



Ecoplast Ltd.

Thirty First Annual Report 2012-2013

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 2. Vatika, 14 Baptista Road. Opp. Ishwarlal Park, Vile Parle (W), Mumbai – 400 056.
Share Registrars & Managers to the Fixed Deposit Scheme	TSR DARASHAW PRIVATE 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 THIRTY FIRST Annual General Meeting of the Company will be held at the The Club Resort, At & P.O.Vashier, Valsad - 396 001 at 11.30 a.m. on Saturday, 14th September, 2013 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 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, 2013.
3. To appoint a Director in place of Mr. P. P. Kharas, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Bankim B. Desai, who retires by rotation and, being eligible, offers himself for reappointment.
5. To reappoint 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 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

For and on behalf of the Board of Directors

J.B.Desai
Managing Director

Mumbai, 1st August, 2013

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, 14th September, 2013 to Saturday, 21st 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 Pvt. 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/unclaimed 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 seek early settlement of claim for payment of unpaid dividend from the company. 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.

For and on behalf of the Board of Directors

J.B.Desai
Managing Director

Mumbai, 1st August, 2013

FINANCIAL HIGHLIGHTS

(Rs.'000)

		31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
OPERATION						
Sales (Net)	758,358	597,170	660,615	484,717	318,030	
Other Income	6,134	1,743	1,578	1,339	1,759	
Operating Profit [Before Depreciation]	42,409	39,304	56,368	33,627	8,699	
Profit before Tax	28,111	25,744	44,911	22,698	(2,246)	
Profit after Tax (including prior period items)	19,298	17,937	30,558	13,066	(287)	
Dividend and Corporate Tax thereon	4,184	4,184	9,445	6,297	0	
Retained Earnings	15,114	13,753	21,113	6,769	(287)	
Earnings per Share (Rs.) [On Face Value of Rs.10/-]	6.43	5.98	10.19	4.36	(0.10)	
ASSETS						
Gross Block	280,287	265,764	259,910	225,273	224,944	
Net Block	122,050	122,007	129,256	105,361	117,258	
Net Current Assets	59,301	41,304	57,805	113,783	57,487	
Non Current Investments	6,129	13,325	3,575	-	-	
Long Term Loans & Advances	31,801	26,532	4,264	-	-	
Total Assets	219,281	203,169	194,900	286,175	210,920	
NET WORTH						
Equity Capital	30,000	30,000	30,000	30,000	30,000	
Reserves and Surplus	148,993	133,879	120,126	99,013	92,244	
Net Worth	178,993	163,879	150,126	129,013	122,244	
Book value per share (Rs.) [On Face Value of Rs.10/-]	59.66	54.63	50.04	43.00	40.75	
BORROWINGS						
Long Term	22,963	19,241	23,354	12,205	17,689	
Short Term	88,424	93,763	50,806	62,499	19,345	
	111,387	113,004	74,160	74,704	37,033	
RATIOS						
Profit before Tax to Sales and other Income	%	3.68	4.30	6.78	4.67	(0.70)
Profit before Tax to Net Worth	%	15.71	15.71	29.92	17.59	(1.84)
Dividend to Equity Capital	%	12	12	27	18	-
Dividend to Net Worth [Yield]	%	2	3	6	5	-
Return on Capital Employed	%	26	25	34	13	5
Dividend Cover	Times	4.61	4.29	3.24	2.08	-
Current Ratio	Ratio	1.30:1	1.27:1	1.36:1	1.45:1	1.67:1
Long Term Debt : Equity	Ratio	0.13:1	0.12:1	0.16:1	0.17:1	0.21:1

DIRECTORS' REPORT

To

The Members,

The Directors are pleased to present their Thirty First Annual Report and Audited Accounts for the year ended 31st March 2013.

1. FINANCIAL RESULTS

	Rs.'000	
	<u>31.03.2013</u>	<u>31.03.2012</u>
Net Sales	758,358	597,170
Other Income	6,134	1,640
Sales and Other Income	764,492	598,810
Operating Profit (before Depreciation Exceptional items and tax)	49,605	39,304
Less: Depreciation	14,298	13,560
Less : Exceptional items	7,196	-
Profit before Tax	28,111	25,744
Less: Provision for Tax		
Current Tax	12,530	8,940
Deferred Tax Credit	(3,711)	(1,312)
Profit after Tax	19,292	18,116
Short Provision of Tax for Prior Years	6	(179)
Net Profit after Prior period items	19,298	17,937
Add : Balance Brought Forward	63,098	50,845
Profit available for Appropriation	82,396	68,782
APPROPRIATION :		
Transfer to General Reserve	2,500	1,500
Dividend on Equity Shares	3,600	3,600
Corporate Dividend Tax	584	584
Balance Carried Forward	75,712	63,098
	82,396	68,782

2. OPERATIONS

Financial Year 2012-13 proved to be a challenging year amidst economic uncertainties and disturbances. The Global economy during the year improved slowly, but was short of expectations. Deceleration in Industrial output weakened economic growth significantly. Despite these constraints and challenging environment, the company performed reasonably well during the year.

During the year under review traditional business of lamination film has grown steadily. There is a significant growth in films for other applications in export market. Volatility in input cost and inflationary trend in commodity market had adversely affected profit margins.

During the year under review, net sales increased by 26.99% to Rs.7584 lacs, from Rs.5972 lacs in the previous year. Operating profit before depreciation and exceptional items increased by 26.20% to Rs. 496 lacs from Rs. 393 lacs in previous year. During the year company has provided Rs. 71.96 lacs as diminution in value of investment in subsidiary company. The resulting net profit after tax (with prior period adjustments), increased by 7.82% to Rs. 193 lacs from Rs. 179 lacs in previous year.

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

3. DIVIDEND

The Board of Directors recommend a dividend of Rs. 1.20 per equity share (12%) for the year 2012-13. (Previous year – 12 %) for approval at the Annual General Meeting. The dividend if approved, will result in a cash outflow of Rs. 41.84 lacs including dividend distributing tax which would remain same as Rs. 41.84 lacs in previous year.

4. TRANSFER TO RESERVES

The Company proposes to transfer Rs. 25.00 lacs to the General Reserve out of the amount available for appropriation and an amount of Rs. 126.14 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. 57,15,000/- 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 19 deposits amounting to Rs. 4,97,000/- which have matured but have not been claimed. Of these, Two Deposits, amounting to Rs. 50,000/- 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. PROSPECTS FOR THE CURRENT YEAR:

The company continues its efforts to increase its presence in industrial application, pharmaceutical packaging and highly specialised laminate applications.

The traditional business of multilayer film for production of laminates for consumer packaging has become competitive. However the volume generated in this application will help to improve plant productivity.

The company expects a marginal growth in volumes. However the profitability will be augmented by focusing efforts on promoting films for industrial and specialised laminate application.

Volatility in foreign exchange and uncertainty in oil prices will have its impact on raw material prices and its availability.

7. SUBSIDIARY COMPANY.

Your Company acquired on 12/06/2013 further 2,99,340 Equity Shares in Synergy Films Private Limited, its subsidiary company and consequently the said Company has become a 100% 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 2012-13" 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 and the same will also be kept open for inspection by any member at the Registered Office of the Company and of the Subsidiary.

8. 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 2013 is given in the Annexure to this Report.

9. 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.

10. DIRECTORS

Mr. P. P. Kharas and Mr. Bankim B. Desai, Directors of the Company, liable to retire by rotation, retire at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

11. 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.

12. 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, 2013 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.

13. AUDITORS

M/s. Akkad Mehta and Co., Chartered Accountants, Auditors of the Company will retire at the 31st 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.

14. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Reconciliation of share capital 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.

15. COMPLIANCE CERTIFICATE

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

16. COST AUDITORS

The Company has appointed Y. R. Doshi and Associates, Cost Accountants, Mumbai for conducting Cost Audit for the financial year 2013-14, subject to approval of Central Government.

17. ACKNOWLEDGMENT

The Directors wish to convey their appreciation to Customers, Suppliers, Bankers, other Shareholders 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, 1st August, 2013

ANNEXURE TO THE DIRECTORS' REPORT 2012 - 13

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 :-

- 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)
	31.03.13	31.03.12
a) Capital Expenditure	-	-
b) Recurring Expenditure	688 .00	959.00
c) Total Expenditure	688 .00	959.00
d) Total R & D Expenditure as a percentage of total turnover.	0.09	0.16

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:	114,742
b) Foreign Exchange Outgo : (Raw material, Spares & Others)	305,659

For and on behalf of the Board of Directors

P. P. Kharas
Chairman

Mumbai, 1st August, 2013

COMPLIANCE CERTIFICATE

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

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, 2013**. 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 23.04.2012, 28.05.2012, 11.08.2012, 22.09.2012, 06.11.2012, 11.02.2013 and on 23.03.2013 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 15.09.2012 to 22.09.2012 (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, 2012 was held on 22.09.2012 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 22.09.2012 in a separate Bank Account on 24.09.2012 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 on 29.10.2012.
(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 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 re-appointment of the Managing Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The company has obtained necessary approval from the Central Government for re-appointment of Managing Director for a period of 3 years and payment of remuneration to him.
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, 2013 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: 28.05.2013

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 2013

Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on March 31, 2013:

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. 3475/- credited to IEPF on 24.04.2012	27.04.2012	-	-
2.	Form 1INV	205C	Interest accrued on matured deposit amounting to Rs. 260/- credited to IEPF on 05.06.2012	18.06.2012	Yes	N.A
3.	Form 23C	209(1)(d)	Appointment of Y. R. Doshi & Associates as Cost Auditors of the Company	20.06.2012	Yes	N.A
4.	Form 62	Rule 10 of the Companies (Acceptance of Deposits) Rules, 1975	Return of Deposits as on 31 st March, 2012	21.06.2012	Yes	N.A.
5.	Form 1INV	205C	Interest accrued on matured deposit amounting to Rs. 1,109/- credited to IEPF on 25.06.2012	10.07.2012	-	-
6.	Form 1INV	205C	Interest accrued on matured deposit amounting to Rs. 246/- credited to IEPF on 17.07.2012	25.07.2012	Yes	N.A
7.	Form 1INV	205C	Interest accrued on matured deposit amounting to Rs. 963/- credited to IEPF on 11.08.2012	11.09.2012	Yes	N.A
8.	Form 66 Compliance Certificate for the financial year 2011-2012	383A	Financial Year 2011-2012	26.09.2012	Yes	N.A
9.	Form 62	Rule 4A of the Companies Acceptance of Deposit Rules & Sec 58A	Statement in lieu of Advertisement	26.09.2012	Yes	N.A.
10.	Form 23	192	Board Resolution for re-appointment of Mr. Jaymin Desai as Managing Director of the Company and Agreement with Managing Director w.e.f 11.08.2012	26.09.2012	No	Yes

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
11.	Form 23	192	Special Resolution for re-appointment of Mr. Jaymin Desai as Managing Director, Ordinary Resolution for increasing the borrowing limits u/s 293(1)(d) and Ordinary Resolution for granting authority to create charge u/s 293(1)(a) passed on 22.09.2012	27.09.2012	Yes	N.A
12.	Form 32	303	Change in Designation of Mr Jaymin Desai as Managing Director w.e.f 01.10.2012.	05.10.2012	Yes	N.A
13.	Form 20B alongwith Annual Return made as on 22.09.2012	159	Annual General Meeting held on 22.09.2012	19.10.2012	Yes	N.A.
14.	Form 5-INV	205C	Statement of unclaimed and unpaid amounts as on the AGM held on 05.08.2011	31.10.2012	-	-
15.	Form 1INV	205C	Unpaid dividend amounting to Rs.96210/- declared on 02.09.2005 credited to IEPF on 27.10.2012	05.11.2012	Yes	N.A
16.	Form 1INV	205C	Interest accrued on matured deposit amounting to Rs. 2263 credited to IEPF on 01.11.2012	05.11.2012	Yes	N.A
17.	Form 5-INV	205C	Statement of unclaimed and unpaid amounts as on the AGM held on 22.09.2012	26.11.2012	-	-
18.	Form 25C	269	Return of re-appointment of Mr. Jaymin Desai as Managing Director of the Company w.e.f 01.10.2012	26.11.2012	Yes	N.A
19.	Form 25A	269, 309, Schedule XIII	Application to Central Government for re-appointment of Mr. Jaymin Desai as Managing Director for a period of 3 years w.e.f 01.10.2012 and payment of remuneration to him	26.11.2012	Yes	N.A
20.	Form A-XBRL	209(1)(d)	Cost Compliance Report from Cost Auditor	01.01.2013	N.A	N.A
21.	Form 23 AC XBRL & Form 23ACAXBRL alongwith Annual Report for the year ended 31.03.2012	220	Approved at the Annual General Meeting held on 22.09.2012	07.01.2013	Yes	N.A.

