Mumbai, 28th May, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No	31.03.2012	31.03.2011
		Amount Rs.	Amount Rs.
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	1	30,000,000	30,000,000
Reserves and Surplus	2	133,878,580	120,125,921
		<u>163,878,580</u>	<u>150,125,921</u>
NON CURRENT LIABILITIES			
Long Term Borrowings	3	19,241,278	23,354,429
Deferred Tax Liabilities (Net)	4	17,995,731	19,307,622
Long Term Provisions	5	1,906,990	2,112,675
		<u>39,143,999</u>	<u>44,774,726</u>
CURRENT LIABILITIES			
Short Term Borrowings	6	93,762,881	50,806,447
Trade Payables	7	38,901,066	65,805,986
Other Current Liabilities	8	15,425,664	32,815,633
Short Term Provisions	9	5,360,233	10,518,603
		<u>153,449,844</u>	<u>159,946,669</u>
TOTAL		<u><u>356,472,423</u></u>	<u><u>354,847,316</u></u>
II. ASSETS			
NON CURRENT ASSETS			
Fixed Assets - Tangible Assets	10	122,007,281	129,256,471
Non Current Investments	11	13,325,000	3,575,000
Long Term Loans & Advances	12	26,532,355	4,263,825
		<u>161,864,636</u>	<u>137,095,296</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	13	72,467,233	82,523,704
Trade Receivables	14	109,499,174	112,210,130
Cash & Cash Equivalents	15	4,223,722	5,791,720
Short Term Loans & Advances	16	8,370,205	17,179,212
Other Current Assets	17	47,453	47,254
		<u>194,607,787</u>	<u>217,752,020</u>
TOTAL		<u><u>356,472,423</u></u>	<u><u>354,847,316</u></u>

Significant Accounting Policies

Notes on Financial Statements

1 to 40

As per our Report of even date.

FOJAKKAD MEHTA & CO.
Chartered Accountants

Firm ICAI Registration No. 100259W

SANJAY MEHTA
Partner

Membership No. 16859

 Mumbai, 28th May, 2012.

For and on behalf of the Board of Directors

JAYMIN B. DESAI
Managing Director
B. M. DESAI
Director
M. D. DESAI
C. F. O.

STATEMENT PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No	31.03.2012	31.03.2011
INCOME		Amount Rs.	Amount Rs.
Revenue from Operations	18	597,169,612	660,614,608
Other Income	19	1,640,394	1,578,032
Total Revenue		598,810,006	662,192,640
EXPENDITURE			
Cost of Materials Consumed	20	423,804,381	492,910,739
Changes in Inventories of Finished Goods and Work in Progress	21	6,533,339	(16,431,830)
Employee Benefits Expense	22	31,503,703	31,857,247
Finance Costs	23	17,278,470	11,029,172
Depreciation & Amortization		13,560,019	11,456,150
Other Expenses	24	80,386,395	86,459,805
Total Expenses		573,066,307	617,281,283
Profit Before Tax		25,743,699	44,911,357
Tax Expenses:			
Current Tax		8,940,000	14,025,000
Deferred Tax		(1,311,891)	305,938
Tax in respect of Earlier Years		178,651	22,118
		7,806,760	14,353,056
Profit for the year		17,936,939	30,558,301
Earnings Per Equity Share of Face Value of Rs.10 Each Basic & Diluted (in Rs.)		5.98	10.19

Significant Accounting Policies

Notes on Financial Statements

1 to 40

As per our Report of even date.

For **AKKAD MEHTA & CO.**

Chartered Accountants

Firm ICAI Registration No. 100259W

SANJAY MEHTA

Partner

Membership No. 16859

Mumbai, 28th May, 2012.

For and on behalf of the Board of Directors

JAYMIN B. DESAI

Managing Director

B. M. DESAI

Director

M. D. DESAI

C. F. O.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	For the year ended 31 Mar, 2012	For the year ended 31 Mar,2011
	Amount Rs.	Amount Rs.
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	25,743,699	44,911,357
<i>Adjustments for:</i>		
Depreciation and amortization	13,560,019	11,456,150
(Profit) / loss on sale / write off of assets	(269,284)	(6,000)
Finance costs	17,278,470	11,029,172
Interest income	(866,105)	(598,043)
Liabilities/provisions no longer required written back loans and advances	(43,982)	(6,305)
Provision for doubtful trade and other receivables,	<u>643,378</u>	<u>-</u>
	30,302,496	21,874,974
Operating profit/(loss) before working capital changes	56,046,196	66,786,331
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	10,056,470	(36,893,078)
Trade receivables	2,067,578	(7,375,510)
Short-term loans and advances	8,809,008	(6,795,054)
Long-term loans and advances	(1,207,514)	1,847,946
Other current assets	(200)	73,861
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(26,860,937)	18,476,849
Other current liabilities	(17,389,969)	24,631,219
Short-term provisions	102,660	10,518,603
Long-term provisions	<u>(205,685)</u>	<u>466,930</u>
	(24,628,589)	4,951,766
	31,417,606	71,738,097
Cash generated from operations	31,417,606	71,738,097
Net income tax (paid) / refunds	(9,118,651)	(14,047,118)
Net cash flow from / (used in) operating activities (A)	<u>22,298,955</u>	<u>57,690,979</u>
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(6,659,283)	(36,027,555)
Proceeds from sale of fixed assets	617,740	681,678
Purchase of long-term investments		
- Subsidiaries	(9,750,000)	-
Loans given		
- Subsidiaries	(21,061,016)	-
- Joint ventures	-	(1,500,000)
Interest received		
- Subsidiaries	607,288	-
- Joint ventures	-	31,835
- Others	<u>258,817</u>	<u>566,208</u>
	(35,986,454)	(36,247,834)
	(35,986,454)	(36,247,834)
Net cash flow from / (used in) investing activities (B)	<u>(35,986,454)</u>	<u>(36,247,834)</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	For the year ended 31 Mar, 2012		For the year ended 31 Mar, 2011	
	Amount Rs.		Amount Rs.	
C. Cash flow from financing activities				
Proceeds from long-term borrowings	9,137,539		23,560,648	
Repayment of long-term borrowings	(13,250,693)		(22,345,227)	
Net increase / (decrease) in working capital borrowings	37,373,073		(9,653,424)	
Proceeds from other short-term borrowings	7,500,000		12,500,000	
Repayment of other short-term borrowings	(1,916,639)		(14,043,996)	
Finance cost	(17,278,470)		(11,029,172)	
Dividends paid	(8,100,000)		(5,400,000)	
Tax on dividend	(1,345,310)		(896,875)	
		<u>12,119,500</u>		<u>(27,308,046)</u>
Net cash flow from / (used in) financing activities (C)		<u>12,119,500</u>		<u>(27,308,046)</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		<u>(1,567,999)</u>		<u>(5,864,901)</u>
Cash and cash equivalents at the beginning of the year		5,791,721		11,656,621
Cash and cash equivalents at the end of the year		<u>4,223,722</u>		<u>5,791,720</u>
Cash and cash equivalents at the end of the year Comprises :				
(a) Cash on hand		398,872		321,812
(b) Balances with banks				
(i) In current accounts		1,117,558		1,375,916
(ii) In EEFC accounts		-		-
(ii) In deposit accounts		420,000		400,000
(iii) In earmarked accounts (Refer Note (2) below)		2,287,292		3,693,992
		<u>4,223,722</u>		<u>5,791,720</u>

Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India
- These earmarked account balances with banks can be utilized only for the specific identified purposes.
- The previous year's figures have been regrouped/ restated wherever necessary to conform to this year's classification.

In terms of our report attached.
For **AKKAD MEHTA & CO.**
Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA
Partner
Membership No. 16859
Mumbai, 28th May, 2012.

For and on behalf of the Board of Directors

J. B. DESAI
Managing Director

B. M. DESAI
Director

M. D. DESAI
C. F. O.

NOTES FORMING PART OF THE ACCOUNTS**1 Corporate Information**

Ecoplast Limited is Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the business of manufacturing, processing and marketing of Co-extruded Plastic Film for Packaging, Industrial and Consumer applications. The Company caters to both domestic and international markets. It has various certifications like ISO 9001, ISO 14001 and ISO 22000 registration for products thereby complying with globally accepted quality standards

2 Summary of Significant Accounting Policies**i) Basis of Accounting**

Financial Statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956.

ii) Use of Estimates

The presentation of Financial Statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

iii) Revenue Recognition

- a. Domestic Sales are recognised when goods are dispatched. Sales are accounted net of amount recovered towards Excise duty, Central Sales tax and Value added tax.
- b. Export Sales are accounted for on the basis of the date of Bill of Lading.
- c. Sales rejections are accounted on actual receipt of rejected goods/settlement of claims.
- d. Price differences are accounted on actual settlement with the parties.
- e. Insurance and other claims are accounted on cash basis.
- f. Export incentives are accounted on receipt basis.

iv) Fixed Assets & Depreciation

- a. Fixed Assets are stated at cost of acquisition or construction or at revalued amounts wherever such assets have been revalued less accumulated depreciation.
- b. Depreciation on Factory Buildings, Plant and Machinery, Electrical Installations and Equipment (other than Motor Car which depreciated on the basis of balance of useful life) is provided on the Straight Line Method (S.L.M.) at the rates and in the manner prescribed by Schedule XIV to the Companies Act, 1956.
- c. Motor Cars are depreciated at the rate higher than those prescribed in Schedule XIV to the Companies Act, 1956 as in management's judgement, their estimated useful lives are shorter than those prescribed.
- d. Depreciation on exchange fluctuations capitalised to fixed assets is provided over the residual useful life of the fixed assets.
- e. Depreciation on additions / deletions to fixed assets is provided prorata from the date of addition / deletion.

v) Machinery Spares

Machinery spares other than stand-by spares are charged to Profit & Loss Account as and when consumed. Machinery spares in the nature of stand - by equipments/ spares are capitalised and depreciated over the useful life of the principal item.

vi) Foreign Currency Transactions

All transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction.

Monetary assets and liabilities denominated in foreign currency are reported using the closing exchange rate on each balance sheet date unless covered by forward contract.

The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/ reported in financial statements are recognised as income/expense in the Profit & Loss Account of the year.

vii) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of the assets, upto the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

viii) Research and Development

Revenue expenditure, including overheads on Research & Development, is charged as an expense through the natural heads of account in the year in which incurred. Expenditure which results in the creation of capital assets is capitalised and depreciation is provided on such assets as applicable.

ix) Employee Benefits

Short term employees benefits

All employees benefits payable wholly within 12 months of rendering service are classified as short term employees benefits. Benefits such as salaries, wages and short term compensated absences etc. and the expected cost of bonus/ex-gratia are recognised in the period in which the employee renders the related services.

Defined Contribution Plans

Superannuation :

The Company has Defined Contribution Plan for Post employment benefits in the form of Superannuation Fund for certain class of employees as per the scheme, administered through Life Insurance Corporation (LIC) and Trust which is administered by the Trustees and is charged to revenue every year. Company has no further obligation beyond its contributions.

Employee's Family Pension :

The Company has Defined Contribution Plan for Post-employment benefits in the form of family pension for all eligible employees, which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. Company has no further obligation beyond its monthly contributions.

Provident Fund :

The Company has Defined Contribution Plan for Post-employment benefits in the form of Provident Fund for all eligible employees; which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. Company has no further obligations beyond its monthly contributions.

Defined Benefit Plans

Gratuity :

The Company has a Defined Benefit Plan for Post-employment benefit in the form of gratuity for all eligible employees which is administered through Life Insurance Corporation (LIC) and a trust which is administered by the trustees. Liability for above defined benefit plan is provided on the basis of actuarial valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

Compensated Absences :

Liability for Compensated Absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The Actuarial valuation method used for measuring the liability is the Projected Unit Credit method. Under this method, the Defined Benefit Obligation is calculated taking into account pattern of avilment of leave whilst in service and qualifying salary on the date of avilment of leave. In respect of encashment of leave, the Defined Benefit obligation is calculated taking into account all types of the decrement, salary growth, attrition rate and qualifying salary projected up to the assumed date of encashment.

Termination Benefits

Termination benefits are recognised as expense immediately

x) Cenvat Credit

Cenvat credit available on purchase of services / materials / capital goods is accounted by reducing cost of services / materials / capital goods. Cenvat credit availed of is accounted by way of adjustment against Excise duty payable on dispatch of finished goods.

xi) Taxation

Current tax

Provision for Income Tax is made on the assessable profits of the Company at the tax rate applicable to the relevant assessment year and in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax Provision

Deferred tax assets & liabilities resulting from timing differences between book profits and tax profits are accounted for under the liability method and measured at substantially enacted rates of tax at the Balance Sheet date to the extent that there is reasonable/ virtual certainty that sufficient future taxable income will be available against which such deferred tax asset/ virtual liability can be realised.

xii) Impairment of Fixed Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

xiii) Provisions/ Contingencies

The Company recognises a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a Contingent liability is made when there is a present obligation that may, but probably will not, require a outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets, is made. Contingent Assets are neither recognised nor disclosed, in the financial statements.

xiv) Valuation of Stock

The mode of valuing closing stock is as under:

- Raw-Materials & Packing Materials - at Cost.
- Finished Goods - at lower of Cost or market value.
- Semi-Finished Goods - at lower of Cost or market value.

The cost for the purpose of valuation of Finished and Semi - Finished goods is arrived at on weighted average basis and includes Cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the company.

- Machinery Spares, Ink and Fuel - at cost.
- Scrap - at market value.

xv) Provision for Bad and Doubtful Debts/Advances

Provision is made in the accounts for Bad and Doubtful Debts which, in the opinion of the management, are considered doubtful of recovery.

xvi) Investments

All investments are considered as long term investments and are stated at acquisition cost. A provision is made for diminution other than temporary on an individual basis.

xvii) Earning per share

Basic earning per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

xviii) Lease

For Premises taken on lease, lease rentals payable are charged to revenue

NOTE ON FINANCIAL STATEMENT FOR THE YEAR 31ST MARCH 2012**NOTE NO. 1 : SHARE CAPITAL**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Authorised		
10,000,000 Equity Shares of Rs.10 each	100,000,000	100,000,000
Issued, Subscribed and fully paid up		
3,000,000 Equity Shares of Rs.10/- each fully paid-up	30,000,000	30,000,000
Total	<u>30,000,000</u>	<u>30,000,000</u>

- (i) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. There is no change in number of shares outstanding at the beginning and at the end of reporting period. The dividend proposed by the Board of Directors is subject to the approval of shareholders.
- (ii) The Paid-up Capital includes 1,500,000 Equity Shares of Rs.10 each allotted as fully paid up Bonus shares by capitalising Rs.5,000,000 out of General Reserve and Rs.10,000,000 out of Revaluation Reserve prior to it being listed.
- (iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Amount Rs.		Amount Rs.	
	Number of shares held	% holding in that class	Number of shares held	% holding in that class
	of shares			of shares
Equity shares with voting rights				
Mrs Amita J.Desai	416,951	13.90	416,951	13.90
Mrs Charulata N.Patel	344,607	11.49	344,607	11.49
Silvar Stream Propertise Pvt Ltd.	476,827	15.89	-	-
Mrs Alka B Desai	-	-	261,900	8.73

NOTE NO. 2 : RESERVES AND SURPLUS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Securities premium account		
As per last Balance Sheet	30,000,000	30,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
General reserve		
As per last Balance Sheet	39,281,315	35,781,315
Add: Transferred from surplus in Statement of Profit and Loss Account	1,500,000	3,500,000
	<u>40,781,315</u>	<u>39,281,315</u>
Surplus in Statement of Profit and Loss		
As per last Balance Sheet	50,844,606	33,231,615
Add: Profit for the year	17,936,939	30,558,301
	<u>68,781,545</u>	<u>63,789,916</u>
Less:		
Transferred to General reserve	1,500,000	3,500,000
Dividends proposed to be distributed to equity shareholders (Rs. 1.20 per share)	3,600,000	8,100,000
Tax on dividend	584,280	1,345,310
	<u>63,097,265</u>	<u>50,844,606</u>
Total	<u>133,878,580</u>	<u>120,125,921</u>

NOTE NO. 3 LONG-TERM BORROWINGS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Term loans		
From banks		
Secured	<u>10,653,298</u>	<u>15,592,319</u>
Deposits		
Unsecured - From Public and Shareholders	<u>8,073,000</u>	<u>7,094,000</u>
Other loans and advances		
Unsecured - For Car under Hire Purchase Agreement	<u>514,980</u>	<u>668,110</u>
Total	<u>19,241,278</u>	<u>23,354,429</u>

Details of terms of repayment and security provided in respect of the Secured long-term borrowings:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Secured Amount Rs.	Secured Amount Rs.
Term loans from banks:		
Bank Of Baroda Term Loan I	-	1,477,000
Bank Of Baroda Term Loan II	<u>10,115,319</u>	<u>14,115,319</u>
This Term Loan carry interest @ 14.75 % p.a. and to be repaid by 01.09.2015 in 42 monthly installments of Rs.3,33,333 each.		
Bank Of Baroda Term Loan III	<u>537,979</u>	-
This Term Loan carry interest @ 14.75 % p.a. and to be repaid by 01.05.2013 in 14 monthly installments of Rs.2,58,333 each.		
Total - Term loans from banks	<u>10,653,298</u>	<u>15,592,319</u>

The above Loans are Secured by Mortgage of Land & Factory Building of the Company at Valsad, Office Building at Andheri (East) Mumbai & hypothecation of Plant and Machineries and Other Movable Fixed Assets of the Company, both present and future and further secured by personal guarantee of Managing Director

NOTE NO. 4 DEFERRED TAX LIABILITY (NET)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	<u>19,810,095</u>	<u>20,990,820</u>
Tax effect of items constituting deferred tax liability	<u>19,810,095</u>	<u>20,990,820</u>
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	<u>794,549</u>	<u>852,915</u>
Provision for doubtful debts / advances	<u>1,019,815</u>	<u>830,284</u>
Tax effect of items constituting deferred tax assets	<u>1,814,364</u>	<u>1,683,199</u>
Net deferred tax (liability) / asset	<u>(17,995,731)</u>	<u>(19,307,622)</u>

Deferred Tax has been provided in accordance with Accounting Standard 22 (AS-22) - Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India.

NOTE NO. 5 LONG-TERM PROVISIONS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Provision for employee benefits:		
Provision for compensated absences	<u>1,906,990</u>	2,112,675
Total	<u>1,906,990</u>	<u>2,112,675</u>

NOTE NO. 6 SHORT-TERM BORROWINGS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Loans repayable on demand		
From banks		
Secured	79,089,712	37,540,112
Unsecured	2,180,039	6,356,566
From Others - Unsecured		
Inter Corporate Deposits	8,000,000	4,000,000
Fixed Deposits from Public and Shareholders	4,340,000	2,772,000
Car Finance under H.P. Agreement	153,130	137,769
Total	<u>93,762,881</u>	<u>50,806,447</u>

Details of Security for the secured short-term borrowings:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Loans repayable on demand		
Bank Of Baroda	<u>79,089,712</u>	<u>37,540,112</u>

(Secured by hypothecation of inventories, book debts of the Company both present & futures and collaterally secured by equitable mortgage of Company's Land and Factory Buildings at Valsad., Office Building at Andheri (East) Mumbai, hypothecation of Plant and Machineries and guaranteed by Managing Director)

NOTE NO. 7 TRADE PAYABLES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Trade payables:		
Micro, Small and Medium Enterprises	225,057	7,378
Others	38,676,009	65,798,608
Total	<u>38,901,066</u>	<u>65,805,986</u>

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 :

Amount due to Micro, Small and Medium Enterprises as on 31st March, 2012 are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows :

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Principal Amount due and remaining unpaid	225,057	-
Interest due on above and the unpaid interest	5,225	-
Interest paid during the year	7,378	-
Payment made beyond the appointed day during the year	241,673	-
Interest due and payable for the period of delay	1,339	-
Interest accrued and remaining unpaid	6,564	360
Amount of further interest remaining due and payable in succeeding years	-	7,018

This information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTE NO. 8 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Current maturities of long-term Secured Debts (Refer Note No.3)	8,129,992	9,363,996
Interest accrued and due on Fixed Deposits	735,679	581,671
Unpaid dividends*	782,447	725,060
Unpaid matured deposits and interest accrued thereon	498,186	493,552
Other payables		
Statutory dues payable	2,869,801	1,621,813
Advances from customers	1,761,171	19,427,213
Others -Net Salaries & Wages Payable	648,388	602,328
Total	<u>15,425,664</u>	<u>32,815,633</u>

* These figures do not include any amounts due and outstanding, to be credited to Investor Education and Protection Fund.

NOTE NO. 9 SHORT-TERM PROVISIONS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Provision for employee benefits:		
Provision for bonus	634,409	618,494
Provision for compensated absences	395,138	-
Provision for gratuity	146,406	454,799
	<u>1,175,953</u>	<u>1,073,293</u>
Other Provision		
Provision for proposed equity dividend	3,600,000	8,100,000
Provision for tax on proposed dividends	584,280	1,345,310
	<u>4,184,280</u>	<u>9,445,310</u>
Total	<u>5,360,233</u>	<u>10,518,603</u>

NOTE NO. 10 : FIXED ASSETS

Tangible assets	GROSS BLOCK			Accumulated depreciation and impairment			NET BLOCK	
	Balance as at 1.4.2011	Additions	Disposals	Balance as at 1.4.2011	Depreciation Eliminated for the year	As at 31.3.2012	Balance As on 31.3.2012	Balance As on 31.3.2011
Own Assets								
Land - Freehold	5,096,185	-	-	-	-	-	5,096,185	5,096,185
Buildings *	42,229,470	-	-	12,312,841	1,308,856	13,621,697	28,607,774	29,916,630
Plant and Equipment	196,924,674	510,207	805,140	107,375,354	9,559,408	116,478,078	80,151,664	89,549,320
Furniture and Fixtures	3,624,655	40,813	-	2,763,690	218,748	2,982,438	683,029	860,965
Vehicles **	5,927,437	45,425	-	3,324,943	792,200	4,117,143	1,855,719	2,602,492
Office equipment	6,107,550	6,062,838	-	4,876,671	1,680,807	6,557,478	5,612,910	1,230,879
Gross Total ***	299,909,971	6,659,283	805,140	130,653,499	13,560,019	143,756,834	122,007,281	129,256,471
Previous year	225,273,018	36,027,555	1,390,604	119,912,274	11,456,150	130,653,498	129,256,469	105,360,743

* Buildings include Rs. 250 being cost of 5 shares of Rs. 50 each in Riddhi Premises Co-operative Housing Society Ltd.