Place : Mumbai
Date : 28th May 2013

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, Agriculture and Industrial applications. Despite being among the fastest growing market globally, India's per capita plastic consumption is at 7 kgs. As compared to the world average of 30 kg.

Global automobile, food processing packing and health care companies have established large manufacturing bases in India. Industry is expected to grow at the rate of 10 to 12% per annum in time to come.

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.

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. The Company's ability to innovate on film structures has been well recognised and that is one of the main attributes for taking advantage of the growth potential in Speciality films, in the Industrial Sector.

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 2013

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 :

The Board of Directors of the Company as on 31st March 2013 comprises of one Executive Director and five non-executive Directors. Out of five non-executive Directors three Directors are independent.

Composition, attendance at the Board meetings and the last A.G.M., other Directorships and Committee positions are as under:

Name	Executive/ Non Executive/ Independent	No.of Board Meetings Attended	Attendance at Previous AGM held on 22.09.2012	No.of other Directorships held in other public Companies as on 31.03.2013	Committee Positions held by the directors – Member/ Chairman
P.P.Kharas (Chairman)	Non Executive	6	Present	Nil	Nil
J.B.Desai Managing Director	Executive	7	Present	Nil	Nil
J.A.Moos	Non Executive & Independent	6	Present	Nil	Nil
Bankim B.Desai	Non Executive	Nil	Nil	Nil	Nil
D. T. Desai (Alternate to Bankim B. Desai)	Non Executive	3	Present	2	2
Mukul.B. Desai	Non Executive & Independent	6	Present	4	4 (Including 2 as Chairman)
Bhupendra M. Desai	Non Executive & Independent	7	Present	Nil	Nil

The independent directors are not related to promoters or management at the Board level.

During the year 2012-13, the Board of Directors met seven times on 23rd April, 2012, 28th May,2012, 11th August, 2012, 22nd September, 2012, 6th November, 2012 11th February, 2013 and 23rd March, 2013.

Share Holding of Non executive Directors as on 31st March 2013.

Name	No.of Share
P.P.Kharas	81980
J.A.Moos	500
D. T. Desai (Alternate to Bankim B. Desai)	Nil
Bankim B.Desai	Nil
Mukul.B.Desai	5551
Bhupendra M. Desai	100

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.

All the directors have made necessary disclosures about the committee positions, they occupy in the other companies. 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.

The Board also reviews on a quarterly basis, compliance with all applicable laws.

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.

Information required under clause 49 IV-G of the Listing Agreement:

The particulars of Directors, who are proposed to be appointed / re-appointed at the forthcoming Annual General Meeting, are given below, as required pursuant to clause 49 of the Listing Agreement:

Mr. Bankim B. Desai

Mr. Bankim B. Desai, age 60 years has a Masters degree in Chemical Engineering from Wayne State University, U.S.A.

Mr. Bankim Desai was one of the 3 promoter Directors of the Company which commenced operations in September 1982. As a past Executive Director he was associated in planning and organizing the manufacturing activities, including installation of the existing plants on schedule.

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

As he presently resides in the United States of America, he has appointed Mr. Dhananjay T. Desai as an Alternate Director.

Mr. P. P. Kharas

Mr. P. P. Kharas, age 78 years is a graduate in Chemical Engineering from the Loughborough University, England. He held senior sales & business management positions in Union Carbide India Ltd., till he took early retirement in 1978.

Mr. P. P. Kharas was one of the 3 promoter Directors of the Company which commenced operations in September. 1982. When the Company went public in 1994, Mr. Kharas was appointed Chairman and Managing Director. He retired in September 2007, and continues to remain on the Board as a Non-Executive Chairman.

Mr. P. P. Kharas, is a well known figure in the plastics processing industry, and was earlier the President of the Organization of Plastics Processors of India, an association which represents 40% of the plastics converting capacity in India.

Mr. P. P. Kharas holds 81,980 equity shares (2.73%) in the Company as on 31st, March, 2013. He is a member of the Audit Committee and the Chairman of the Shareholders/Investors Grievance Committee.

Mr. P. P. Kharas does not hold any other Directorships.

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 Management the Quarterly Financial Statements before submission to 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.
- Approval of appointment of CFO.

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

The Audit committee consists 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. The members of the Committee have the relevant experience in the field of finance; taxation and accounting, with Mr. Mukul B.Desai, having expert knowledge in the field of finance, taxation and Company audit.

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'12 – March'13.

During the year April '12 – March '13, four Audit Committee meetings were held, 28th May, 2012, 11th August, 2012, 6th November, 2012, and 11th February, 2013.

The constitution of the audit committee and the attendance of each member of the committee are given below:

Name	Category	No. of Meetings attended
Mr. Mukul B Desai	Non executive Independent	3
Mr. P. P. Kharas	Non executive	3
Mr. Bhupendra M. Desai	Non executive Independent	4
Mr. J. A. Moos	Non executive Independent	4

The Committee meetings are attended by Statutory Auditors.

The Chairman of Audit Committee, Mr. Mukul B Desai was present at the Annual General Meeting of the Company held on 22.09.2012

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, Non - Executive Directors and Senior Most Executives are considered by the Remuneration Committee and recommended to the Board.
- 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, 2012 – March, 2013 two Remuneration Committee meeting was held on 13th July, 2012 and 23rd March, 2013.

Attendance of the members of remuneration committee meetings is as under:

Name	Category	No. of Meetings attended
Mr. Mukul B Desai	Non executive Independent	2
Mr. P. P. Kharas	Non executive	2
Mr. Bhupendra M. Desai	Non executive Independent	2
Mr. J. A. Moos	Non executive Independent	2

Remuneration of the Executive Directors and sitting fees to the Non-executive Directors paid in respect of the financial year 2012-2013 is given below

A. Executive Directors :

Name	Sitting Fees(Rs.)	Salaries & Perqs.(Rs.)	Commission (Rs.)	Total (Rs.)
1. J. B. Desai	-	29,66,994	--	29,66,994
Total - A		29,66,994	--	29,66,994
B. Non -Executive Directors :				
1. P. P. Kharas	72,500	-	1,00,000	1,72,500
2. J. A. Moos	75,000	-	1,00,000	1,75,000
3. D .T. Desai (waived remuneration)	-	-	-	-
4. Mukul B. Desai	72,500	-	1,00,000	1,72,500
5. Bhupendra M. Desai	72,500	-	1,00,000	1,72,500
Total - B	2,92,500		4,00,000	6,92,500
TOTAL (A+B)	2,92,500	29,66,994	4,00,000	36,59,494

The Company does not have a scheme for stock options.

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 '12 – March '13, Three Shareholders / Investors Grievance Committee meetings were held, on : 11th August, 2012, 6th November, 2012, and 11th February, 2013.

Attendance of the members of Shareholders / Investors Grievance Committee meetings is as under:

Name	Category	No. of Meetings attended
Mr. P. P. Kharas	Non executive	3
Mr. Mukul B. Desai	Non executive Independent	3
Mr. J. A. Moos	Non executive Independent	3

During the year, the Company has received 105 queries and nil complaints from the shareholders. There were NIL unresolved shareholders complaints as on 31.03.2013. Also, there were NIL shares pending for transfer as on 31.03.2013.

VI. GENERAL BODY MEETINGS :

1. Last 3 AGM's :

Date	Time	Location
22 nd September, 2012	11.30 A.M	The Club Resort, At P.O: Vashier, Valsad, Gujarat, 396 001.
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 Resort, 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 22nd September, 2012 -

1. Approval of Reappointment of Mr. Jaymin B. Desai as Managing Director of the company for a period of three year and payment of remuneration to him.

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. None of the resolution proposed for the forthcoming Annual General Meeting need to be passed by 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: 36 to the notes on accounts.
- ii) The Board of Directors has been informed from time to time the business risks faced by the Company and the steps taken by the management to face them.
- iii) A separate report on Management Discussion & Analysis which forms part of the report is annexed.
- iv) 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.
- v) The CEO and CFO have certified to the Board in accordance with Clause 49 V of the Listing Agreement pertaining to CEO/CFO certification for the Financial Year ended March 31, 2013.
- vi) Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditors or Practicing Company Secretaries regarding the compliance of conditions of corporate governance stipulated in the Clause and annex the certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a certificate from the Auditors of the Company to this effect and the same is given as an annexure to the Directors' Report.
- vii) 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 Economic Times, Gujarati edition and the Times of India, English edition. Annual reports are sent to households of shareholders. The Company's results are also displayed on the web-site at : <http://www.ecoplastindia.com>.

Exclusive Email ID for redress of investor complaints.

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

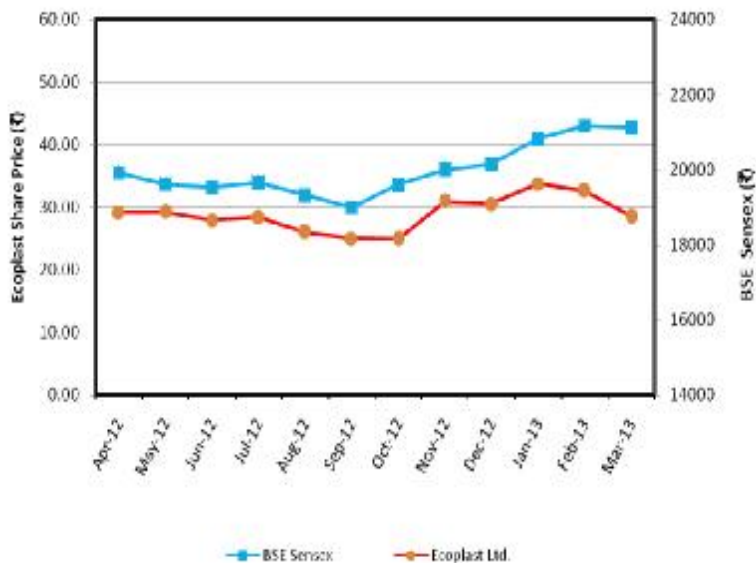
The Board members have affirmed compliance with the Code of Conduct for the year 2012-13.

X. GENERAL SHAREHOLDER INFORMATION :

1. Annual General Meeting :
Day, Date & Time : Saturday, 14th September, 2013, 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, 2013.
Second Quarter Results : Before 15th November, 2013.
Third Quarter Results : Before 15th February, 2014.
Fourth Quarter Results or : Before 31st May, 2014
Annual results :
AGM for the year : before the end of September, 2013
3. Date of Book Closure : 7th Sept, 2013 to 14th Sept., 2013
4. Dividend Payment date : 18th Sept. 2013
5. Listing on Stock Exchanges : BSE Ltd. The Company has paid listing Fees for the period 1st April, 2013 to 31st March, 2014.
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-2012	35.50	29.15
May-2012	33.65	29.20
Jun-2012	33.10	27.90
Jul-2012	33.95	28.35
Aug-2012	31.90	26.00
Sep-2012	29.95	25.00
Oct-2012	33.60	24.90
Nov-2012	36.00	30.95
Dec-2012	36.85	30.55
Jan-2013	40.95	33.75
Feb-2013	43.00	32.60
Mar-2013	42.70	28.50

8. Performance: Ecoplast share price performance vs. BSE Sensex during April, 2012- March, 2013



9. Registrars and Share Transfer Agents : TSR DARASHAW PVT. 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 31.03.2013

Category	Number of Shareholders	Shareholders % to Total	No. of Shares	Shares % to Total
1 TO 500	2144	87.15	317987	10.60
501 TO 1000	141	5.73	113046	3.77
1001 TO 2000	68	2.76	96857	3.23
2001 TO 3000	28	1.14	70238	2.34
3001 TO 4000	13	0.53	45171	1.50
4001 TO 5000	13	0.53	61486	2.05
5001 TO 10000	24	0.98	172996	5.77
Over 10000	29	1.18	2122219	70.74
TOTAL	2460	100.00	3000000	100.00

12. Dematerialization of shares and liquidity : (2849059 Shares) 94.97% of equity shares of the Company have been dematerialized as on 31st March 2013 and balance (150941 Shares) 5.03 % 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.

For and on behalf of the Board of Directors

J. B. Desai
Managing Director

Mumbai, 1st August, 2013.

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, 2013 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, 2013.

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, 2013, received from the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Mumbai, 28th May, 2013

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, 2013, 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, 2013, 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. 100259W

SANJAY MEHTA
Partner
Membership No. 16859

Mumbai,
Dated: July 15, 2013

INDEPENDENT AUDITORS' REPORT

To
The Members of
Ecoplast Ltd

Report on the Financial Statements

1. We have audited the accompanying financial statements of **ECOPLAST LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the **profit** of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **AKKAD MEHTA & CO**

Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA
Partner
Membership No. 16859

Mumbai, 28th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 7 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. 287.20 lacs and the year-end balance is Rs. 266.93 lacs (including interest Rs.22.47 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) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.
- 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 internal audit functions carried during the year by firm of Chartered Accountant appointed by

- the management have been commensurate with the size of the Company 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, 2013 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.2 Crores to North Eastern Development Finance Corp. Ltd., Assam, and Rs. 2.10 Crores to Bank of Baroda on behalf of Synergy Films Pvt. Ltd., a Subsidiary Company as a collateral security for Term Loan Facility and Working Capital Loan 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 no funds raised on short-term basis to 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 any such case by the management.

For **AKKAD MEHTA & CO**

Chartered Accountants

Firm ICAI Registration No. 100259W

SANJAY MEHTA

Partner

Membership No. 16859

Mumbai, 28th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No	31.03.2013 Amount Rs.	31.03.2012 Amount Rs.
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	30,000,000	30,000,000
Reserves and Surplus	4	<u>148,992,710</u>	<u>133,878,580</u>
		<u>178,992,710</u>	<u>163,878,580</u>
NON CURRENT LIABILITIES			
Long Term Borrowings	5	22,963,100	19,241,278
Deferred Tax Liabilities (Net)	6	14,285,178	17,995,731
Long Term Provisions	7	<u>3,039,566</u>	<u>2,053,396</u>
		<u>40,287,844</u>	<u>39,290,405</u>
CURRENT LIABILITIES			
Short Term Borrowings	8	88,424,280	93,762,881
Trade Payables	9	86,977,238	38,901,066
Other Current Liabilities	10	17,368,027	15,425,664
Short Term Provisions	11	<u>5,477,406</u>	<u>5,213,827</u>
		<u>198,246,951</u>	<u>153,303,438</u>
TOTAL		<u><u>417,527,505</u></u>	<u><u>356,472,423</u></u>
II. ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
- Tangible Assets	12	118,457,930	122,007,281
- Capital Work in Progress	12	3,592,116	-
Non Current Investments	13	6,128,776	13,325,000
Long Term Loans & Advances	14	<u>31,801,135</u>	<u>26,532,355</u>
		<u>159,979,957</u>	<u>161,864,636</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	15	99,439,271	72,467,233
Trade Receivables	16	141,836,550	109,499,174
Cash & Cash Equivalents	17	6,418,352	4,223,722
Short Term Loans & Advances	18	9,497,105	8,370,205
Other Current Assets	19	<u>356,270</u>	<u>47,453</u>
		<u>257,547,548</u>	<u>194,607,787</u>
TOTAL		<u><u>417,527,505</u></u>	<u><u>356,472,423</u></u>

Significant Accounting Policies
Notes on Financial Statements

2

3 to 43

As per our Report of even date.
For **AKKAD MEHTA & CO.**

For and on behalf of the Board of Directors

Chartered Accountants

Firm ICAI Registration No. 100259W

JAYMIN B. DESAI
Managing Director

B. M. DESAI
Director

SANJAY MEHTA

Partner

Membership No. 16859

M. D. DESAI
C. F. O.

Mumbai, 28th May, 2013.

STATEMENT PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No	31.03.2013	31.03.2012
		Amount Rs.	Amount Rs.
INCOME			
Revenue from Operations	20	758,358,141	597,169,612
Other Income	21	6,133,735	1,743,222
Total Revenue		764,491,876	598,912,834
EXPENDITURE			
Cost of Materials Consumed	22	567,237,868	423,804,381
Changes in Inventories of Finished Goods and Work in Progress	23	(2,657,047)	6,533,339
Employee Benefits Expense	24	36,165,419	31,503,703
Finance Costs	25	19,767,233	17,278,470
Depreciation & Amortization	12	14,297,757	13,560,019
Other Expenses	26	94,373,397	80,489,223
Total Expenses		729,184,627	573,169,135
Profit before exceptional items and tax		35,307,249	25,743,699
Less :Exceptional Items	27	7,196,223	-
Profit Before Tax		28,111,025	25,743,699
Tax Expenses:			
Current Tax		12,530,000	8,940,000
Deferred Tax		(3,710,553)	(1,311,891)
Tax in respect of Earlier Years		(6,832)	178,651
Profit for the year		19,298,411	17,936,939
Earnings Per Equity Share of Face Value of Rs.10 Each Basic & Diluted (in Rs.)		6.43	5.98

Significant Accounting Policies

2

Notes on Financial Statements

3 to 43

As per our Report of even date.

FOKAKAD MEHTA & CO.

Chartered Accountants

Firm ICAI Registration No. 100259W

SANJAY MEHTA

Partner

Membership No. 16859

Mumbai, 28th May, 2013.

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, 2013

Particulars	For the year ended 31 Mar, 2013	For the year ended 31 Mar, 2012
	Amount Rs.	Amount Rs.
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	28,111,025	25,743,699
<i>Adjustments for:</i>		
Depreciation and amortization / and impairment	15,734,024	13,560,019
(Profit) / loss on sale / write off of assets	(37,585)	(269,284)
Finance costs	19,767,233	17,278,470
Interest income	(2,648,605)	(866,105)
Liabilities/provisions no longer required written back	(2,717,737)	(43,982)
Provision for losses (diminution in value of investments) in Subsidiary	7,196,223	-
Provision for doubtful trade and other receivables, loans and advances	-	643,378
	<u>37,293,554</u>	<u>30,302,496</u>
Operating profit/(loss) before working capital changes	65,404,580	56,046,195
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(26,972,038)	10,056,470
Trade receivables	(32,337,376)	2,067,578
Short-term loans and advances	(1,126,900)	8,809,008
Long-term loans and advances	1,137,275)	(1,207,514)
Other current assets	(308,817)	(200)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	50,793,909	(26,860,937)
Other current liabilities	1,942,363	(17,389,969)
Short-term provisions	263,579	102,660
Long-term provisions	986,170	(205,685)
	<u>(7,896,385)</u>	<u>(24,628,589)</u>
	57,508,194	31,417,606
Cash generated from operations	57,508,194	31,417,606
Net income tax (paid) / refunds	(12,523,168)	(9,118,651)
Net cash flow from / (used in) operating activities (A)	<u>44,985,026</u>	<u>22,298,955</u>
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(16,039,205)	(6,659,283)
Proceeds from sale of fixed assets	300,000	617,740
Purchase of long-term investments		
- Subsidiaries	-	(9,750,000)
Loans given		
- Subsidiaries	(4,131,505)	(21,061,016)
Interest received		
- Subsidiaries	2,247,228	607,288
- Others	401,377	258,817
	<u>(17,222,105)</u>	<u>(35,986,454)</u>
	<u>(17,222,105)</u>	<u>(35,986,454)</u>
Net cash flow from / (used in) investing activities (B)	<u>(17,222,105)</u>	<u>(35,986,454)</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	For the year ended 31 Mar, 2013	For the year ended 31 Mar, 2012
	Amount Rs.	Amount Rs.
C. Cash flow from financing activities		
Proceeds / (Repayment) of long-term borrowings	3,721,823	(4,113,154)
Net increase / (decrease) in working capital borrowings	(6,202,300)	37,373.073
Proceeds/Repayment of other short-term borrowings	863,699	5,583,361
Finance cost	(19,767,233)	(17,278,470)
Dividends paid	(3,600,000)	(8,100,000)
Tax on dividend	(584,280)	(1,345,310)
	<u>(25,568,291)</u>	<u>12,119,500</u>
Net cash flow from / (used in) financing activities (C)	(25,568,291)	12,119,500
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(2,194,630)	(1,567,998)
Cash and cash equivalents at the beginning of the year	4,223,722	5,791,720
Cash and cash equivalents at the end of the year	<u>6,418,352</u>	<u>4,223,722</u>
Cash and cash equivalents at the end of the year Comprises :		
(a) Cash on hand	233,074	398,872
(b) Balances with banks		
(i) In current accounts	1,201,083	1,117,558
(ii) In EEFC accounts	2,087,123	-
(ii) In deposit accounts	730,000	420,000
(iii) In earmarked accounts (Refer Note (2) below)	2,167,073	2,287,292
	<u>6,418,352</u>	<u>4,223,722</u>

Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement".
- 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, 2013.

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 principal place of business of the company is at Abrama-Valsad. 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

2.1 Basis of Accounting and preparation of financial statements

The financial statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and the relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its Operating Cycle to be 12 months for the purpose of current-non current classification of assets and liabilities

2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

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.

2.4 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

- a. Depreciation on Factory Buildings, Plant and Machinery, Electrical Installations and Equipment (other than Motor Car which is 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.
- b. 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.
- c. Depreciation on exchange fluctuations capitalised to fixed assets is provided over the residual useful life of the fixed assets.
- d. Depreciation on additions / deletions to fixed assets is provided on prorata from the end of month of such addition or upto the month of such deletion, as the case may be.
- e. Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation

2.7 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.
- g. Interest income is accounted on accrual basis.

2.8 Fixed Assets

- 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. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

2.9 Machinery Spares

Machinery spares other than stand-by spares are charged to Statement of Profit & Loss 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.

2.10 Foreign Currency Transactions

Initial Recognition: All transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction. **Measurement at Balance Sheet date:** 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. **Treatment of Exchange Differences:** 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 Statement of Profit & Loss of the year.

2.11 Investments

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at acquisition cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Investments, other than long-term investments, being current investments, are valued at cost or fair value, whichever is lower, determined on an individual basis.

2.12 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 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 recognised as expense immediately

2.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the

cost of the assets, upto the date the asset is put to use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

2.14 Research and Development

Reveue 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.

2.15 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.

2.16 Lease

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

2.17 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.

2.18 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.

2.19 Impairment of Fixed Assets

In accordance with AS 28 on 'Impairment of Assets', where there is an indication of impairment of the company's assets related to cash generating units, the carrying amount of such assets are reviewed at each Balance Sheet date to determine whether there is any impairment. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss 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.

2.20 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.