** Includes Rs. 11,53,988/- purchased on Hire-Purchase basis.

*** Gross Block includes Rs. 2,446,449/- on revaluation of Fixed Assets as on 31st March, 1994 excluding Vehicles, Furniture & Fixtures and Office Equipments.

NOTE NO. 11 NON-CURRENT INVESTMENTS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Investments		
Investment in Equity Shares of a Subsidiary Company		
Unquoted 896020 Equity Shares of ' 10 each fully paid up in Synergy Films Pvt.Ltd.. (Previous year Unquoted 299340 Equity Shares of ' 10 each fully paid up)	13,325,000	3,575,000
Total	<u>13,325,000</u>	<u>3,575,000</u>

Note :

Synergy Film Pvt Ltd has become a subsidiary company with effect from 25th November 2011 upon the acquisition of 596680 Equity shares of Rs.10 each at an aggregate cost of Rs.97.50 Lacs.

NOTE NO. 12 LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Security deposits		
Unsecured considered good	1,762,798	1,762,798
Loans and advances to related parties		
Unsecured considered good		
Loan and Interest due thereon from a Subsidiary Company (Refer Note 33)	22,561,016	1,500,000
Loans and advances to employees	339,337	293,323
Advance income tax net of provisions	1,685,147	600,135
Balances with government authorities		
CST & VAT receivable on Assessment	184,057	107,569
Total	<u>26,532,355</u>	<u>4,263,825</u>

NOTE NO. 13 INVENTORIES *

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Raw materials at Cost	39,721,313	50,549,400
Imported Raw-Materials in-transit at Cost	7,885,968	631,104
Work-in-progress at Lower of Cost or Market Value	7,885,158	15,233,007
Finished goods at Lower of Cost or Market Value	12,438,068	7,792,659
Export of Finished Goods in-transit at Lower of Cost or Market Value	1,885,700	5,716,599
Stores and spares - at Cost	2,489,332	2,600,935
Others - Scrap at Realiseable Value	161,694	-
Total	<u>72,467,233</u>	<u>82,523,704</u>

* As per Inventories taken, valued and certified by Managing Director.

NOTE NO. 14 TRADE RECEIVABLES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	2,311,300	2,693,215
Doubtful	<u>3,142,727</u>	<u>2,499,349</u>
	5,454,027	5,192,564
Less: Provision for doubtful trade receivables	<u>3,142,727</u>	<u>2,499,349</u>
	2,311,300	2,693,215
Other Trade receivables		
Unsecured, considered good	107,187,874	109,516,915
Total	<u>109,499,174</u>	<u>112,210,130</u>

NOTE NO. 15 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Cash on hand	398,872	321,812
Balances with banks		
In current accounts	1,117,558	1,375,916
In Fixed deposit accounts Under Rule 10 of the Co.'s (Acceptance of Deposits) Rules, 1975	420,000	400,000
Unpaid dividend accounts	607,325	727,320
In Fixed Deposit Accounts, held as margin money against Letter of Credit	1,679,967	2,966,672
Total	<u>4,223,722</u>	<u>5,791,720</u>

NOTE NO. 16 SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Prepaid expenses	1,347,258	1,469,604
Balances with Government Authorities		
Cenvat credit receivable	3,662,463	6,053,401
Service Tax credit receivable	637,567	2,662,303
Advance to Trade Payables	1,437,049	5,959,862
Loans and Advances to employees	517,352	347,997
Amount due from a Subsidiary Company	768,516	686,045
Total	<u>8,370,205</u>	<u>17,179,212</u>

NOTE NO. 17 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Interest accrued on Fixed Deposits with Bank of Baroda	47,453	47,253
Total	<u>47,453</u>	<u>47,253</u>

NOTE NO. 18 REVENUE FROM OPERATIONS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Sale of products	653,893,937	710,008,838
Processing Charges	983,466	3,208,364
Other operating revenues	<u>400,465</u>	<u>774,963</u>
	655,277,868	713,992,165
Less:		
Excise duty	<u>58,108,256</u>	<u>53,377,557</u>
Total	<u>597,169,612</u>	<u>660,614,608</u>
Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Sale of products comprises :		
Manufactured goods		
Plastic Film	647,002,325	704,836,901
Others	6,891,612	5,171,937
Total - Sale of products	<u>653,893,937</u>	<u>710,008,838</u>
Sale of services comprises :		
Processing charges	983,466	3,208,364
Total - Sale of services	<u>983,466</u>	<u>3,208,364</u>
Other operating revenues comprise:		
Sale of Scraps	400,465	774,963
Total - Other operating revenues	<u>400,465</u>	<u>774,963</u>

NOTE NO. 19 OTHER INCOME

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Interest income	866,105	598,043
Other non-operating income	774,289	979,989
Total	<u>1,640,394</u>	<u>1,578,032</u>
Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Interest income comprises:		
Interest from banks on:Fixed Deposits	215,454	232,234
Interest on loans to a Subsidiary Company	607,288	31,835
Interest on income tax refund	24,017	317,679
Interest on Employees Loan	19,346	16,295
Total - Interest income	<u>866,105</u>	<u>598,043</u>
Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Other non-operating income comprises:		
Profit on sale of fixed assets	269,284	6,000
Liabilities / provisions no longer required written back	43,982	6,305
Miscellaneous income	461,023	682,684
Total - Other non-operating income	<u>774,289</u>	<u>694,989</u>

NOTE NO. 20 COST OF MATERIALS CONSUMED

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Opening stock	50,549,400	30,842,660
Add: Purchases	<u>413,137,988</u>	<u>512,617,479</u>
	463,687,388	543,460,139
Less: Closing stock	<u>39,883,007</u>	50,549,400
Cost of material consumed	<u>423,804,381</u>	<u>492,910,739</u>
Material consumed comprises:		
Poly Granuals	398,434,474	472,464,373
Other items	25,369,907	20,446,366
Total	<u>423,804,381</u>	<u>492,910,739</u>

Imported and Indigenous Raw Materials Consumed :

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Raw Materials :		
Imported		
Value	200,125,986	243,646,596
Percentage	47	49
Indigenous		
Value	223,678,394	249,264,143
Percentage	53	51
Total Value	<u>423,804,380</u>	<u>492,910,739</u>
Total Percentage	<u>100</u>	<u>100</u>

NOTE NO. 21 Changes in inventories of finished goods, work-in-progress

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Inventories at the end of the year:		
Finished goods	12,814,204	12,710,899
Work-in-progress	<u>7,885,158</u>	<u>15,233,007</u>
	<u>20,699,362</u>	<u>27,943,906</u>
Inventories at the beginning of the year:		
Finished goods	12,710,899	7,497,960
Work-in-progress	<u>15,233,007</u>	<u>4,029,277</u>
	<u>27,943,906</u>	<u>11,527,237</u>
Add/(Less):- Variation in excise duty on opening And closing stock of finished goods	711,205	15,161
Net (increase) / decrease	<u>(6,533,339)</u>	<u>16,431,830</u>

NOTE NO. 22 EMPLOYEE BENEFITS EXPENSE

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Salaries, wages, bonus and other allowances	27,680,053	26,250,542
Contributions to Provident and other funds	3,072,230	4,858,501
Staff welfare expenses	751,420	748,204
Total	<u>31,503,703</u>	<u>31,857,247</u>

NOTE NO. 23 FINANCE COSTS

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Interest expense on: Borrowings*	16,667,790	10,260,872
Other borrowing costs	610,680	768,300
Total	<u>17,278,470</u>	<u>11,029,172</u>
* Interest expense include interest on loans for fixed period	4,421,023	3,530,815

NOTE NO. 24 OTHER EXPENSES

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Consumption of Stores and Spare parts	2,931,897	3,267,485
Consumption of Packing Materials	11,541,059	13,861,874
Consumption of Ink & Printing Cylinders	1,049,082	647,377
Power and fuel	28,022,250	30,263,194
Repairs and Maintenance - Buildings	292,839	529,378
Repairs and Maintenance - Machinery	4,729,414	3,851,831
Repairs and Maintenance - Others	403,286	396,221
Insurance	978,566	961,443
Rates and taxes	140,412	133,149
Communication	773,273	801,553
Travelling and Conveyance	3,976,277	4,134,159
Printing and Stationery	789,322	790,309
Freight and forwarding	9,374,273	16,067,840
Sales Commission	144,996	29,690
Sales discount	64,833	206,942
Business promotion	99,475	108,747
Donations and contributions	-	51,250
Motor Car Expenses	692,128	563,837
Security Charges	784,491	700,065
Royalty Paid	2,923,464	3,031,345
Directors Sitting Fees	210,000	175,000
Commission to Non-Executive Directors	279,573	400,000
Legal and Professional	2,200,098	1,250,330
Payments to Auditors	461,500	407,500
Bad trade receivables Written off	-	285,000
Net loss on foreign currency transactions and translation (other than considered as finance cost)	3,384,782	(681,330)
Provision for doubtful trade receivables	643,378	-
Other Miscellaneous Expenses	3,495,727	4,225,615
Total	<u>80,386,395</u>	<u>86,459,805</u>

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Payments to the auditors comprises		
Audit Fees	220,000	220,000
Taxation Matters	40,000	40,000
Company Law Matters	40,000	40,000
Tax Audit Fees	30,000	30,000
Certification and Other Services	131,500	77,500
Total	<u>461,500</u>	<u>407,500</u>

NOTE NO. 25 Value of imports on CIF Basis

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Raw Materials	187,435,838	227,768,146
Components and Spare Parts	1,327,790	537,163
Capital Goods	4,580,605	-

NOTE NO. 26 EXPENDITURE IN FOREIGN CURRENCY

Travelling Expenses	407,403	774,128
Interest on Letter of Credit	377,924	-

NOTE NO. 27 VALUE OF STORES AND SPARES CONSUMED

Imported		
Value	957,094	1,010,000
Percentage	33	31
Indigenous		
Value	1,974,803	2,257,485
Percentage	67	69
	<u>2,931,897</u>	<u>3,267,485</u>
	<u>100</u>	<u>100</u>

NOTE NO. 28 EARNINGS IN FOREIGN EXCHANGE

Export of Goods calculated on FOB basis	<u>79,652,374</u>	<u>143,056,277</u>
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NOTE NO. 29 DISCLOSURE IN ACCOUNTANCE WITH REVISED AS-13 ON "ACCOUNTING FOR INVESTMENTS"

In respect of Investment of Rs.133.25 Lacs made in Subsidiary Company Synergy Films Pvt. Ltd. the accumulated losses as per audited accounts as at 31st March, 2012 amounts to Rs.247.47 Lacs representing the erosion of the entire net worth of the Subsidiary company. However having regard to the continued long term strategic involvement, management is of the view that no provision is necessary for any diminution in the value of Investments.

NOTE NO. 30 DISCLOSURES UNDER ACCOUNTING STANDARD AS15
Particulars
Employee benefit plans
Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ' 14,14,054 (Year ended 31 March, 2011 ' 12,43,262) for Provident Fund contributions and ' 9,92,205 (Year ended 31 March, 2011 ' 8,87,328) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
	Gratuity	Gratuity
Components of employer expense		
Current service cost	430,477	307,048
Interest cost	525,400	263,911
Expected return on plan assets	(473,095)	(433,039)
Past service cost		
Actuarial losses/(gains)	89,979	1,779,120
Total expense recognised in the Statement of Profit and Loss	<u>572,761</u>	<u>2,668,859</u>
Actual contribution and benefit payments for year		
Actual benefit payments	319,696	-
Actual contributions	881,154	-
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	7,174,358	5,913,688
Fair value of plan assets	7,027,952	(6,368,487)
Funded status [Surplus / (Deficit)]	(146,406)	(454,799)
Net asset / (liability) recognised in the Balance Sheet	<u>(146,406)</u>	<u>(454,799)</u>
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	6,368,487	3,198,927
Current service cost	430,477	307,048
Interest cost	525,400	263,911
Actuarial (gains) / losses	169,690	1,846,782
Past service cost	-	751,819
Benefits paid	319,696	-
Present value of DBO at the end of the year	<u>7,174,358</u>	<u>6,368,487</u>

Particulars	As at 31 March, 2012 Amount Rs. Gratuity	As at 31 March, 2011 Amount Rs. Gratuity
Change in fair value of assets during the year		
Plan assets at beginning of the year		
Acquisition adjustment	5,913,688	5,412,983
Expected return on plan assets	473,095	433,039
Actual company contributions	881,154	4
Actuarial gain / (loss)	79,711	67,662
Benefits paid	319,696	-
Plan assets at the end of the year	7,027,952	5,913,688
Actual return on plan assets	552,806	500,701
Composition of the plan assets is as follows:		
Insurer Managed Funds	7,027,952	5,913,688

Actuarial assumptions

Discount rate	8.50%	8.25%
Expected return on plan assets	8.60%	8.00%
Salary escalation	8.00%	8.00%
Attrition	2.00%	2.00%

Medical cost inflation

Mortality tables

LIC 1994-96 (Ultimate)

LIC 1994-96 (Ultimate)

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Experience adjustments

	31-03-2012	31-03-2011	31-03-2010	31-03-2009	31-03-2008
Gratuity					
Present value of DBO	7,174,358	6,368,487	3,199,000	2,742,000	2,591,000
Fair value of plan assets	7,027,952	5,913,688	5,413,000	4,990,000	4,914,000
Funded status [Surplus/(Deficit)]	146,406	454,799	(2,214,000)	(2,248,000)	(2,323,000)
Experience gain / (loss) adjustments on plan liabilities	169,690	1,846,782	(30,000)	66,000	164,000
Experience gain / (loss) adjustments on plan assets	79,711	67,662	64,000	62,000	16,000
	For the year ended 31 March, 2012	For the year ended 31 March, 2011	For the year ended 31 March, 2010	For the year ended 31 March, 2009	For the year ended 31 March, 2008

Actuarial assumptions for long-term compensated absences

Discount rate	8.50%	8.25%	8.25%	8.00%	8.00%
Expected return on plan assets	8.60%	8.00%	8.00%	8.00%	8.00%
Salary escalation	8.00%	8.00%	5.00%	5.00%	5.00%
Attrition	2.00%	2.00%	2.00%	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

NOTE NO. 31 DISCLOSURES UNDER ACCOUNTING STANDARD AS 16

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Details of borrowing costs capitalised		
Borrowing costs capitalised during the year	79,238	298,626
- as fixed assets		

NOTE NO. 32 DISCLOSURES UNDER ACCOUNTING STANDARD AS 17
Segment Reporting :

The Company's sole business segment is Plastic Films and all activities are incidental to this sole business segment. Given this fact and that the Company services its domestic and export markets from India only, the financial statements reflect the information required by AS - 17 for the sole business segment of Plastic Films. The whole of the business assets are situated in India.

NOTE NO. 33 DISCLOSURES UNDER ACCOUNTING STANDARD AS 18
Particulars
Related party transactions
Details of related parties:
Description of relationship
Names of related

Subsidiaries

Synergy Films Pvt.Ltd.

Key Management Personnel (KMP)

Mr.J.B.Desai

Relatives of KMP

-

Company in which KMP / Relatives of KMP can exercise significant influence

Propack Industries (Prop.Kunal Plastics Pvt.Ltd.)

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012 :

	Subsidiaries	KMP Entities in which KMP/relatives have significant influence	Total Amount Rs.
(i) Purchase of goods		2,691,428	2,691,428
		(1,521,474)	(1,521,474)
(ii) Sale of goods		3,695,812	3,695,812
		(1,966,883)	(1,966,883)
(iii) Other Income-Intrest Received	607,288		607,288
	(31,835)		(31,835)
(iv) Rendering of services		-	-
		(635,864)	(635,864)
(v) Receiving of services		1,723,996	2,126,796
		(1,761,867)	(2,130,353)
Finance (including loans and equity contributions)	21,061,016		21,061,016
	(1,500,000)		(1,500,000)
Guarantees and collaterals	40,000,000		40,000,000
	(40,000,000)		(40,000,000)
Balances outstanding at the end of the year			
Trade receivables	1,663,493		1,663,493
	(1,591,252)		(1,591,252)
Loans and advances	768,516		768,516
	(686,045)		(686,045)
Inter Corporate Deposit	22,561,016		22,561,016
	(1,500,000)		(1,500,000)

Note: Figures in bracket relates to the previous year

NOTE NO. 34 DISCLOSURES UNDER ACCOUNTING STANDARD AS 20

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Earnings per share		
Basic and Diluted		
Net profit for the year	17,936,939	30,558,301
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	17,936,939	30,558,301
Weighted average number of equity shares	3,000,000	3,000,000
Par value per share	10.00	10.00
Earnings per share - Basic and Diluted	5.98	10.19

NOTE NO. 35 IMPAIRMENT OF ASSETS - AS 28

As at March 31, 2012, the Company has reviewed the future earnings of all its cash generating assets in accordance with the Accounting Standard 28 "Impairment of Assets". As the carrying amount of assets does not exceed the future recoverable amount, consequently, no adjustment to carrying amount of assets is considered necessary by the management.

	31.3.2012	31.3.2011
	Rs.	Rs.
NOTE NO. 36 CONTINGENT LIABILITIES		
On account of capital commitments (net of advances)	-	5,594,500
Customs duty on raw materials imported under advance licensing, against which export obligation is to be fulfilled	2,000,164	904,978
The Company has given irrevocable and unconditional Corporate Guarantee to North Eastern Development Finance Corporation Ltd. (NEDFC), Assam on behalf of Synergy Films Pvt. Ltd., a Subsidiary company in which the company is holding 75 % of the equity shares as a collateral security for Term Loan availed by subsidiary company.	40,000,000	40,000,000
In respect of claims against the Company not acknowledged as debts(Net)	224,273	224,273

NOTE NO. 37 DISCLOSURE OF DERIVATIVES

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at 31st March, 2012 are as follows :

Particulars	31-03-2012		31-03-2011	
	Amount in Foreign Currency (In '000)	Amount in INR (In '000)	Amount in Foreign Currency (In '000)	Amount in INR (In '000)
Assets	USD 70.11	3,571.41	USD 234.72	10,575.55
Liabilities	USD 340.27	17,496.43	USD 760.32	34,200.04

NOTE NO. 38

The Company has imported Plant and Machineries for production of new Speciality Film under Export Promotion Capital Goods Scheme (EPCG) without payment of Custom Duty. In the event of non-fulfilment of export obligations as specified, Company may be held liable to pay custom duty of Rs.33.45 lacs (Previous year Rs.33.45 lacs) in terms of the said Scheme. As on 31st March 2012 Company is not in any default under the Scheme.

NOTE NO. 39

The Company prior to it being listed had issued Bonus shares on 29th June, 1994 for Rs. 10 Million (10,00,000 equity shares of Rs. 10/- each) by capitalising part of its revaluation reserve. Accordingly, the paid up equity share capital of the company stands increased by Rs. 10 Million and the revaluation reserve stands reduced by that amount. The issue of bonus shares as aforesaid is contrary to the circular issued by the Department of Company Affairs issued in September, 1994 and the recommendations of the Institute of Chartered Accountants of India issued in November, 1994. However, the Hon'ble Supreme Court in the recent decision in the case of Bhagwati Developers Vs Peerless General Finance & Investment Co. & others (2005) Comp LJ 377 (SC) has held that there is no specific bar under the Companies Act for issue of Bonus Shares out of Revaluation Reserve and that the Department's Communique was advisory in nature, without any mandatory effect. The Management is therefore of the opinion that both according to the accounting principles and provisions of Company Law, the Company was justified in capitalizing its Revaluation Reserve.

NOTE NO. 40

The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre- revised Schedule VI to the Companies Act,1956. Consequent to the notification under the Companies Act,1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

As per our Report of even date

For **AKKAD MEHTA & CO.**

Chartered Accountants

Firm ICAI Registration No. 100259W

SANJAY MEHTA

Partner

Membership No. 16859

Mumbai, 28th May, 2012.

For and on behalf of the Board of Directors

JAYMIN. B. DESAI

Managing Director

B. M. DESAI

Director

M. D. DESAI

C. F. O.

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ECOPLAST LTD

The Board of Directors of Ecoplast Ltd

1. We have audited the attached Consolidated Balance Sheet of **Ecoplast Ltd** ("the Company") and its subsidiary (Synergy Films Private Limited); hereinafter referred to as the "Group" as at 31st March, 2012, the related Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which have been signed under reference to this report. These Consolidated 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.
 2. We conducted our audit in accordance with 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 misstatement. 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.
 3. We did not audit the financial statements of the subsidiary-Synergy Films Private Limited which has a total assets of Rs 642.40 lacs and net assets of Rs (104.97) lacs as at 31st March, 2012, total revenue of Rs 102.97 lacs net loss of Rs 91.28 lacs and net cash flows amounting to Rs 16.75 lacs for the year then ended. The financial statements and other financial information of the subsidiary have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
 4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 – Financial Reporting of Interests in joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.
 5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on other financial information of the component(s) of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012,
 - ii. in the case of the Consolidated Statement of Profit and Loss, of the **Profit** of the Group for the year ended on that date
- and
- iii. in the case of the Consolidated Cash Flow Statement, of the Cash flows of the Group for the year ended on that date.

For **AKKAD MEHTA & CO** Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA

Partner

Membership No. 16859

Place: Mumbai,

Dated: 28th May 2012.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No	As at 31.03.2012 Amount Rs.	As at 31.03.2011 Amount Rs.
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	1	30,000,000	30,000,000
Reserves and Surplus	2	31,477,806	120,125,922
		<u>161,477,806</u>	<u>50,125,922</u>
MINORITY INTEREST		(2,624,152)	-
NON CURRENT LIABILITIES			
Long Term Borrowings	3	38,468,231	23,354,429
Deferred Tax Liabilities (Net)	4	17,995,731	19,307,622
Long Term Provisions	5	1,906,990	2,112,675
		<u>58,370,952</u>	<u>44,774,726</u>
CURRENT LIABILITIES			
Short Term Borrowings	6	116,126,026	50,806,447
Trade Payables	7	41,366,451	65,805,986
Other Current Liabilities	8	21,114,159	32,815,632
Short Term Provisions	9	5,360,233	10,518,603
		<u>183,966,869</u>	<u>159,946,668</u>
TOTAL		<u><u>401,191,475</u></u>	<u><u>354,847,316</u></u>
II. ASSETS			
NON CURRENT ASSETS			
Fixed Assets - Tangible Assets	10	149,371,232	129,256,471
Fixed Assets - Intangible Assets		18,796,688	-
Non Current Investments	11	-	3,575,000
Long Term Loans & Advances	12	4,821,572	4,263,825
		<u>172,989,492</u>	<u>137,095,296</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	13	77,078,439	82,523,703
Trade Receivables	14	111,084,164	112,210,130
Cash & Cash Equivalents	15	30,351,702	5,791,721
Short Term Loans & Advances	16	9,640,225	17,179,213
Other Current Assets	17	47,453	47,253
		<u>228,201,983</u>	<u>217,752,020</u>
TOTAL		<u><u>401,191,475</u></u>	<u><u>354,847,316</u></u>

Significant Accounting Policies

Notes on Financial Statements

1 to 39

As per our Report of even date.