2.21 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR 31ST MARCH 2013

NOTE NO. 3 : SHARE CAPITAL

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	No of shares	Rs.	No. of shares	Rs.
Equity Shares of Rs. 10 each with voting rights Issued, Subscribed and fully paid up	10,000,000	100,000,000	10,000,000	100,000,000
Equity Shares of Rs.10/- each fully paid-up with voting rights	3,000,000	30,000,000	3,000,000	30,000,000
	<u>3,000,000</u>	<u>30,000,000</u>	<u>3,000,000</u>	<u>30,000,000</u>
3.1 The reconciliation of the number of shares outstanding is set out below :				
Particulars	As at 31 March, 2013		As at 31 March, 2012	
	No of shares	Rs.	No. of shares	Rs.
Equity shares outstanding at the beginning of the year	3,000,000	30,000,000	3,000,000	30,000,000
Add : Fresh issue during the year	-	-	-	-
Less : Buy back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	<u>3,000,000</u>	<u>30,000,000</u>	<u>3,000,000</u>	<u>30,000,000</u>
3.2 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. The dividend proposed by the Board of Directors is subject to the approval of shareholders.				
3.3 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 Listing of Companies Equity Shares.				
3.4 Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	No of shares held	%holding in that class of	No. of shares held	%holding in that class of
Equity shares voting rights				
Mrs. Amita J. Desai	475,016	15.83	416,951	13.90
Mrs. Charulata N. Patel	344,607	11.49	344,607	11.49
Silver Systems Properties Pvt. Ltd	476,827	15.89	476,827	15.89
NOTE NO. 4 : RESERVES AND SURPLUS				
Particulars	As at 31 March, 2013		As at 31 March, 2012	
		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				
Balance as per last Balance Sheet		40,781,315		39,281,315
Add: Transferred from surplus in Statement of Profit and Loss Account		2,500,000		1,500,000
		<u>43,281,315</u>		<u>40,781,315</u>
c) Surplus in Statement of Profit and Loss				
As per last Balance Sheet		63,097,265		50,844,607
Add: Profit for the year		19,298,411		17,936,939
		<u>72,712,868</u>		<u>68,781,545</u>
Less: Transferred to General reserve		2,500,000		1,500,000
Dividends proposed to be distributed to equity shareholders (Rs.1.20 per share)		3,600,000		3,600,000
Tax on dividend		584,280		584,280
Closing Balance		<u>75,711,395</u>		<u>63,097,265</u>
Total		<u>148,992,710</u>		<u>133,878,580</u>

NOTE NO. 5 LONG-TERM BORROWINGS

	As at 31 March, 2013		As at 31 March, 2012	
	Non-Current	Current	Non-Current	Current
SECURED				
Term Loan from Bank				
Bank of Baroda Term Loan I	-	-	-	1,030,000
Bank of Baroda Term Loan II	6,115,319	3,999,996	10,115,319	3,999,996
Bank of Baroda Term Loan III	4,430,812	3,099,996	537,979	3,099,996
UNSECURED				
From Public and Shareholders				
Deposits from Public	8,901,000	4,438,000	8,053,000	4,340,000
Deposits from Shareholders	20,000	-	20,000	-
Car Loan under Hire Purchase	3,495,969	918,829	514,980	153,130
	<u>22,963,100</u>	<u>12,456,821</u>	<u>19,241,278</u>	<u>12,623,122</u>

Details:

(i) The above Loans are Secured by Mortgage of Land & Factory Building of the Company at Abrama-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.

(ii) Interest Rate Profile of Term Loans & Deposits are set out as below:

Particulars	Rate of Interest (p.a.)	Amount in Rs.
Term Loan from Bank	14.50%	17,646,123
		17,646,123
Deposits	6% or < 9%	15,000
	9% or < 11%	470,000
	11% of < 12.5%	12,874,000
		13,359,000
Car Loan under Hire Purchase	10.87%	2,353,796
	10.78%	514,988
	10.51%	773,007
	10.51%	773,007
		4,414,798

(iii) Maturity Profile of Term Loans & Deposits is set out below:

Particulars	Maturity Profile (Amount in Rs.)			
	1-2 years	3-4 years	5-6 years	Matured but not claimed
Term Loan from Bank	14,199,984	3,446,139	-	-
Deposits	88,39,000	4,520,000	-	497,000
Car Loan under Hire Purchase	2,052,821	1,710,528	211,474	-

NOTE NO. 6 DEFERRED TAX LIABILITY (NET)

Particulars	As at 31 March, 2013	As at 31 March, 2012
	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	18,034,970	19,810,095
Tax effect of items constituting deferred tax liability	<u>18,034,970</u>	<u>19,810,095</u>
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee	1,180,933	794,549
Provision for doubtful debts / advances	233,685	1,019,815
Provision for diminution in the value of investments	2,335,174	-
Tax effect of items constituting deferred tax assets	<u>3,749,792</u>	<u>1,814,364</u>
Net deferred tax (liability) / asset	<u>(14,285,178)</u>	<u>(17,995,731)</u>

NOTE NO. 7 LONG-TERM PROVISIONS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Provision for employee benefits:		
Provision for compensated absences	2,283,007	1,906,990
Provision for gratuity	756,559	146,406
Total	<u>3,039,566</u>	<u>2,053,396</u>

NOTE NO. 8 SHORT-TERM BORROWINGS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Loans repayable on demand		
From banks		
Secured	68,725,562	79,089,712
Unsecured	6,341,889	2,180,039
From Others - Unsecured		
Inter Corporate Deposits	8,000,000	8,000,000
Fixed Deposits from Public and Shareholders (Refer Note No. 5)	4,438,000	4,340,000
Car Finance under H.P. Agreement (Refer Note No. 5)	918,829	153,130
Total	<u>88,424,280</u>	<u>93,762,881</u>

8.1 Details of Security for the secured short-term borrowings:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Loans repayable on demand		
Bank Of Baroda	68,725,562	79,089,712
	<u>68,725,562</u>	<u>79,089,712</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 Abrama-Valsad, Office Building at Andheri (East) Mumbai, hypothecation of Plant and Machineries and guaranteed by Managing Director)

NOTE NO. 9 TRADE PAYABLES

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Trade payables:		
Micro, Small and Medium Enterprises	189,555	225,057
Others	86,787,683	38,676,009
Total	<u>86,977,238</u>	<u>38,901,066</u>

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

Amount due to Micro, Small and Medium Enterprises as on 31st March, 2013 are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows :

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Principal Amount due and remaining unpaid	189,555	225,057
Interest due on above and the unpaid interest	1,260	5,225
Interest paid during the year	-	7,378
Payment made beyond the appointed day during the year	848,963	241,673
Interest due and payable for the period of delay	6,492	1,339
Interest accrued and remaining unpaid	7,752	6,564
Amount of further interest remaining due and payable in succeeding years	14,316	-

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. 10 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Current maturities of long-term Secured Debts (Refer Note No.5)	7,099,992	8,129,992
Interest accrued and due on Fixed Deposits	785,399	735,679
Unpaid dividends*	749,858	782,447
Unpaid matured deposits and interest accrued thereon	507,248	498,186
Other payables		
Statutory dues payable	3,847,751	2,869,801
Advances from customers	4,120,555	1,761,171
Others -Net Salaries & Wages Payable	257,225	648,388
Total	<u>17,368,027</u>	<u>15,425,664</u>

* These figures do not include any amounts due and outstanding, to be credited to Investor Education and Protection Fund under Section 205 of the Companies Act 1956.

NOTE NO. 11 SHORT-TERM PROVISIONS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Provision for employee benefits:		
Provision for bonus	693,453	634,409
Provision for compensated absences	599,673	395,138
	<u>1,293,126</u>	<u>1,029,547</u>
Other Provision		
Provision for proposed equity dividend	3,600,000	3,600,000
Provision for tax on proposed dividends	584,280	584,280
	<u>4,184,280</u>	<u>4,184,280</u>
Total	<u>5,477,406</u>	<u>5,213,827</u>

NOTE NO. 12 : FIXED ASSETS (Figures in brackets represents previous year figure) (Amount - Rs.)

Tangible assets	GROSS BLOCK			Accumulated depreciation and impairment			NET BLOCK	
	Balance as at 1.4.2012	Additions Disposal	Borrowing cost capitalised	Balance as at 1.4.2012	Eliminated for the year	Impairment losses recognised in statement of profit & loss	Balance as at 31.3.2013	Balance as at 31.3.2012
Own Assets								
Land - Freehold	5,096,185 (5,096,185)	-	-	5,096,185 (5,096,185)	-	-	-	5,096,185 (5,096,185)
Buildings *	42,229,471 (42,229,470)	610,645	-	42,840,116 (42,229,470)	1,302,094 (1,308,856)	-	14,923,790 (13,621,697)	27,916,326 (28,607,775)
Plant and Equipment	196,924,674 (196,924,674)	6,096,450 (5,10,207)	-	202,726,191 (196,629,741)	9,620,563 (9,559,408)	1,436,267	127,534,908 (116,478,078)	75,191,283 (80,151,663)
Furniture and Fixtures	3,665,468 (3,624,655)	16,330 (40,813)	-	3,681,798 (3,665,468)	220,364 (2,18,748)	-	3,202,802 (2,982,438)	478,996 (683,030)
Vehicles **	5,972,862 (5,927,437)	5,514,152 (45,425)	-	10,032,859 (5,972,862)	874,289 (792,200)	-	3,799,692 (4,117,143)	6,233,167 (1,855,719)
Office equipment	12,170,387 (6,107,550)	209,511 (5,983,600)	62,475	12,317,423 (12,170,387)	2,280,448 (4,876,671)	62,475	8,775,451 (6,557,478)	3,541,972 (5,612,909)
Gross Total ***	265,764,114	12,447,088	1,516,630	276,694,572	143,756,833	14,297,757	158,236,643	119,457,930
CWIP	-	3,464,500	-	3,592,116	-	-	-	3,592,117
	265,764,114	15,911,588	1,516,630	280,286,688	143,756,833	14,297,757	158,236,643	122,050,047
Previous year	259,909,971	6,659,283	805,140	265,764,114	130,653,499	13,560,019	143,756,834	122,007,281

Details of assets acquired under hire purchase (Amount - Rs.)

Particulars	Gross Block		Net Block	
	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
Vehicles	6,668,120.00	1,153,968	6,050,150.85	979,755

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

*** 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. 13 NON-CURRENT INVESTMENTS

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Other Investments		
Investment in Equity Shares of a Subsidiary Company		
Unquoted 896020 (As at 31 March 2012 : 896,020) Equity Shares of Rs. 10 each fully paid up in Synergy Films Pvt.Ltd.	13,325,000	13,325,000
Less : Provision for diminution in value of Investments	<u>7,196,223</u>	-
Total	<u>6,128,777</u>	<u>13,325,000</u>

NOTE NO. 14 LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 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 36)	26,692,521	22,561,016
Loans and advances to employees	490,198	339,337
Advance income tax net of provisions	2,660,025	1,685,147
Balances with government authorities		
CST & VAT receivable on Assessment	195,593	184,057
Total	<u>31,801,135</u>	<u>26,532,355</u>

NOTE NO. 15 INVENTORIES *

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Raw materials	51,465,426	39,721,313
Imported Raw-Materials in-transit	20,677,764	7,885,968
Work-in-progress	14,781,180	7,885,158
Finished goods	10,084,793	12,438,068
Finished Goods in-transit	-	1,885,700
Packing Material, Stores and spares	2,420,540	2,489,332
Others - Scrap	9,568	161,694
Total	<u>99,439,271</u>	<u>72,467,233</u>

NOTE NO. 16 TRADE RECEIVABLES

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	267,945	2,311,300
Doubtful	<u>720,138</u>	<u>3,142,727</u>
	988,083	5,454,027
Less: Provision for doubtful trade receivables	<u>720,138</u>	<u>3,142,727</u>
	261,945	2,311,300
Other Trade receivables		
Unsecured, considered good	141,568,605	107,187,874
Total	<u>141,836,550</u>	<u>109,499,174</u>

* Includes trade receivable from related parties of Rs. 42,12,585 (Previous Year 16,63,493) (Refer Note No. 36)

NOTE NO. 17 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Cash on hand	233,074	398,872
Balances with banks		
In current accounts	1,201,083	1,117,558
In EEFC accounts	2,087,123	-
Unpaid dividend accounts	751,073	607,325
In Fixed deposit accounts Under Rule 10 of the Co's (Acceptance of Deposits) Rules, 1975	730,000	420,000
In Fixed Deposit Accounts, held as margin money against Letter of Credit*	1,416,000	1,679,967
Total	<u>6,418,352</u>	<u>4,223,722</u>

* Includes deposits of Rs. 10,00,000/- under Bank's Lieue as a colletral security for working capital facilities availed by subsidiary company-Snergy Films Pvt. Ltd.

NOTE NO. 18 SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Prepaid expenses	1,879,025	1,347,258
Balances with Government Authorities		
Cenvat credit receivable	1,509,261	3,662,463
Service Tax credit receivable	2,759,433	637,567
Advance to Trade Payables	2,804,167	1,437,049
Loans and Advances to employees	545,219	517,352
Amount due from a Subsidiary Company	-	768,516
Total	<u>9,497,105</u>	<u>8,370,205</u>

NOTE NO. 19 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Accruals		
Interest accrued on Fixed Deposits with Banks	219,921	47,453
Others		
Insurance Claims	136,349	-
Total	<u>356,270</u>	<u>47,453</u>

NOTE NO. 20 REVENUE FROM OPERATIONS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Sale of products	833,302,945	653,893,937
Processing Charges	3,413,929	983,466
Other operating revenues	761,540	400,465
	837,478,414	655,277,868
Less:		
Excise duty	79,120,273	58,108,256
Total	<u>758,358,141</u>	<u>597,169,612</u>

Particulars	As at 31 March, 2012 Amount Rs.	As at 31 March, 2011 Amount Rs.
Sale of products comprises :		
Manufactured goods		
Plastic Film	818,364,061	647,002,325
Others	2,746,100	-
Traded goods		
Others	12,192,784	6,891,612
Total - Sale of products	<u>833,302,945</u>	<u>647,002,325</u>
Sale of services comprises :		
Processing charges	3,413,929	983,466
Total - Sale of services	3,413,929	983,466
Other operating revenues comprise:		
Sale of Scraps	761,540	400,465
Total - Other operating revenues	<u>761,540</u>	<u>400,465</u>

NOTE NO. 21 OTHER INCOME

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Interest income	2,648,605	968,933
Other non-operating income	3,485,130	774,289
Total	<u>6,133,735</u>	<u>1,743,222</u>

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Interest income comprises:		
Interest from banks on:Fixed Deposits	275,853	215,454
Interest on loans to a Subsidiary Company	2,247,228	607,288
Interest on income tax refund	-	24,017
Interest on Deposit with Dakshin Gujarat VIJ Co. Ltd.	102,828	102,828
Interest on Employees Loan	22,696	19,346
Total - Interest income	<u>2,648,605</u>	<u>968,933</u>

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Other non-operating income comprises:		
Profit on sale of fixed assets	37,585	269,284
Liabilities / provisions no longer required written back	2,717,737	43,982
Insurance Claim Received	260,353	105,090
Miscellaneous income	<u>469,455</u>	<u>355,933</u>
Total - Other non-operating income	<u>3,485,130</u>	<u>774,289</u>

NOTE NO. 22 COST OF MATERIALS CONSUMED

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Opening stock	39,883,007	50,549,400
Add: Purchases	578,829,855	413,137,988
	618,712,862	463,687,388
Less: Closing stock	51,474,994	39,883,007
Cost of material consumed	<u>567,237,868</u>	<u>423,804,381</u>
Material consumed comprises:		
Poly Granuals	540,378,610	398,434,474
Other items	<u>26,859,258</u>	<u>25,369,907</u>
Total	<u>567,237,868</u>	<u>423,804,381</u>

Imported and Indigenous Raw Materials Consumed :

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Raw Materials :		
Imported		
Value	319,427,889	200,125,986
Percentage	56	47
Indigenous		
Value	247,809,979	223,678,394
Percentage	44	53
Total Value	<u>567,237,868</u>	<u>423,804,380</u>
Total Percentage	<u>100</u>	<u>100</u>

NOTE NO. 23 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	8,689,055	12,814,204
Work-in-progress	14,781,180	7,885,158
	<u>23,470,235</u>	<u>20,699,362</u>
Inventories at the beginning of the year:		
Finished goods	12,814,204	12,710,899
Work-in-progress	7,885,158	15,233,007
	<u>20,699,362</u>	<u>27,943,906</u>
Add/(Less):- Variation in excise duty on opening and closing stock of finished goods	(113,826)	711,205
Net (increase) / decrease	<u>2,657,047</u>	<u>(6,533,339)</u>

NOTE NO. 24 EMPLOYEE BENEFITS EXPENSE

Particulars

As at 31 March, 2013
Amount Rs.

As at 31 March, 2012
Amount Rs.

Salaries, wages, bonus and other allowances	31,668,604	27,680,053
Contributions to Provident and other funds	3,803,990	3,072,230
Staff welfare expenses	692,825	751,420
Total	<u>36,165,419</u>	<u>31,503,703</u>

NOTE NO. 25 FINANCE COSTS

Particulars

As at 31 March, 2013
Amount Rs.

As at 31 March, 2012
Amount Rs.

Interest expense on:		
Borrowings*	17,922,999	15,420,928
Other borrowing costs	1,844,234	1,857,542
Total	<u>19,767,233</u>	<u>17,278,470</u>
	<u>4,211,289</u>	<u>4,421,023</u>

* Interest expense include interest on loans for fixed period

NOTE NO. 26 OTHER EXPENSES

Particulars

As at 31 March, 2013
Amount Rs.

As at 31 March, 2012
Amount Rs.

Consumption of Stores and Spare parts	2,974,905	2,931,897
Consumption of Packing Materials	15,145,993	11,541,059
Consumption of Ink & Printing Cylinders	676,621	1,049,082
Power and fuel	32,537,967	28,125,078
Conversion Charges Paid	23,584	-
Repairs and Maintenance - Buildings	1,111,755	292,839
Repairs and Maintenance - Machinery	4,208,644	4,729,414
Repairs and Maintenance - Others	493,913	403,286
Insurance	1,266,539	978,566
Rates and taxes	174,365	140,412
Communication	745,192	773,273
Travelling and Conveyance	3,237,280	3,976,277
Printing and Stationery	1,017,201	789,322
Freight and forwarding	10,280,323	9,374,273
Sales Commission	707,871	144,996
Sales discount	127,794	64,833
Business promotion	55,840	99,475
Donations and contributions	811,500	-
Motor Car Expenses	680,303	692,128
Security Charges	959,643	784,491
Royalty Paid	4,594,553	2,923,464
Directors Sitting Fees	292,500	210,000
Commission to Non-Executive Directors	400,000	279,573
Legal and Professional	2,241,176	2,150,098
Payments to Auditors	573,000	511,500
Bad trade receivables Written off	2,459,349	-
Net loss on foreign currency transactions and translation	847,226	3,384,782
Provision for impairment of Fixed Assets	1,436,267	-
Provision for doubtful trade receivables	-	643,378
Other Miscellaneous Expenses	4,292,093	3,495,727
Total	<u>94,373,397</u>	<u>80,489,223</u>

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Payments to the auditors comprises		
(a) To statutory auditors		
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	193,000	131,500
Total	523,000	461,500
(b) To cost auditors for cost audit	50,000	50,000
Total	573,000	511,500
NOTE NO. 27 EXCEPTIONAL ITEM		
Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Provision for diminution in value of investments in subsidiary Company - Synergy Films Pvt. Ltd.	7,196,223	-
	<u>7,196,223</u>	<u>-</u>
NOTE NO. 28 : VALUE OF IMPORTS ON CIF BASIS		
Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Raw Materials	298,944,811	187,435,838
Components and Spare Parts	711,660	1,327,790
Capital Goods	-	4,580,605
NOTE NO. 29 : EXPENDITURE IN FOREIGN CURRENCY		
Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Travelling Expenses	201,291	407,403
Interest on Letter of Credit	-	377,924
Royalty Paid	4,594,553	-
NOTE NO. 30 : VALUE OF STORES AND SPARES CONSUMED As at 31 March, 2013		
Particulars	Amount Rs.	As at 31 March, 2012 Amount Rs.
Imported		
Value	1,206,598	957,094
Percentage	41	33
Indigenous		
Value	1,768,307	1,974,803
Percentage	59	67
	<u>2,974,905</u>	<u>2,931,897</u>
	<u>100</u>	<u>100</u>
NOTE NO. 31 : EARNINGS IN FOREIGN EXCHANGE		
Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Export of Goods calculated on FOB basis	114,741,587	79,979,049

NOTE NO. 32 : DISCLOSURE IN ACCOUNTANCE WITH REVISED AS-13 ON “ACCOUNTING FOR INVESTMENTS”

In respect of Investment of Rs.133.25 Lacs (Previous Year : Rs. 133.25 Lacs) made in Subsidiary Company Synergy Films Pvt. Ltd. the accumulated losses as per audited accounts as at 31st March, 2013 amounts to Rs.329.11 Lacs (Previous Year : Rs. 247.47 Lacs) representing the erosion of the entire net worth of the Subsidiary company due to operational losses. The company has, at the close of the year, assessed the carrying value of its investments and based on such assessment, the company has made a provision of Rs. 71.96 Lacs for permanent diminution in the value of its investments in Synergy Films Pvt. Ltd.

NOTE NO. 33 : DISCLOSURES UNDER ACCOUNT 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. 16,64,745 (Year ended 31 March, 2012 Rs. 14,14,054) for Provident Fund contributions and Rs. 12,15,378 (Year ended 31 March, 2012 Rs. 9,92,205) 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.

Particulars

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, 2013 Amount Rs. Gratuity	As at 31 March, 2012 Amount Rs. Gratuity
Components of employer expense		
Current service cost	466,139	430,477
Interest cost	609,820	525,400
Expected return on plan assets	(605,404)	(473,095)
Past service cost		
Actuarial losses/(gains)	<u>326,125</u>	<u>89,979</u>
Total expense recognised in the Statement of Profit and Loss	<u>796,680</u>	<u>572,761</u>
Actual contribution and benefit payments for year		
Actual benefit payments	<u>145,292</u>	<u>319,696</u>
Actual contributions	<u>187,615</u>	<u>881,154</u>
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	8,470,855	7,174,358
Fair value of plan assets	7,714,384	7,027,952
Funded status [Surplus / (Deficit)]	<u>(756,471)</u>	<u>(146,406)</u>
Net asset / (liability) recognised in the Balance Sheet	<u>(756,471)</u>	<u>(146,406)</u>
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	7,174,358	6,366,487
Current service cost	486,139	430,477
Interest cost	609,820	525,400
Actuarial (gains) / losses	365,830	169,690
Past service cost	-	-
Benefits paid	<u>145,292</u>	<u>319,696</u>
Plan value of DBO at the end of the year	<u>8,470,855</u>	<u>7,174,358</u>

Change in fair value of assets during the year

Plan assets at beginning of the year	7,027,952	5,913,688
Expected return on plan assets	604,404	473,095
Actual company contributions	187,615	881,154
Actuarial gain / (loss)	39,705	79,711
Benefits paid	145,292	319,696
Plan assets at the end of the year	<u>7,714,384</u>	<u>7,027,952</u>
Actual return on plan assets	644,109	552,806

Composition of the plan assets is as follows:

Insurer Managed Funds	<u>7,027,952</u>	<u>7,027,952</u>
------------------------------	-------------------------	-------------------------

Actuarial assumptions

Discount rate	8.00%	8.50%
Expected return on plan assets	8.70%	8.60%
Salary escalation	8.00%	8.00%
Attrition	2.00%	2.00%
Medical cost inflation		
Mortality tables	LIC 1994-96 (Ultimate)	LIC 1994-96 (Ultimate)

Particulars

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

	31-03-2013	31-03-2012	31-03-2011	31-03-2010	31-03-2009
Gratuity					
Present value of DBO	8,470,855	7,174,358	6,368,487	3,199,000	2,742,000
Fair value of plan assets	7,714,384	7,027,952	5,913,688	5,413,000	4,990,000
Funded status [Surplus/(Deficit)]	(756,471)	(146,406)	(454,799)	(2,214,000)	(2,248,000)
Experience gain / (loss) adjustments on plan liabilities	365,830	169,690	1,846,782	(30,000)	66,000
Experience gain / (loss) adjustments on plan assets	39,705	79,711	67,662	64,000	62,000
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March, 2013	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009

Actuarial assumptions for long-term compensated absences

Discount rate	8.00%	8.50%	8.25%	8.25%	8.00%
Expected return on plan assets	8.60%	8.60%	8.00%	8.00%	8.00%
Salary escalation	8.00%	8.00%	8.00%	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. 34 DISCLOSURES UNDER ACCOUNTING STANDARD AS 16

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Details of borrowing costs capitalised		
Borrowing costs capitalised during the year	127,616	79,238
- as Work in progress		

NOTE NO. 35 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. 36 DISCLOSURES UNDER ACCOUNTING STANDARD AS 18

Particulars

Related party transactions

Details of related parties:

Description of relationship

Subsidiaries

Key Management Personnel (KMP)

Relatives of KMP

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

Names of related

Synergy Films Pvt.Ltd.