 For **AKKAD MEHTA & CO.**
Chartered Accountants

Firm ICAI Registration No. 100259W

SANJAY MEHTA
Partner

Membership No. 16859

 Mumbai, 28th May, 2012.

For and on behalf of the Board of Directors
JAYMIN B. DESAI
Managing Director
B. M. DESAI
Director
M. D. DESAI
C. F. O.

CONSOLIDATED STATEMENT PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No	As at 31.03.2012 Amount Rs.	As at 31.03.2011 Amount Rs.
INCOME			
Revenue from Operations	18	605,577,305	660,614,608
Other Income	19	2,922,670	1,578,032
Total Revenue		608,499,975	662,192,640
EXPENDITURE			
Cost of Materials Consumed	20	431,657,368	492,910,739
Changes in Inventories of Finished Goods and Work in Progress	21	5,566,412	(16,431,830)
Employee Benefits Expense	22	32,854,344	31,857,247
Finance Costs	23	22,641,291	11,029,172
Depreciation & Amortization		15,008,190	11,456,150
Other Expenses	24	84,156,609	86,459,805
Total Expenses		591,884,214	617,281,283
Profit Before Tax		16,615,761	44,911,357
Tax Expenses:			
Current Tax		8,940,000	14,025,000
Deferred Tax		(1,311,891)	305,938
Tax in respect of Earlier Years		178,651	22,118
		7,806,760	14,353,056
Profit after tax but before share of Minority Interest		8,809,001	30,558,302
Add: Share of Loss of Minority Interest		2,281,984	-
Add: Share of Loss Attributable to Cost of Control		4,445,179	-
Profit for the Year		15,536,164	30,558,302
Earnings Per Equity Share of Face Value of Rs.10 Each			
Basic & Diluted (in Rs.)		5.18	10.19
Weighted Average No. of Shares outstanding		3,000,000	
Significant Accounting Policies			
Notes on Financial Statements	1 to 39		

As per our Report of even date.

For **AKKAD MEHTA & CO.**

Chartered Accountants

Firm ICAI Registration No. 100259W

SANJAY MEHTA

Partner

Membership No. 16859

Mumbai, 28th May, 2012.

For and on behalf of the Board of Directors

JAYMIN B. DESAI

Managing Director

B. M. DESAI

Director

M. D. DESAI

C. F. O.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	For the year ended 31 Mar, 2012 Amount Rs.	For the year ended 31 Mar, 2011 Amount Rs.
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	16,615,761	44,911,357
<i>Adjustments for:</i>		
Depreciation and amortization	14,983,346	11,456,150
(Profit) / loss on sale / write off of assets	(269,284)	(6,000)
Finance costs	22,641,291	11,029,172
Interest income	(2,021,406)	(598,043)
Liabilities / provisions no longer required written back	(43,982)	(6,305)
Provision for doubtful trade and other receivables, loans and advances	643,378	-
Preliminary Expenses	24,844	-
	<u>35,958,186</u>	<u>21,874,974</u>
Operating profit / (loss) before working capital changes	52,573,948	66,786,331
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	8,862,309	(36,893,078)
Trade receivables	4,848,464	(7,375,510)
Short-term loans and advances	8,115,672	(6,795,054)
Long-term loans and advances	(1,242,194)	1,847,946
Other current assets	702,686	73,861
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(30,278,775)	18,476,849
Other current liabilities	(15,286,674)	24,631,219
Short-term provisions	102,660	10,518,603
Long-term provisions	(205,685)	466,930
	<u>(24,381,537)</u>	<u>4,951,766</u>
	<u>28,192,411</u>	<u>71,738,097</u>
Cash generated from operations	28,192,411	71,738,097
Net income tax (paid) / refunds	(9,118,651)	(14,047,118)
Net cash flow from / (used in) operating activities (A)	<u>19,073,760</u>	<u>57,690,979</u>
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(7,486,310)	(36,027,555)
Proceeds from sale of fixed assets	617,740	681,678
Purchase of long-term investments	(9,750,000)	-
- Subsidiaries	-	-
Loans given	(21,061,016)	(1,500,000)
- Subsidiaries	-	-
- Joint ventures	-	-
Interest received	2,021,406	598,043
- Subsidiaries	-	-
- Joint ventures	-	-
- Others	-	-
	<u>(35,658,180)</u>	<u>(36,247,834)</u>
	<u>(35,658,180)</u>	<u>(36,247,834)</u>
Net cash flow from / (used in) investing activities (B)	<u>(35,658,180)</u>	<u>(36,247,834)</u>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	For the year ended 31 Mar, 2012	For the year ended 31 Mar, 2011
	Amount Rs.	Amount Rs.
C. Cash flow from financing activities		
Proceeds from long-term borrowings	30,330,200	23,560,648
Repayment of long-term borrowings	(13,250,693)	(22,345,227)
Net increase / (decrease) in working capital borrowings	37,373,073	(9,653,424)
Proceeds from other short-term borrowings	7,500,000	12,500,000
Repayment of other short-term borrowings	(13,174,140)	(14,043,996)
Finance cost	(22,641,291)	(11,029,172)
Dividends paid	(8,100,000)	(5,400,000)
Tax on dividend	(1,345,310)	(896,875)
	16,691,840	(27,308,046)
Net cash flow from / (used in) financing activities (C)	16,691,840	(27,308,046)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	107,419	(5,864,901)
Cash and cash equivalents at the beginning of the year	30,244,283	11,656,621
Cash and cash equivalents at the end of the year	30,351,702	5,791,720
Cash and cash equivalents at the end of the year Comprises :		
(a) Cash on hand	507,642	321,812
(b) Balances with banks		
(i) In current accounts	1,180,982	1,375,916
(ii) In EEFC accounts	-	-
(ii) In deposit accounts	26,375,786	400,000
(iii) In earmarked accounts (Refer Note (2) below)	2,287,292	3,693,992
	30,351,702	5,791,720

Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India
- These earmarked account balances with banks can be utilized only for the specific identified purposes.
- The previous year's figures have been regrouped/ restated wherever necessary to conform to this year's classification. The previous year's figures pertain to the Holding Company only as this is the first year of Consolidation.

As per our Report of even date

For **AKKAD MEHTA & CO.**

Chartered Accountants

Firm ICAI Registration No. 100259W

SANJAY MEHTA

Partner

Membership No. 16859

Mumbai, 28th May, 2012.

For and on behalf of the Board of Directors

JAYMIN. B. DESAI

Managing Director

M. D. DESAI

C. F. O.

B. M. DESAI

Director

NOTES FORMING PART OF ACCOUNTS

1 Principles of Consolidation

- a) The consolidated financial statements relate to Ecoplast Limited ("the Company") and its subsidiary Synergy Films Private Limited. The consolidated financial statements have been prepared on the following basis as per Accounting Standard AS 21 "Consolidated Financial Statements" :
- The financial statements of the Company and its subsidiary have been combined on a line - by - line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra - group balances and intra - group transactions, if any, resulting in unrealized profits or losses.
 - The consolidated financial statements have been prepared using uniform accounting policies for 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.
 - The excess of cost to the company of its investment over its portion of net worth in the consolidated subsidiary at the date on which investment in such subsidiary is made is recognized in CFS as Goodwill on consolidation and carried forward in the accounts. The said Goodwill is not amortized, however it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for.
 - Minority interest in the net assets of the consolidated subsidiary consists of amount of equity attributable to minority shareholder at the dates on which investments are made by the Company in the subsidiary company and further movement in their share in the Equity, subsequent to the dates of investment.
 - Minority interest share in the Net Profit/ (Loss) for the year of the consolidated subsidiary is identified and adjusted against the profit after tax of the Group. Pre-acquisition share in the Net loss for the year is identified and adjusted as Cost of control against the Profit after Tax of the Group.
- b) The Subsidiary Company in the consolidated financial statement is:

Name of the Company	:	Synergy Films Private Limited
Country of Incorporation	:	India
% Voting power held as at March 31, 2012	:	75

The Synergy Films Private Ltd. became subsidiary of the Company with effect from 25th November, 2011 upon the transfer of controlling interest in the said company and accordingly Consolidated Financial Statements (CFS) are prepared for the year ended 31st March, 2012 only. The figures for previous year in CFS refer to standalone results of the Ecoplast Ltd.

2 Significant Accounting Policies

i) Basis of Accounting

Financial Statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956.

ii) Use of Estimates

The presentation of Financial Statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

iii) Revenue Recognition

- a. Domestic Sales are recognized when goods are dispatched. Sales are accounted net of amount recovered towards Excise duty, Central Sales tax and Value added tax.
 - b. Export Sales are accounted for on the basis of the date of Bill of Lading.
 - c. Sales rejections are accounted on actual receipt of rejected goods/settlement of claims.
 - d. Price differences are accounted on actual settlement with the parties.
-

- e. Insurance and other claims are accounted on cash basis.
- f. Export incentives are accounted on receipt basis.

iv) Fixed Assets & Depreciation

- a. Fixed Assets are stated at cost of acquisition or construction or at revalued amounts wherever such assets have been revalued less accumulated depreciation.
- b. Depreciation on Factory Buildings, Plant and Machinery, Electrical Installations and Equipment (other than Motor Car which depreciated on the basis of balance of useful life) is provided on the Straight Line Method (S.L.M.) at the rates and in the manner prescribed by Schedule XIV to the Companies Act, 1956.
- c. Motor Cars are depreciated at the rate higher than those prescribed in Schedule XIV to the Companies Act, 1956 as in management's judgment, their estimated useful lives are shorter than those prescribed.
- d. Depreciation on exchange fluctuations capitalized to fixed assets is provided over the residual useful life of the fixed assets.
- e. Depreciation on additions / deletions to fixed assets is provided prorata from the date of addition / deletion.

v) Machinery Spares

Machinery spares other than stand-by spares are charged to Profit & Loss Account as and when consumed. Machinery spares in the nature of stand - by equipments/ spares are capitalized and depreciated over the useful life of the principal item.

vi) Foreign Currency Transactions

All transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currency are reported using the closing exchange rate on each balance sheet date unless covered by forward contract. The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/ reported in financial statements are recognized as income/expense in the Profit & Loss Account of the year.

vii) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalized as part of the cost of the assets, up to the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

viii) Research and Development

Revenue expenditure , including overheads on Research & Development, is charged as an expense through the natural heads of account in the year in which incurred. Expenditure which results in the creation of capital assets is capitalized and depreciation is provided on such assets as applicable.

ix) Employee Benefits

Short term employees benefits

All employees benefits payable wholly within 12 months of rendering service are classified as short term employees benefits. Benefits such as salaries, wages and short term compensated absences etc. and the expected cost of bonus/ex-gratia are recognized in the period in which the employee renders the related services.

Defined Contribution Plans

Superannuation :

The Company has Defined Contribution Plan for Post employment benefits in the form of Superannuation Fund for certain class of employees as per the scheme, administered through Life Insurance Corporation (LIC) and Trust which is administered by the Trustees and is charged to revenue every year. Company has no further obligation beyond its contributions.

Employee's Family Pension :

The Company has Defined Contribution Plan for Post-employment benefits in the form of family pension for all eligible employees, which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. Company has no further obligation beyond its monthly contributions.