Mr.J.B.Desai

-

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, 2013 and balances outstanding as at 31 March, 2013 :

	Subsidiaries	KMP Entities in which KMP/relatives have significant influence	Total Amount Rs.
(i) Purchase of goods	-	1,950,978 (2,691,428)	1,950,978 (2,691,428)
(ii) Sale of goods	9,963,893 (NIL)	2,742,317 (3,695,812)	12,706,210 (3,695,812)
(iii) Other Income-Intrest Received	2,247,228 (607,288)		2,247,228 (607,288)
(iv) Rendering of services	(NIL)	917,419 (NIL)	917,419 (NIL)
(v) Receiving of services		2,966,994 (1,723,996)	3,155,434 (2,126,796)
Finance (including loans and equity contributions in cash or in kind)	4,131,505		4,131,505
Guarantees and collaterals	(21,061,016) 41,000,000 (40,000,000)		(21,061,016) 41,000,000 (40,000,000)
Balances outstanding at the end of the year			
Trade receivables	4,212,585 (1,663,493)		4,212,585 (1,663,493)
Loans and advances	-		-
Inter Corporate Deposit	(768,516) 26,692,521 (22,561,016)		(768,516) 26,692,521 (22,561,016)

Note: Figures in bracket relates to the previous year

NOTE NO. 37 DISCLOSURES UNDER ACCOUNTING STANDARD AS 20

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Earnings per share		
Basic and Diluted		
Net profit for the year	<u>19,298,411</u>	<u>17,936,939</u>
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	<u>19,298,411</u>	<u>17,936,939</u>
Weighted average number of equity shares	<u>3,000,000</u>	<u>3,000,000</u>
Par value per share	<u>10.00</u>	<u>10.00</u>
Earnings per share - Basic and Diluted	<u>6.43</u>	<u>5.98</u>

NOTE NO. 38 IMPAIRMENT OF ASSETS - AS 28

As at March 31, 2013, the Company has reviewed the future earnings of all its cash generating assets in accordance with the Accounting Standard 28 "Impairment of Assets". On reviewing it was found that one of the Company's Plant L2K1 has out lived its economic life requiring a provision for impairment loss of Rs. 1,436,267 based on valuation report obtained from an independent Valuer. Accordingly impairment loss has been recognised in the Statement of Profit & Loss for the year.

	31.3.2013 Rs.	31.3.2012 Rs.
NOTE NO. 39 CONTINGENT LIABILITIES		
(i) Contingent Liabilities		
In respect of claims against the Company not acknowledged as debts (Net)	<u>224,273</u>	<u>224,273</u>
Customs duty on raw materials imported under advance authorisation, against which export obligation is to be fulfilled	<u>2,528,785</u>	<u>2,000,164</u>
(ii) Commitments		
The Company has given irrevocable and unconditional Corporate Guarantee/ Collateral Securities to North Eastern Development Finance Corporation Ltd. (NEDFC), Assam/ Bank of Baroda - Valsad 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.	<u>41,000,000</u>	<u>40,000,000</u>

NOTE NO. 40 DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENTS WITH THE STOCK EXCHANGE

(i) Loans and advances in the nature of loans given to subsidiaries

Name of the Party	Relationship	Amount outstanding as at 31 March, 2013	Maximum balance outstanding during the year
Synergy Films Private Limited	Subsidiary Company	<u>26,692,521</u>	<u>28,720,016</u>
		<u>(23,329,532)</u>	<u>(23,470,528)</u>

(Figures in brackets represent previous year figures)

NOTE NO. 41 DISCLOSURE OF DERIVATIVES

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at 31st March, 2013 are as follows :

Particulars	31-03-2013		31-03-2012	
	Amount in Foreign	Amount in INR	Amount in Foreign	Amount in INR
	Currency (In '000)	(In '000)	Currency (In '000)	(In '000)
Assets	USD 272.51	14714.47	USD 70.11	3571.41
Liabilities	USD 893.39	49385.58	USD 340.27	17496.43

NOTE NO. 42

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. 43

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.

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, 2013.

For and on behalf of the Board of Directors

JAYMIN. B. DESAI

Managing Director

M. D. DESAI

C. F. O.

B. M. DESAI

Director

TO THE BOARD OF DIRECTORS OF ECOPLAST LIMITED**Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of **ECOPLAST LIMITED** (the "Company"), and its subsidiary (the Company, its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) 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
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

7. We did not audit the financial statements / financial information of subsidiaries, whose financial statements / financial information reflect total asset of Rs. 4,82,85,414 as at 31st March, 2013, total revenues of Rs. 4,16,33,922 and net cash flows amounting to Rs. (2,51,80,015) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 81,64,306 for the year ended 31st March, 2013, as considered in the consolidated financial statements, in respect of subsidiary, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

8. Our report is not qualified in respect of other matter.

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

SANJAY MEHTA

Partner

Membership No. 016859

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No	As at 31.03.2013 Amount Rs.	As at 31.03.2012 Amount Rs.
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	30,000,000	30,000,000
Reserves and Surplus	4	139,309,903	131,477,806
		<u>169,309,903</u>	<u>161,477,806</u>
MINORITY INTEREST		(4,661,087)	(2,624,152)
NON CURRENT LIABILITIES			
Long Term Borrowings	5	41,364,402	38,468,231
Deferred Tax Liabilities (Net)	6	14,285,178	17,995,731
Long Term Provisions	7	3,039,566	2,053,396
		<u>58,689,146</u>	<u>58,517,358</u>
CURRENT LIABILITIES			
Short Term Borrowings	8	93,226,608	116,126,026
Trade Payables	9	92,117,043	41,366,451
Other Current Liabilities	10	25,049,257	21,114,159
Short Term Provisions	11	5,477,406	5,213,827
		<u>215,870,314</u>	<u>183,820,463</u>
TOTAL		<u>439,208,276</u>	<u>401,191,475</u>
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
- Tangible Assets	12	144,452,167	149,371,232
- Capital work-in-progress	12	3,592,117	-
Goodwill on Consolidation	13	10,429,239	18,796,688
Long Term Loans & Advances	14	5,858,847	4,821,572
		<u>164,332,370</u>	<u>172,989,492</u>
CURRENT ASSETS			
Inventories	15	105,641,911	77,078,439
Trade Receivables	16	150,628,721	111,084,164
Cash & Cash Equivalents	17	7,366,316	30,351,702
Short Term Loans & Advances	18	10,879,933	9,640,225
Other Current Assets	19	359,025	47,453
		<u>274,875,906</u>	<u>228,201,983</u>
TOTAL		<u>439,208,276</u>	<u>401,191,475</u>
Significant Accounting Policies			
Notes Forming a part of the Financial Statements	2		

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, 2013.

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

	2013	Note No	As at 31.03.2013	As at 31.03.2012
			Amount Rs.	Amount Rs.
INCOME				
Revenue from Operations		20	799,071,699	605,577,305
Other Income		21	4,806,871	3,025,498
Total Revenue			803,878,570	608,602,803
EXPENDITURE				
Cost of Materials Consumed		22	600,791,823	431,657,368
Changes in Inventories of Finished Goods and Work in Progress		23	(1,699,142)	5,566,412
Employee Benefits Expense		24	38,085,779	33,514,344
Finance Costs		25	24,339,289	22,641,291
Depreciation & Amortization		12	15,780,621	15,008,190
Other Expenses		26	100,596,061	83,599,437
Total Expenses			777,894,432	591,987,042
Profit Before exceptional items and tax			25,984,139	16,615,761
Exceptional Items		27	7,196,223	-
Profit Before Tax			18,787,916	16,615,761
Tax Expenses:				
Current Tax			12,530,000	8,940,000
Deferred Tax			(3,710,553)	(1,311,891)
Tax in respect of Earlier Years			(6,832)	178,651
			8,812,615	7,806,760
Profit after tax but before share of Minority Interest			9,975,301	8,809,001
Add: Share of Loss of Minority Interest			2,041,076	2,281,984
Add: Share of Loss Attributable to Cost of Control			-	4,445,179
Profit after tax for the year			12,016,377	15,536,164
Earnings Per Equity Share of Face Value of Rs.10 Each Basic & Diluted (in Rs.)			4.01	5.18
Significant Accounting Policies		2		
Notes Forming a part of the Financial Statements		3 To 41		

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, 2013.

For and on behalf of the Board of Directors

JAYMIN B. DESAI

Managing Director

M. D. DESAI

C. F. O.

B. M. DESAI

Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	For the year ended 2012-13 Amount Rs.	For the year ended 2011-2012 Amount Rs.
A. Cash flow from operating activities		
Net Profit before Tax as per Statement of Profit and Loss	18,787,916	16,615,761
<i>Adjustments for:</i>		
Depreciation and amortization and impairment	18,359,132	14,983,346
(Profit) / loss on sale / write off of assets	(37,585)	(269,284)
Finance costs	24,339,289	22,641,291
Interest income	(1,191,241)	(2,021,406)
Liabilities / provisions no longer required written back	(2,729,737)	(43,982)
Preliminary Expenditure	16,561	24,844
Provision for doubtful trade and other receivables, loans and advances	-	643,378
	<u>38,756,419</u>	<u>35,958,186</u>
Operating profit before working capital changes	57,544,335	52,573,948
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(28,563,472)	8,862,309
Trade receivables	(39,544,557)	4,848,464
Short-term loans and advances	(1,239,707)	8,115,672
Long-term loans and advance	(1,037,275)	(1,242,194)
Other current assets	(311,571)	702,686
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	50,750,592	(30,278,775)
Other current liabilities	3,935,098	(15,286,674)
Short-term provisions	263,579	102,660
Long-term provisions	986,170	(205,685)
	<u>(14,761,143)</u>	<u>(24,381,537)</u>
Cash generated from operations	42,783,192	28,192,411
Net income tax (paid) / refunds	(12,523,168)	(9,118,651)
Net cash flow from / (used in) operating activities (A)	<u>30,260,024</u>	<u>19,073,760</u>
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(16,135,795)	(7,486,310)
Proceeds from sale of fixed assets	300,000	617,740
Loans given	-	(21,061,016)
Interest received	1,191,241	2,021,406
	<u>(13,322,813)</u>	<u>(35,658,180)</u>
Net cash flow from / (used in) investing activities (B)	<u>(13,322,813)</u>	<u>(35,658,180)</u>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	For the year ended 2012-2013 Amount Rs.	For the year ended 2011-2012 Amount Rs.
C. Cash flow from financing activities		
Long-term borrowings (Net)	2,896,172	17,079,507
Working capital borrowings (Net)	(6,202,300)	37,373,073
Short-term borrowings (Net)	(8,092,900)	(5,674,140)
Finance cost	(24,339,289)	(22,641,291)
Dividends paid	(3,600,000)	(8,100,000)
Tax on dividend	(584,280)	(1,345,310)
	<u>(39,922,597)</u>	<u>16,691,840</u>
Net cash flow from / (used in) financing activities (C)	<u>(39,922,597)</u>	<u>16,691,840</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(22,985,386)	107,419
Cash and cash equivalents at the beginning of the year	30,351,702	30,244,283
Cash and cash equivalents at the end of the year	<u>7,366,316</u>	<u>30,351,702</u>
Cash and cash equivalents at the end of the year Comprises :		
(a) Cash on hand	485,484	507,642
(b) Balances with banks		
(i) In current accounts	1,270,637	1,180,982
(ii) In EEFC accounts	2,087,123	-
(iii) In deposit accounts	1,043,000	26,375,786
(iv) In earmarked accounts (Refer Note (2) below)	<u>2,480,073</u>	<u>2,287,292</u>
	<u>7,366,316</u>	<u>30,351,702</u>

Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow"
- 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, 2013.