Provident Fund :

The Company has Defined Contribution Plan for Post-employment benefits in the form of Provident Fund for all eligible employees; which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. Company has no further obligations beyond its monthly contributions.

Defined Benefit Plans**Gratuity :**

The Company has a Defined Benefit Plan for Post-employment benefit in the form of gratuity for all eligible employees which is administered through Life Insurance Corporation (LIC) and a trust which is administered by the trustees. Liability for above defined benefit plan is provided on the basis of actuarial valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

Compensated Absences :

Liability for Compensated Absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The Actuarial valuation method used for measuring the liability is the Projected Unit Credit method. Under this method, the Defined Benefit Obligation is calculated taking into account pattern of availment of leave whilst in service and qualifying salary on the date of availment of leave. In respect of encashment of leave, the Defined Benefit obligation is calculated taking into account all types of the decrement, salary growth, attrition rate and qualifying salary projected up to the assumed date of encashment.

Termination Benefits

Termination benefits are recognized as expense immediately

x) Cenvat Credit

Cenvat credit available on purchase of services / materials / capital goods is accounted by reducing cost of services / materials / capital goods. Cenvat credit availed of is accounted by way of adjustment against Excise duty payable on dispatch of finished goods.

xi) Taxation***Current Tax***

Provision for Income Tax is made on the assessable profits of the Company at the tax rate applicable to the relevant assessment year and in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax Provision

Deferred tax assets & liabilities resulting from timing differences between book profits and tax profits are accounted for under the liability method and measured at substantially enacted rates of tax at the Balance Sheet date to the extent that there is reasonable/ virtual certainty that sufficient future taxable income will be available against which such deferred tax asset/ virtual liability can be realized.

xii) Impairment of Fixed Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

xiii) Provisions/ Contingencies

The Company recognizes a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a

Contingent liability is made when there is a present obligation that may, but probably will not, require a outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets, is made. Contingent Assets are neither recognized nor disclosed, in the financial statements.

xiv) Valuation of Stock

The mode of valuing closing stock is as under:

- Raw-Materials & Packing Materials - at Cost.
- Finished Goods - at lower of Cost or market value.
- Semi-Finished Goods - at lower of Cost or market value.

The cost for the purpose of valuation of Finished and Semi - Finished goods is arrived at on weighted average basis and includes Cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the company.

- Machinery Spares, Ink and Fuel - at cost.
- Scrap - at market value.

xv) Provision for Bad and Doubtful Debts/Advances

Provision is made in the accounts for Bad and Doubtful Debts which, in the opinion of the management, are considered doubtful of recovery.

xvi) Investments

All investments are considered as long term investments and are stated at acquisition cost. A provision is made for diminution other than temporary on an individual basis.

xvii) Earning per share

Basic earning per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

xviii) Lease

For Premises taken on lease, lease rentals payable are charged to revenue

NOTE ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR 31ST MARCH 2012
NOTE NO. 1 : SHARE CAPITAL

Particulars	As at 31 March, 2012	As at 31 March, 2011
Authorised		
10,000,000 Equity Shares of Rs.10 each	100,000,000	100,000,000
Issued, Subscribed and fully paid up		
3,000,000 Equity Shares of Rs.10/- each fully paid-up	30,000,000	30,000,000
Total	<u>30,000,000</u>	<u>30,000,000</u>

- (i) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. There is no change in number of shares outstanding at the beginning and at the end of reporting period. The dividend proposed by the Board of Directors is subject to the approval of shareholders.
- (ii) The Paid-up Capital includes 1,500,000 Equity Shares of Rs.10 each allotted as fully paid up Bonus shares by capitalising Rs.5,000,000 out of General Reserve and Rs.10,000,000 out of Revaluation Reserve prior to it being listed.
- (iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class	Number of shares held	% holding in that class
Equity shares with voting rights				
1. Mrs Amita J.Desai	416,951	13.90	416,951	13.90
2. Mrs Charulata N.Patel	344,607	11.49	344,607	11.49
3. Silvar Stream Propertise Pvt Ltd.	476,827	15.89	-	-
4. Mrs Alka B Desai	-	-	261,900	8.73

NOTE NO. 2 : RESERVES AND SURPLUS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
a) Securities premium account		
As per last Balance Sheet	30,000,000	30,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
b) General reserve		
As per last Balance Sheet	39,281,315	35,781,315
Add: Transferred from surplus in Statement of Profit and Loss Account	1,500,000	3,500,000
	<u>40,781,315</u>	<u>39,281,315</u>
c) Surplus in Statement of Profit and Loss		
As per last Balance Sheet	50,844,607	33,231,615
Add: Profit for the year	15,536,164	30,558,302
	<u>66,380,771</u>	<u>63,789,917</u>
Less:		
Transferred to General reserve	1,500,000	3,500,000
Dividends proposed to be distributed to equity shareholders (Rs.1.20 per share)	3,600,000	8,100,000
Tax on dividend	584,280	1,345,310
	<u>60,696,491</u>	<u>50,844,607</u>
Total	<u>131,477,806</u>	<u>120,125,922</u>

NOTE NO. 3 LONG-TERM BORROWINGS

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
(a) Term loans		
From banks		
Secured	10,653,298	15,592,319
From North Eastern Development Finance Corporation Ltd		
Secured	12,535,000	-
(b) Deposits		
Unsecured - From Public and Shareholders	<u>8,073,000</u>	<u>7,094,000</u>
(c) Other Loans and advances		
Unsecured - For Car under Hire Purchase and Shareholders	<u>514,980</u>	<u>668,110</u>
Unsecured - For Related Parties	<u>6,691,953</u>	<u>-</u>
Total	<u>38,468,231</u>	<u>23,354,429</u>

Particulars

Details of terms of repayment and security provided in respect of the Secured long-term borrowings:

Particulars	As at 31 March, 2012 Secured Amount Rs.	As at 31 March, 2011 Secured Amount Rs.
Term loans from banks:		
Bank Of Baroda Term Loan I	-	1,477,000
Bank Of Baroda Term Loan II	10,115,319	14,115,319
This Term Loan carry interest @ 14.75 % p.a. and to be repaid by 01.09.2015 in 42 monthly installments of Rs.3,33,333 each.		
Bank Of Baroda Term Loan III	537,979	-
This Term Loan carry interest @ 14.75 % p.a. and to be repaid by 01.05.2013 in 14 monthly installments of Rs.2,58,333 each.		
Total - Term loans from banks	<u>10,653,298</u>	<u>15,592,319</u>

The above Loans are Secured by Mortgage of Land & Factory building of the Company at Valsad, Office Building at Andheri (East) Mumbai & hypothecation of Plant and Machineries and Other Movable Fixed Assets of the Company, both present and future and further secured by personal guarantee of Managing Director

Term Loan From North Eastern Development Finance Corporation Ltd 12,535,000 -

This Term Loan carry interest @ 12.75 % p.a. and is to be Second charge on residential property of repaid by 01.11.2015 in 31 monthly installments of Rs.3,95,000/- each and one installment of Rs. 2,90,000/-.

a) Secured by :-

- (i) Equitable Mortgage of Land & Building at Kalaphar industrial area.
- (ii) Hypothecation of Plant & Machineries and other moveable assets.
- (iii) Corporate Guarantee of Ecopalast Ltd for Rs 400 Lacs
- (iv) Liquid security Rs 10 Lacs of NSC(Lien created in favour of NEDFI)
- (v) Personal guarantee of Director and others.
- (vi) Extension of charge on property belonging to Mr. P.K. Chaudhury.

(b) This Term Loan carry interest @ 12.75 % p.a. and is to be Second charge on residential property of repaid by 01.11.2015 in 31 monthly installments of Rs.3,95,000/- each and one installment of Rs. 2,90,000/-.

NOTE NO. 4 DEFERRED TAX LIABILITY (NET)

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Deferred tax (liability) / asset		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	19,810,095	20,990,820
Tax effect of items constituting deferred tax liability	19,810,095	20,990,820
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	794,549	852,915
Provision for doubtful debts / advances	1,019,815	830,284
Tax effect of items constituting deferred tax assets	1,814,364	1,683,199
Net deferred tax (liability) / asset	(17,995,731)	(19,307,622)

Deferred Tax has been provided in accordance with Accounting Standard 22 (AS-22) - Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India.

NOTE NO. 5 LONG-TERM PROVISIONS

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Provision for employee benefits:		
Provision for compensated absences	1,906,990	2,112,675
Total	1,906,990	2,112,675

NOTE NO. 6 SHORT-TERM BORROWINGS

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Loans repayable on demand		
From banks		
Secured	101,452,857	37,540,112
Unsecured	2,180,039	6,356,566
From Others - Unsecured		
Inter Corporate Deposits	8,000,000	4,000,000
Fixed Deposits from Public and Shareholders	4,340,000	2,772,000
Car Finance under H.P. Agreement	153,130	137,769
Total	116,126,026	50,806,447

Details of Security for the secured short-term borrowings:

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Loans repayable on demand		
Bank Of Baroda	79,089,712	37,540,112
(Secured by hypothecation of inventories, book debts of the Company both present & futures and collaterally secured by equitable mortgage of Company's Land and Factory Buildings at Valsad,, Office Building at Andheri (East) Mumbai, hypothecation of Plant and Machineries and guaranteed by Managing Director)		
Canara Bank		
Secured by Pledge of Fixed Deposits	22,363,145	-

NOTE NO. 7 TRADE PAYABLES

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Trade payables:		
Micro, Small and Medium Enterprises	225,057	7,378
Others	41,141,394	65,798,608
Total	41,366,451	65,805,986

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 :

Amount due to Micro, Small and Medium Enterprises as on 31st March, 2012 are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows :

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Principal Amount due and remaining unpaid	225,057	-
Interest due on above and the unpaid interest	5,225	-
Interest paid during the year	7,378	-
Payment made beyond the appointed day during the year	241,673	-
Interest due and payable for the period of delay	1,339	-
Interest accrued and remaining unpaid	6,564	360
Amount of further interest remaining due and payable in succeeding years	-	7,018

This information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTE NO. 8 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
(a) Current maturities of long-term Secured Debts (Refer Note No.3)	12,340,181	9,363,996
(b) Interest accrued and due on Fixed Deposits	735,679	581,671
(c) Unpaid dividends*	782,447	725,060
(d) Unpaid matured deposits and interest accrued thereon	498,186	493,552
(e) Other payables		
Statutory dues payable	3,411,828	1,621,813
Advances from customers	1,766,685	19,427,213
Others -Net Salaries & Wages Payable	648,388	602,328
Creditors for Capital Goods	930,765	-
Total	21,114,159	32,815,632

* These figures do not include any amounts due and outstanding, to be credited to Investor Education and Protection Fund.

NOTE NO. 9 SHORT-TERM PROVISIONS

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Provision for employee benefits:		
Provision for bonus	634,409	618,494
Provision for compensated absences	395,138	-
Provision for gratuity	146,406	454,799
	<u>1,175,953</u>	<u>1,073,293</u>
Other Provision		
Provision for proposed equity dividend	3,600,000	8,100,000
Provision for tax on proposed dividends	584,280	1,345,310
	<u>4,184,280</u>	<u>9,445,310</u>
Total	<u>5,360,233</u>	<u>10,518,603</u>

NOTE NO. 10 : FIXED ASSETS

Tangible assets	GROSS BLOCK			Accumulated depreciation and impairment			NET BLOCK	
	Balance as at 1.4.2011	Additions as at 31.3.2012	Disposals as at 31.3.2012	Balance as at 1.4.2011	Depreciation Eliminated for the year	As at 31.3.2012	Balance As on 31.3.2012	Balance As on 31.3.2011
Own Assets								
(a) Land - Freehold	5,096,185	-	-	-	-	-	5,096,185	5,096,185
(b) Buildings *	53,088,265	-	-	13,397,403	1,671,540	15,068,943	38,019,323	29,916,630
(c) Plant and Equipment	217,594,082	1,329,784	805,140	110,381,199	10,541,346	456,684	97,652,866	89,549,320
(d) Furniture and Fixtures	3,714,777	44,963	-	2,779,226	224,516	-	755,997	860,965
(e) Vehicles **	6,451,612	45,425	-	3,461,505	841,929	4,303,434	2,193,603	2,602,492
(f) Office equipment	6,250,187	6,066,138	-	4,959,052	1,704,015	6,663,067	5,653,258	1,230,879
Gross Total ***	292,195,107	7,486,310	805,140	134,978,384	14,983,346	456,684	149,371,232	129,256,471
Previous year	225,273,018	36,027,555	1,390,604	119,912,274	11,456,150	714,926	129,256,469	105,360,743

* Buildings include Rs. 250 being cost of 5 shares of Rs. 50 each in Riddhi Premises Co-operative Housing Society Ltd.

** Includes Rs. 11,53,968/- purchased on Hire-Purchase basis.

*** Gross Block includes Rs. 2,446,449/- on revaluation of Fixed Assets as on 31st March, 1994 excluding Vehicles, Furniture & Fixtures and Office Equipments.

NOTE NO. 11 NON-CURRENT INVESTMENTS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
<u>Investments</u>		
Investment in Equity Shares of a Joint Venure Company		
(Previous year Unquoted 299340 Equity Shares of Rs. 10 each fully paid up in Synergy Films Pvt Ltd.	-	3,575,000
Total	<u>-</u>	<u>3,575,000</u>

Note :

Synergy Film Pvt Ltd has become a subsidiary company with effect from 25th November 2011 upon the acquisition of 596680 Equity shares of Rs.10 each at an aggregate cost of Rs.97.50 Lacs.

NOTE NO. 12 LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
(a) Security deposits		
Unsecured considered good	2,576,748	1,762,798
(b) Loans and advances to related parties		
Unsecured considered good		
Loan and Interest due their on from a Joint Venture Company (Refer Note 33)	-	1,500,000
(c) Loans and advances to employees		
	339,337	293,323
(d) Advance income tax net of provisions		
	1,685,147	600,135
(e) Balances with government authorities		
CST & VAT receivable on Assessment	184,057	107,569
(f) Capital Advances		
	36,283	-
Total	<u>4,821,572</u>	<u>4,263,825</u>

NOTE NO. 13 INVENTORIES *

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
(a) Raw materials at Cost	42,575,410	50,549,400
(b) Imported Raw-Materials in-transit at Cost	7,885,968	631,104
(c) Work-in-progress at Lower of Cost or Market Value	9,311,963	15,233,007
(d) Finished goods at Lower of Cost or Market Value	12,438,068	7,792,659
(e) Export of Finished Goods in-transit at Lower of Cost or Market Value	1,885,700	5,716,599
(f) Stores and spares - at Cost	2,772,374	2,600,934
(g) Others - Scrap at Realiseable Value	208,956	-
Total	<u>77,078,439</u>	<u>82,523,703</u>

* As per Inventories taken, valued and certified by Managing Director.

NOTE NO. 14 TRADE RECEIVABLES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	3,450,124	2,693,215
Doubtful	<u>3,142,727</u>	<u>2,499,349</u>
	6,592,851	5,192,564
Less: Provision for doubtful trade receivables	<u>3,142,727</u>	<u>2,499,349</u>
	3,450,124	2,693,215
Other Trade receivables		
Unsecured, considered good	107,634,040	109,516,915
Total	<u>111,084,164</u>	<u>112,210,130</u>

NOTE NO. 15 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
(a) Cash on hand	507,642	321,812
(b) Balances with banks		
In current accounts	1,180,982	1,375,916
In Fixed deposit accounts Under Rule 10 of the Co.'s (Acceptance of Deposits) Rules, 1975	420,000	400,000
Unpaid dividend accounts	607,325	727,320
In Fixed Deposit Accounts, held as margin money against Letter of Credit	1,679,967	2,966,672
In Fixed Deposit Account held as Security against Borrowings	25,955,786	-
Total	<u>30,351,702</u>	<u>5,791,721</u>

NOTE NO. 16 SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
(a) Prepaid expenses	1,415,478	1,469,604
(b) Balances with Government Authorities		
Central Excise / Service Tax Vat Authorities	5,516,850	8,715,704
Income Tax Due	351,189	-
(c) Advance to Trade Payables	1,437,049	5,959,862
(d) Loans and Advances to employees	919,660	347,997
(e) Amount due from a Joint Venture Company	-	686,045
Total	<u>9,640,225</u>	<u>17,179,212</u>

NOTE NO. 17 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Interest accrued on Fixed Deposits with Bank of Baroda	47,453	47,253
Total	<u>47,453</u>	<u>47,253</u>

NOTE NO. 18 REVENUE FROM OPERATIONS

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Sale of products	661,739,763	710,008,838
Processing Charges	2,612,663	3,208,364
Other operating revenues	400,465	774,963
	<u>664,752,891</u>	<u>713,992,165</u>
Less:		
Excise duty	59,175,586	53,377,557
Total	<u>605,577,305</u>	<u>660,614,608</u>

NOTE NO. 19 OTHER INCOME

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Interest income	2,021,406	598,043
Other non-operating income	901,264	979,989
Total	<u>2,922,670</u>	<u>1,578,032</u>

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Interest income comprises:		
Interest from banks on: Fixed Deposits	1,960,617	232,234
Interest on loans to a Joint Venture Company	-	31,835
Interest on income tax refund	41,443	317,679
Interest on Employees Loan	19,346	16,295
Total - Interest income	<u>2,021,406</u>	<u>598,043</u>

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Other non-operating income comprises:		
Profit on sale of fixed assets	269,284	6,000
Liabilities / provisions no longer required written back	43,982	6,305
Miscellaneous income	587,998	967,684
Total - Other non-operating income	<u>901,264</u>	<u>979,989</u>

NOTE NO. 20 COST OF MATERIALS CONSUMED

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Opening stock	53,506,567	30,842,660
Add: Purchases	421,218,209	512,617,479
	<u>474,724,776</u>	<u>543,460,139</u>
Less: Closing stock	43,067,408	50,549,400
Cost of material consumed	<u>431,657,368</u>	<u>492,910,739</u>
Material consumed comprises:		
Poly Granuals	405,524,595	472,464,373
Other items	26,132,773	20,446,366
Total	<u>431,657,368</u>	<u>492,910,739</u>

NOTE NO. 21 Changes in inventories of finished goods, work-in-progress

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Inventories at the end of the year:		
Finished goods	12,814,204	12,710,899
Work-in-progress	<u>9,311,963</u>	<u>15,233,007</u>
	<u>22,126,167</u>	<u>27,943,906</u>
Inventories at the beginning of the year:		
Finished goods	12,710,899	7,497,960
Work-in-progress	<u>15,692,885</u>	<u>4,029,277</u>
	<u>28,403,784</u>	<u>11,527,237</u>
Add/(Less):- Variation in excise duty on opening And closing stock of finished goods	711,205	15,161
Net (increase) / decrease	<u>(5,566,412)</u>	<u>16,431,830</u>

NOTE NO. 22 EMPLOYEE BENEFITS EXPENSE

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
(a) Salaries, wages, bonus and other allowances	28,713,927	26,250,542
(b) Contributions to Provident and other funds	3,219,260	4,858,501
(c) Staff welfare expenses	<u>921,157</u>	<u>748,204</u>
Total	<u>32,854,344</u>	<u>31,857,247</u>

NOTE NO. 23 FINANCE COSTS

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
(a) Interest expense on:		
(i) Borrowings*	22,104,768	10,260,872
(b) Other borrowing costs	<u>626,522</u>	<u>768,300</u>
Total	<u>22,641,291</u>	<u>11,029,172</u>

NOTE NO. 24 OTHER EXPENSES

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Consumption of Stores and Spare parts	2,946,997	3,267,485
Consumption of Packing Materials	11,541,059	13,861,874
Consumption of Ink & Printing Cylinders	1,049,082	647,377
Power and fuel	29,606,533	30,263,194
Repairs and Maintenance - Buildings	311,409	529,378
Repairs and Maintenance - Machinery	4,765,922	3,851,831
Repairs and Maintenance - Others	436,499	396,221
Insurance	1,090,381	961,443
Rates and taxes	309,877	133,149
Communication	909,020	801,553
Travelling and Conveyance	4,374,965	4,134,159
Printing and Stationery	789,322	790,309
Freight and forwarding	9,533,616	16,067,840
Sales Commission	144,996	29,690
Sales discount	64,833	206,942
Business promotion	99,475	108,747
Donations and contributions	2,001	51,250
Motor Car Expenses	692,128	563,837
Security Charges	784,491	700,065
Royalty Paid	2,923,464	3,031,345
Directors Sitting Fees	870,000	175,000
Commission to Non-Executive Directors	279,573	400,000
Legal and Professional	2,390,718	1,250,330
Payments to Auditors	476,500	407,500
Bad trade receivables Written off	-	285,000
Net loss on foreign currency transactions and translation (other than considered as finance cost)	3,384,782	(681,330)
Provision for doubtful trade receivables	643,378	-
Other Miscellaneous Expenses	3,735,588	4,225,615
Total	84,156,609	86,459,805

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Payments to the auditors comprises		
Audit Fees	235,000	220,000
Taxation Matters	40,000	40,000
Company Law Matters	40,000	40,000
Tax Audit Fees	30,000	30,000
Certification and Other Services	131,500	77,500
Total	476,500	407,500

NOTE NO. 25 Value of imports on CIF Basis

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Raw Materials	187,435,838	227,768,146
Components and Spare Parts	1,327,790	537,163
Capital Goods	4,580,605	-

NOTE NO. 26 EXPENDITURE IN FOREIGN CURRENCY

Travelling Expenses	407,403	774,128
Interest on Letter of Credit	377,924	-

NOTE NO. 27 VALUE OF STORES AND SPARES CONSUMED

Imported		
Value	957,094	1,010,000
Percentage	32	31
Indigenous		
Value	1,989,903	2,257,485
Percentage	68	69
	<u>2,946,997</u>	<u>3,267,485</u>
	<u>100</u>	<u>100</u>