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

Notes on Financial Statements for the year ended 31st March 2013

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 amortized over a period of 10 years and 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, 2013 | : | 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.

2 Summary of Significant Accounting Policies

2.1 Basis of Accounting and preparation of financial statements

The financial statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and the relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its Operating Cycle to be 12 months for the purpose of current-non current classification of assets and liabilities

2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

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.

2.4 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

- a. Depreciation on Factory Buildings, Plant and Machinery, Electrical Installations and Equipment (other than Motor Car which is 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.
- b. 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.
- c. Depreciation on exchange fluctuations capitalised to fixed assets is provided over the residual useful life of the fixed assets.
- d. Depreciation on additions / deletions to fixed assets is provided on prorata from the end of month of such addition or upto the month of such deletion, as the case may be.
- e. Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation
- f. Goodwill arising on consolidation is amortized over a period of 10 years.

2.7 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.
- g. Interest income is accounted on accrual basis.

2.8 Fixed Assets

- 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. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

2.9 Machinery Spares

Machinery spares other than stand-by spares are charged to Statement of Profit & Loss 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.

2.10 Foreign Currency Transactions

Initial Recognition: All transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction. **Measurement at Balance Sheet date:** 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. **Treatment of Exchange Differences:** 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 Statement of Profit & Loss of the year.

2.11 Investments

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at acquisition cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Investments, other than long-term investments, being current investments, are valued at cost or fair value, whichever is lower, determined on an individual basis.

2.12 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 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

2.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets, upto the date the asset is put to use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

2.14 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.

2.15 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.

2.16 Lease

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

2.17 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.

2.18 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.

2.19 Impairment of Fixed Assets

In accordance with AS 28 on 'Impairment of Assets', where there is an indication of impairment of the company's assets related to cash generating units, the carrying amount of such assets are reviewed at each Balance sheet date to determine whether there is any impairment. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss 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.

2.20 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.

2.21 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR 31ST MARCH 2013
NOTE NO. 3 : SHARE CAPITAL

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	No of shares	Rs.	No. of shares	Rs.
Authorised				
Equity Shares of Rs. 10 each with voting rights	10,000,000	100,000,000	10,000,000	100,000,000
Issued, Subscribed and fully paid up				
Equity Shares of Rs.10/- each fully paid-up with voting rights	<u>3,000,000</u>	<u>30,000,000</u>	<u>3,000,000</u>	<u>30,000,000</u>
	<u>3,000,000</u>	<u>30,000,000</u>	<u>3,000,000</u>	<u>30,000,000</u>
3.1 The reconciliation of the number of shares outstanding is set out below :				
Particulars	As at 31 March, 2013		As at 31 March, 2012	
	No of shares	Rs.	No. of shares	Rs.
Equity shares outstanding at the beginning of the year	3,000,000	30,000,000	3,000,000	30,000,000
Add : Fresh issue during the year	-	-	-	-
Less : Buy back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	<u>3,000,000</u>	<u>30,000,000</u>	<u>3,000,000</u>	<u>30,000,000</u>
3.2 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. The dividend proposed by the Board of Directors is subject to the approval of shareholders.				
3.3 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 Listing of Companies Equity Shares.				
3.4 Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	No of shares held	%holding in that class of	No. of shares held	%holding in that class of
Equity shares voting rights				
Mrs. Amita J. Desai	475,016	15.83	416,951	13.90
Mrs. Charulata N. Patel	344,607	11.49	344,607	11.49
Silver Systems Properties Pvt. Ltd	476,827	15.89	476,827	15.89

NOTE NO. 4 : RESERVES AND SURPLUS

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Amount Rs.		Amount Rs.	
a) Securities premium account				
As per last Balance Sheet		<u>30,000,000</u>		<u>30,000,000</u>
		<u>30,000,000</u>		<u>30,000,000</u>
b) General reserve				
Balance as per last Balance Sheet		40,781,315		39,281,315
Add: Transferred from surplus in Statement of Profit and Loss Account		<u>2,500,000</u>		<u>1,500,000</u>
		<u>43,281,315</u>		<u>40,781,315</u>
c) Surplus in Statement of Profit and Loss				
As per last Balance Sheet		60,696,491		50,844,607
Add: Profit for the year		<u>12,016,377</u>		<u>15,536,164</u>
		<u>72,712,868</u>		<u>66,380,771</u>
Less: Transferred to General reserve		2,500,000		1,500,000
Dividends proposed to be distributed to equity shareholders (Rs.1.20 per share)		3,600,000		3,600,000
Tax on dividend		584,280		584,280
Closing Balance		<u>66,028,588</u>		<u>60,696,491</u>
Total		<u>139,309,903</u>		<u>131,477,806</u>

NOTE NO. 5 : LONG-TERM BORROWINGS

	As at 31 March, 2013		As at 31 March, 2012	
	Non-Current	Current	Non-Current	Current
SECURED				
Term Loan from Bank				
Bank of Baroda Term Loan I	-	-	-	1,030,000
Bank of Baroda Term Loan II	6,115,319	3,999,996	10,115,319	3,999,996
Bank of Baroda Term Loan III	4,430,812	3,099,996	537,979	3,099,996
Term Loan from North East Development Finance Corporation	7,795,000	4,884,790	12,535,000	4,210,189
Bank of Baroda	3,400,000	2,400,000	-	-
UNSECURED				
From Public and Shareholders				
Deposits from Public	8,901,000	4,438,000	8,053,000	4,340,000
Deposits from Shareholders	20,000	-	20,000	-
Car Loan under Hire Purchase	3,495,969	918,829	514,980	153,130
From Related Party	7,206,302	-	6,691,953	-
	<u>41,364,402</u>	<u>19,741,611</u>	<u>38,468,231</u>	<u>16,833,311</u>

5.1 Details of Security for Bank of Baroda Term Loan I and II: 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.

5.2 Details of Security for North East Development Finance Corporation of India:

- (i) 1st charge by way of Equitable Mortgage of Land and Building at Kalaphar industrial area.
- (ii) 1st charge by way of Hypothecation of Plant and Machineries and other moveable assets.
- (iii) Corporate Gaurantee of Ecopalast Ltd for Rs 400 Lacs. (Previous year Rs. 400 Lacs)
- (iv) Personal gaurantee of Mr. J. B. Desai.

5.3 Details of Working Capital Loan from Bank of Baroda:

- (i) 1st Charge by way of Hypothecation of entireraw materials, stock-in-process, stores and spares, packing materials, finished goods and Book Debts both present and future.
- (ii) Corporate gurantees of Ecoplast Ltd. Rs.200 Lacs and personal gurantees of four others.

5.4 Interest Rate Profile of Term Loans & Deposits are set out as below:

Particulars	Rate of Interest (p.a.)	Amount in Rs.
Term Loan from Bank of Baroda	14.50%	17,646,123
		<u>17,646,123</u>
Term Loan from North East Development Finance Corporation	12.75%	12,679,790
Working Capital Loan from Bank of Baroda	14.75%	5,800,000
Deposits	6% or < 9%	15,000
	9% or < 11%	470,000
	11% of < 12.5%	<u>12,874,000</u>
		<u>13,359,000</u>
Car Loan under Hire Purchase	10.87%	2,353,796
	10.78%	514,988
	10.51%	773,007
	10.51%	<u>773,007</u>
		<u>4,414,798</u>

5.5 Maturity Profile of Term Loans & Deposits is set out below:

Particulars	Maturity Profile (Amount in Rs.)			
	1-2 years	3-4 years	5-6 years	Matured but not claimed
Term Loan from Bank of Baroda	14,199,984	3,446,139	-	-
Term Loan from NEDCI	9,480,000	3,199,790	-	-
Working Capital Loan from Bank of Baroda	4,800,000	1,000,000	-	-
Deposits	88,39,000	4,520,000	-	497,000
Car Loan under Hire Purchase	2,052,821	1,710,528	211,474	-

NOTE NO. 6 DEFERRED TAX LIABILITY (NET)

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 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>18,034,970</u>	<u>19,810,095</u>
Tax effect of items constituting deferred tax liability	<u>18,034,970</u>	<u>19,810,095</u>
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	1,180,933	794,549
Provision for doubtful debts / advances	233,685	1,019,815
Provision for diminution in the value of investments	2,335,174	-
Tax effect of items constituting deferred tax assets	<u>3,749,792</u>	<u>1,814,364</u>
Net deferred tax (liability) / asset	<u>(14,285,178)</u>	<u>(17,995,731)</u>

NOTE NO. 7 LONG-TERM PROVISIONS

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Provision for employee benefits:		
Provision for compensated absences	2,283,007	1,906,990
Provision for gratuity	<u>756,559</u>	<u>146,406</u>
Total	<u>3,039,566</u>	<u>2,053,396</u>

NOTE NO. 8 SHORT-TERM BORROWINGS

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Loans repayable on demand		
From banks		
Secured	73,527,890	101,452,857
Unsecured	6,341,889	2,180,039
From Others - Unsecured		
Inter Corporate Deposits	8,000,000	8,000,000
Fixed Deposits from Public and Shareholders (Refer note No.5)	4,438,000	4,340,000
Car Finance under H.P. Agreement (Refer note No. 5)	<u>918,829</u>	<u>153,130</u>
Total	<u>93,226,608</u>	<u>116,126,026</u>

8.1 Details of Security for the secured short-term borrowings:

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Loans repayable on demand		
Bank Of Baroda	73,527,890	101,452,857
	<u>73,527,890</u>	<u>101,452,857</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 Abrama-Valsad and Office Building at Andheri (East) Mumbai, hypothecation of Plant and Machineries and guaranteed by Managing Director)

NOTE NO. 9 TRADE PAYABLES

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Trade payables:		
Micro, Small and Medium Enterprises	189,555	225,057
Others	<u>91,927,488</u>	41,141,394
Total	<u>92,117,043</u>	<u>41,366,451</u>

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

Amount due to Micro, Small and Medium Enterprises as on 31st March, 2013 are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows :

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Principal Amount due and remaining unpaid	189,555	225,057
Interest due on above and the unpaid interest	1,260	5,225
Interest paid during the year	-	7,378
Payment made beyond the appointed day during the year	848,963	241,673
Interest due and payable for the period of delay	6,492	1,339
Interest accrued and remaining unpaid	7,752	6,564
Amount of further interest remaining due and payable in succeeding years	14,316	-

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. 10 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Current maturities of long-term Secured Debts (Refer Note No.5)	14,384,782	12,340,181
Interest accrued and due on Fixed Deposits	785,399	735,679
Unpaid dividends*	749,858	782,447
Unpaid matured deposits and interest accrued thereon	507,248	498,186
Other payables		
Statutory dues payable	4,238,677	3,411,828
Advances from customers	4,126,069	1,766,685
Others -Net Salaries & Wages Payable	257,225	648,388
Creditors for Capital Goods	-	930,765
Total	<u>25,049,257</u>	<u>21,114,159</u>

* These figures do not include any amounts due and outstanding, to be credited to Investor Education and Protection Fund under section 205C of the Companies Act, 1956

NOTE NO. 11 SHORT-TERM PROVISIONS

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Provision for employee benefits:		
Provision for bonus	693,453	634,409
Provision for compensated absences	599,673	395,138
	1,293,126	1,029,547
Other Provision		
Provision for proposed equity dividend	3,600,000	3,600,000
Provision for tax on proposed dividends	584,280	584,280
	<u>4,184,280</u>	<u>4,184,280</u>
Total	<u>5,477,406</u>	<u>5,213,827</u>

NOTE NO. 12 : FIXED ASSETS

(Figures in brackets represents previous year figure) (Amount - Rs.)