NOTE NO. 28 EARNINGS IN FOREIGN EXCHANGE

Export of Goods calculated on FOB basis	<u>79,652,374</u>	<u>143,056,277</u>
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NOTE NO. 29 DISCLOSURES UNDER ACCOUNTING STANDARD AS15
Particulars
Employee benefit plans
Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 15,04,946 (Year ended 31 March, 2011 Rs. 12,43,262) for Provident Fund contributions and Rs. 9,92,205 (Year ended 31 March, 2011 Rs. 8,87,328) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	As at 31 March, 2012 Amount Rs. Gratuity	As at 31 March, 2011 Amount Rs. Gratuity
Components of employer expense		
Current service cost	430,477	307,048
Interest cost	525,400	263,911
Expected return on plan assets	(473,095)	(433,039)
Past service cost		
Actuarial losses/(gains)	<u>89,979</u>	<u>1,779,120</u>
Total expense recognised in the Statement of Profit and Loss	<u>572,761</u>	<u>2,668,859</u>
Actual contribution and benefit payments for year		
Actual benefit payments	319,696	-
Actual contributions	<u>881,154</u>	<u>-</u>
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	7,174,358	5,913,688
Fair value of plan assets	7,027,952	(6,368,487)
Funded status [Surplus / (Deficit)]	<u>(146,406)</u>	<u>(454,799)</u>
Net asset / (liability) recognised in the Balance Sheet	<u>(146,406)</u>	<u>(454,799)</u>
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	6,368,487	3,198,927
Current service cost	430,477	307,048
Interest cost	525,400	263,911
Actuarial (gains) / losses	169,690	1,846,782
Past service cost	-	751,819
Benefits paid	<u>319,696</u>	<u>-</u>
Present value of DBO at the end of the year	<u>7,174,358</u>	<u>6,368,487</u>
Change in fair value of assets during the year		
Plan assets at beginning of the year		
Acquisition adjustment	5,913,688	5,412,983
Expected return on plan assets	473,095	433,039
Actual company contributions	881,154	4
Actuarial gain / (loss)	79,711	67,662
Benefits paid	<u>319,696</u>	<u>-</u>
Plan assets at the end of the year	<u>7,027,952</u>	<u>5,913,688</u>
Actual return on plan assets	552,806	500,701
Composition of the plan assets is as follows:		
Insurer Managed Funds	<u>7,027,952</u>	<u>5,913,688</u>

Particulars	As at 31 March, 2012 Amount Rs. Gratuity	As at 31 March, 2011 Amount Rs. Gratuity
Actuarial assumptions		
Discount rate	8.50%	8.25%
Expected return on plan assets	8.60%	8.00%
Salary escalation	8.00%	8.00%
Attrition	2.00%	2.00%
Medical cost inflation		
Mortality tables	LIC 1994-96 (Ultimate)	LIC 1994-96 (Ultimate)

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Experience adjustments

	31-03-2012	31-03-2011	31-03-2010	31-03-2009	31-03-2008
Gratuity					
Present value of DBO	7,174,358	6,368,487	3,199,000	2,742,000	2,591,000
Fair value of plan assets	7,027,952	5,913,688	5,413,000	4,990,000	4,914,000
Funded status [Surplus/(Deficit)]	146,406	454,799	(2,214,000)	(2,248,000)	(2,323,000)
Experience gain / (loss) adjustments on plan liabilities	169,690	1,846,782	(30,000)	66,000	164,000
Experience gain / (loss) adjustments on plan assets	79,711	67,662	64,000	62,000	16,000
	For the year ended 31 March, 2012	For the year ended 31 March, 2011	For the year ended 31 March, 2010	For the year ended 31 March, 2009	For the year ended 31 March, 2008

Actuarial assumptions for long-term compensated absences

Discount rate	8.50%	8.25%	8.25%	8.00%	8.00%
Expected return on plan assets	8.60%	8.00%	8.00%	8.00%	8.00%
Salary escalation	8.00%	8.00%	5.00%	5.00%	5.00%
Attrition	2.00%	2.00%	2.00%	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

NOTE NO. 30 DISCLOSURES UNDER ACCOUNTING STANDARD AS 16

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Details of borrowing costs capitalised		
Borrowing costs capitalised during the year	79,238	298,626
- as fixed assets		

NOTE NO. 31 DISCLOSURES UNDER ACCOUNTING STANDARD AS 17

Segment Reporting :

The Company's sole business segment is Plastic Films and all activities are incidental to this sole business segment. Given this fact and that the Company services its domestic and export markets from India only, the financial statements reflect the information required by AS - 17 for the sole business segment of Plastic Films. The whole of the business assets are situated in India.

NOTE NO. 32 DISCLOSURES UNDER ACCOUNTING STANDARD AS 18

Particulars	
Related party transactions	
Details of related parties:	
Description of relationship	Names of related
Subsidiaries . Interest in Joint Venture	-
Key Management Personnel (KMP)	Mr.J.B.Desai Mr. Prasnta Choudhury Mr. Susanta Choudhury
Relatives of KMP	-
Company in which KMP / Relatives of KMP can exercise significant influence	Propack Industries (Prop.Kunal Plastics Pvt.Ltd.) P, K. Choudhary & Sons Pvt. Ltd.

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012 :

	Subsidiaries	KMP	Relatives	Entities	Total Amount
	interest in		KMP	in which	Rs.
	Joint Venture			KMP/relatives	
				have	
				significant	
				influence	
(i) Purchase of goods				3,606,412	3,606,412
(ii) Sale of goods				3,695,812	3,695,812
(iii) Other Income-Intrest Received	-				-
(iv) Rendering of services				1,629,197	1,629,197
(v) Receiving of services		2,383,996		402,800	2,786,796
Finance (including loans and equity contributions in cash or in kind)					
Guarantees and collaterals	-				-
Balances outstanding at the end of the year					
Trade receivables	-				-
Loans and advances	-				-
Inter Corporate Deposit					

Note: Figures in bracket relates to the previous year

NOTE NO. 33 DISCLOSURES UNDER ACCOUNTING STANDARD AS 20

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Earnings per share		
Basic and Diluted		
Net profit for the year	<u>15,536,164</u>	<u>30,558,302</u>
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	<u>15,536,164</u>	<u>30,558,302</u>
Weighted average number of equity shares	3,000,000	3,000,000
Par value per share	10.00	10.00
Earnings per share - Basic and Diluted	5.18	10.19

NOTE NO. 34 IMPAIRMENT OF ASSETS - AS 28

As at March 31, 2012, the Company has reviewed the future earnings of all its cash generating assets in accordance with the Accounting Standard 28 "Impairment of Assets". As the carrying amount of assets does not exceed the future recoverable amount, consequently, no adjustment to carrying amount of assets is considered necessary by the management.

	31.3.2012	31.3.2011
	Rs.	Rs.
NOTE NO. 35 CONTINGENT LIABILITIES		
a) On account of capital commitments (net of advances)	-	5,594,500
b) Customs duty on raw materials imported under advance licensing, against which export obligation is to be fulfilled	2,000,164	904,978
c) The Company has given irrevocable and unconditional Corporate Guarantee to North Eastern Development Finance Corporation Ltd. (NEDFC), Assam on behalf of Synergy Films Pvt. Ltd., a Subsidiary company in which the company is holding 75 % of the equity shares as a collateral security for Term Loan availed by subsidiary company.	40,000,000	40,000,000
d) In respect of claims against the Company not acknowledged as debts(Net)	224,273	224,273

NOTE NO. 36 DISCLOSURE OF DERIVATIVES

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at 31st March, 2012 are as follows :

Particulars	31-03-2012		31-03-2011	
	Amount in Foreign Currency (In '000)	Amount in INR (In '000)	Amount in Foreign Currency (In '000)	Amount in INR (In '000)
Assets	USD 70.11	3,571.41	USD 234.72	10,575.55
Liabilities	USD 340.27	17,496.43	USD 760.32	34,200.04

NOTE NO. 37

The Company has imported Plant and Machineries for production of new Speciality Film under Export Promotion Capital Goods Scheme (EPCG) without payment of Custom Duty. In the event of non-fulfilment of export obligations as specified, Company may be held liable to pay custom duty of Rs.33.45 lacs (Previous year Rs.33.45 lacs) in terms of the said Scheme. As on 31st March 2012 Company is not in any default under the Scheme.

NOTE NO. 38

The Company prior to it being listed had issued Bonus shares on 29th June, 1994 for Rs. 10 Million (10,00,000 equity shares of Rs. 10/- each) by capitalising part of its revaluation reserve. Accordingly, the paid up equity share capital of the company stands increased by Rs. 10 Million and the revaluation reserve stands reduced by that amount. The issue of bonus shares as aforesaid is contrary to the circular issued by the Department of Company Affairs issued in September, 1994 and the recommendations of the Institute of Chartered Accountants of India issued in November, 1994. However, the Hon'ble Supreme Court in the recent decision in the case of Bhagwati Developers Vs Peerless General Finance & Investment Co. & others (2005) Comp LJ 377 (SC) has held that there is no specific bar under the Companies Act for issue of Bonus Shares out of Revaluation Reserve and that the Department's Communique was advisory in nature, without any mandatory effect. The Management is therefore of the opinion that both according to the accounting principles and provisions of Company Law, the Company was justified in capitalizing its Revaluation Reserve.

NOTE NO. 39

The financial statements for the year ended 31st March, 2012 had been prepared as per the then applicable, pre- revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification and previous Year's figure represent only the Holding Company's figures as this is the first year of Consolidation.

As per our Report of even date.

For **AKKAD MEHTA & CO.**

Chartered Accountants

Firm ICAI Registration No. 100259W

For and on behalf of the Board of Directors

JAYMIN B. DESAI

Managing Director

B. M. DESAI

Director

SANJAY MEHTA

Partner

Membership No. 16859

M. D. DESAI

C. F. O.

Mumbai, 28th May, 2012.

FINANCIAL INFORMATION OF SUBSIDIARY COMPANY

1) Name of Subsidiary Company	:	Synergy Films Private Limited
2) Reporting Currency	:	INR
3) Capital	:	Rs. 11,953,600
4) Reserves	:	Rs. (22,450,213)
5) Total Assets	:	Rs. 64,240,389
6) Total Liabilities	:	Rs. 74,737,002
7) Investments	:	Rs. -
8) Turnover / Total Income	:	Rs. 10,297,255
9) Profit Before Tax	:	Rs. (9,127,935)
10) Provision for Taxation	:	Rs. -
11) Profit After Tax	:	Rs. (9,127,935)
12) Proposed Dividend	:	Rs. -
13) Country	:	INDIA

As per our Report of even date.

For **AKKAD MEHTA & CO.**

Chartered Accountants

Firm ICAI Registration No. 100259W

For and on behalf of the Board of Directors

JAYMIN B. DESAI

Managing Director

B. M. DESAI

Director

SANJAY MEHTA

Partner

Membership No. 16859

M. D. DESAI

C. F. O.

Mumbai, 28th May, 2012.

Ecoplast Limited

Regd. Office : National Highway No. 8, Water Works Cross Road, Abrama - Valsad, 396 001.

Attendance Slip

I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company at The Club, Resort, At P.O. Vashier, Valsad, 396 001 on Saturday the 22nd day of September, 2012 at 11.30 A.M.

SIGNATURE OF THE ATTENDING MEMBER / PROXY

- NOTES:
1. Shareholder / Proxyholder wishing to attend the meeting must bring the Attendance Slip to the Meeting and hand it over at the entrance duly signed.
 2. Shareholder / Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

Ecoplast Limited

Regd. Office : National Highway No. 8, Water Works Cross Road, Abrama - Valsad, 396 001

Proxy

I/We.....
of..... in the district of being
a Member/Members of the above named Company, hereby appoint
.....Ofin the district of,or failing him
..... of in the district of
..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the
Thirtieth Annual General Meeting of the Company, to be held on Saturday, the 22nd day of September 2012 and at any
adjournment thereof.

Signed this day of 2012.

Signature _____

Affix
1 Rupee
Revenue
Stamp

Reference Folio _____

No. of Shares _____

This form is to be used _____ * in favour of _____ the resolution. Unless otherwise instructed, the
Proxy will act as he thinks fit. * against _____

* Strike out whichever is not desired

NOTE : The Proxy must be returned so as to reach the Registered Office of the Company, at National Highway No. 8, Water Works Cross Road, Abrama - Valsad 396 001, not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.