Tangible assets	GROSS BLOCK				Accumulated depreciation and impairment				NET BLOCK	
	Balance as at 1.4.2012	Additions	Disposals	Borrowing cost capitalised	Balance as at 1.4.2012	Depreciation for the year	Eliminated on disposal of assets	Impairment losses recognised in statement of profit & loss	Balance as at 31.3.2013	Balance as at 31.3.2012
Own Assets										
Land - Freehold	5,096,185 (5,096,185)	-	-	-	-	-	-	-	-	5,096,185 (5,096,185)
Buildings *	53,088,266 (53,088,265)	6,10,645	-	-	15,068,942 (13,397,403)	1,664,778 (1,671,540)	-	-	16,733,720 (15,068,943)	36,965,191 (38,019,323)
Plant and Equipment	218,118,726 (217,594,082)	6,158,440 (1,329,784)	-	-	224,277,166 (218,118,726)	10,643,195 (10,541,346)	-	1,436,267 (4,56,684)	132,545,323 (120,465,861)	91,731,843 (97,652,865)
Furniture and Fixtures	3,759,740 (3,714,777)	16,330 (44,963)	-	-	3,003,742 (2,779,228)	226,331 (224,516)	-	-	3,230,073 (3,003,742)	545,997 (755,998)
Vehicles **	6,497,037 (6,451,612)	5,514,152 (45,425)	1,454,155	-	4,303,434 (3,461,505)	924,018 (841,929)	1,19,740	-	4,035,712 (4,303,434)	6,521,322 (2,193,603)
Office equipment	12,316,324 (6,250,187)	244,111 (6,066,138)	62,475	-	12,497,960 (4,959,052)	2,305,739 (1,704,015)	62,475	-	8,906,331 (6,663,067)	3,591,629 (5,653,258)
Gross Total ***	298,876,278	12,543,678	1,516,630	-	309,903,326	15,764,060	1,254,215	1,436,267	165,451,159	144,452,167
CWIP	-	3,464,500	-	127,616	3,592,116	-	-	-	-	3,592,117
Previous year	298,876,278	16,008,178	1,516,630	127,616	149,505,046	15,764,060	1,254,215	1,435,267	165,451,159	148,044,284
	292,195,108	7,486,310	805,140	-	134,978,385	14,983,346	456,684	-	149,505,047	149,371,232

Details of assets acquired under hire purchase (Amount - Rs.)

Particulars	Gross Block		Net Block	
	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
Vehicles	6,668,120.00	1,153,968	6,050,150.85	979,755

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

*** 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. 13 GOODWILL ON CONSOLIDATION

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Opening Balance	18,796,688	-
Add: On acquisition of subsidiaries during the year	-	18,796,688
Less : Preliminary expenses adjusted	12,421	-
Less : Provision for diminution in value of investment	7,196,223	-
	<u>11,588,044</u>	<u>18,796,688</u>
Less: Accumulated impairment	1,158,804	-
Goodwill at the end of the year	<u>10,429,239</u>	<u>18,796,688</u>

NOTE NO. 14 LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Security deposits		
Unsecured, considered good	2,476,748	2,576,748
Loans and advances to employees	490,198	339,337
Advance income tax net of provisions	2,660,025	1,685,147
Balances with government authorities		
Unsecured, considered good		
CST & VAT receivable on Assessment	195,593	184,057
Capital Advances	<u>36,283</u>	<u>36,283</u>
Total	<u>5,858,847</u>	<u>4,821,572</u>

NOTE NO. 15 INVENTORIES *

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Raw materials	57,001,532	42,575,410
Imported Raw-Materials in-transit	20,677,764	7,885,968
Work-in-progress	15,250,080	9,311,963
Finished goods	10,084,793	12,438,068
Finished Goods in-transit	-	1,885,700
Packing Material , Stores and Spares	2,618,174	2,772,374
Others - Scrap	9,568	208,956
Total	<u>105,641,911</u>	<u>77,078,439</u>

NOTE NO. 16 TRADE RECEIVABLES

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	3,029,382	3,450,124
Doubtful	720,138	3,142,727
	<u>3,749,520</u>	<u>6,592,851</u>
Less: Provision for doubtful trade receivables	720,138	3,142,727
	<u>3,029,382</u>	<u>3,450,124</u>
Other Trade receivables		
Unsecured, considered good	147,599,339	107,634,040
Total	<u>150,628,721</u>	<u>111,084,164</u>

NOTE NO. 17 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Cash on hand	485,484	507,642
Balances with banks		
In current accounts	1,270,637	1,180,982
In EEFC accounts	2,087,123	-
Unpaid dividend accounts	751,073	607,325
In Fixed deposit accounts Under Rule 10 of the Co.'s (Acceptance of Deposits) Rules, 1975	730,000	420,000
In Fixed Deposit Accounts, held as margin money against Letter of Credit*	1,729,000	1,679,967
In Fixed Deposit Accounts, held as security against borrowings	313,000	25,955,786
Total	<u>7,366,316</u>	<u>30,351,702</u>

* Includes deposits of Rs. 10,00,000/- under Bank's Lien as a collateral security for working capital facilities availed by subsidiary company-Synergy Films Pvt. Ltd.

NOTE NO. 18 SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Prepaid expenses	1,944,067	1,415,478
Balances with Government Authorities	4,864,105	5,516,849
VAT/Cenvat/Service Tax credit receivable		
Income Tax Refund	297,744	351,189
Advance to Trade Payables	3,199,298	1,437,049
Loans and Advances to employees	574,719	919,660
Total	<u>10,879,933</u>	<u>9,640,225</u>

NOTE NO. 19 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Accruals		
Interest accrued on Fixed Deposits with Banks	222,675	47,453
Others		
Insurance Claims	136,349	-
Total	<u>359,024</u>	<u>47,453</u>

NOTE NO. 20 REVENUE FROM OPERATIONS

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Sale of products	895,355,291	661,739,763
Processing Charges	5,992,505	2,612,663
Other operating revenues	761,540	400,465
	902,109,336	664,752,891
Less:		
Excise duty	103,037,637	59,175,586
Total	<u>799,071,699</u>	<u>605,577,305</u>

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Sale of products comprises :		
<u>Manufactured goods</u>		
Plastic Film	880,416,407	654,848,151
Others	6,492,444	6,891,612
<u>Traded goods</u>		
Others	8,446,440	-
Total - Sale of products	895,355,291	661,739,763
Sale of services comprises :		
Processing charges	5,992,505	2,612,663
Total - Sale of services	5,992,505	2,612,663
Other operating revenues comprise:		
Sale of Scraps	761,540	400,465
Total - Other operating revenues	761,540	400,465

NOTE NO. 21 OTHER INCOME

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Interest income	1,191,241	2,124,234
Other non-operating income	3,615,630	901,264
Total	4,806,871	3,025,498

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
interest income		
Interest from banks on:Fixed Deposits	1,056,623	1,960,617
Interest on income tax refund	9,094	41,443
Interest on Deposit with Daksin Gujarat Vij Co. Ltd.	102,828	102,828
Interest on Employees Loan	22,696	19,346
Total - Interest income	1,191,241	2,124,234

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Other non-operating income comprises:		
Profit on sale of fixed assets	37,585	269,284
Liabilities / provisions no longer required written back (net)	2,729,737	43,982
insurance Claim Received	293,892	-
Miscellaneous income	554,416	587,998
Total - Other non-operating income	3,615,630	901,264

NOTE NO. 22 COST OF MATERIALS CONSUMED

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Opening stock	43,067,408	53,506,567
Add: Purchases	<u>614,916,628</u>	<u>421,218,209</u>
	657,984,036	474,724,776
Less: Closing stock	<u>57,192,213</u>	<u>43,067,408</u>
Cost of material consumed	<u>600,791,823</u>	<u>431,657,368</u>
Material consumed comprises:		
Poly Granuals	571,128,591	405,524,595
Other items	<u>29,663,232</u>	<u>26,132,773</u>
Total	<u>600,791,823</u>	<u>431,657,368</u>

Imported and Indigenous Raw Materials Consumed :

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Raw Materials :		
Imported		
Value	352,981,844	200,125,986
Percentage	59	46
Indigenous		
Value	247,809,979	231,531,382
Percentage	41	54
Total Value	<u>600,791,823</u>	<u>431,657,368</u>
Total Percentage	<u>100</u>	<u>100</u>

NOTE NO. 23 Changes in inventories of finished goods, work-in-progress

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount Rs.	Amount Rs.
Inventories at the end of the year:		
Finished goods	8,689,055	12,814,204
Work-in-progress	<u>15,250,080</u>	<u>9,311,963</u>
	23,939,135	22,126,167
Inventories at the beginning of the year:		
Finished goods	12,814,204	12,710,899
Work-in-progress	<u>9,311,963</u>	<u>15,692,885</u>
	22,126,167	28,403,784
Add/(Less):- Variation in excise duty on opening and closing stock of finished goods	(113,826)	711,205
Net (Increase) / decrease	1,699,142	(5,566,412)

NOTE NO. 24 EMPLOYEE BENEFITS EXPENSE

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Salaries, wages, bonus and other allowances	33,178,295	29,373,927
Contributions to Provident and other funds	4,008,275	3,219,260
Staff welfare expenses	<u>899,209</u>	<u>921,157</u>
Total	<u>38,085,779</u>	<u>33,514,344</u>

NOTE NO. 25 FINANCE COSTS

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Interest expense on: Borrowings*	22,495,055	22,641,290
Other borrowing costs	<u>1,844,234</u>	<u>-</u>
Total	<u>24,339,289</u>	<u>22,641,290</u>

NOTE NO. 26 OTHER EXPENSES

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Consumption of Stores and Spare parts	3,030,701	2,946,997
Consumption of Packing Materials	15,145,993	11,541,059
Consumption of Ink & Printing Cylinders	676,621	1,049,082
Power and fuel	35,384,445	29,709,361
Conversion Charges Paid	23,584	-
Repairs and Maintenance - Buildings	1,112,265	311,409
Repairs and Maintenance - Machinery	4,412,883	4,765,922
Repairs and Maintenance - Others	606,143	436,499
Insurance	1,378,657	1,090,381
Rates and taxes	231,751	309,877
Communication	845,277	909,020
Travelling and Conveyance	3,454,347	4,374,965
Printing and Stationery	1,017,201	789,322
Freight and forwarding	10,851,948	9,533,616
Sales Commission	707,871	144,996
Sales discount	127,794	64,833
Business promotion	55,840	99,475
Donations and contributions	835,902	2,001
Motor Car Expenses	680,303	692,128
Security Charges	959,643	784,491
Royalty Paid	4,594,553	2,923,464
Directors Sitting Fees	292,500	210,000
Commission to Non-Executive Directors	400,000	279,573
Legal and Professional	2,398,756	2,340,718
Payments to Auditors	588,000	526,500
Bad trade receivables Written off	2,459,349	-
Net loss on foreign currency transactions and translation	847,226	3,384,782
Provision for impairment of Fixed Assets	1,436,267	-
Impairment of Goodwill on Consolidation	1,158,804	-
Provision for doubtful trade receivables	-	643,378
Other Miscellaneous Expenses	<u>4,881,437</u>	<u>3,735,588</u>
Total	<u>100,596,061</u>	<u>83,599,437</u>

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Payments to the auditors comprises		
(a) To statutory auditors		
Audit Fees	235,000	235,000
Taxation Matters	40,000	40,000
Company Law Matters	40,000	40,000
Tax Audit Fees	30,000	30,000
Certification and Other Services	<u>193,000</u>	<u>131,500</u>
	538,000	476,500
(b) To cost auditors for cost audit	50,000	50,000
Total	<u>588,000</u>	<u>526,500</u>

NOTE NO. 27 EXCEPTIONAL ITEMS

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Provisions for diminution in value of investment in Subsidiary	7,196,223	-

NOTE NO. 28 VALUE OF IMPORTS ON CIF BASIS

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Raw Materials	307,391,251	187,435,838
Components and Spare Parts	711,660	1,327,790
Capital Goods	-	4,580,605

NOTE NO. 29 EXPENDITURE IN FOREIGN CURRENCY

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Travelling Expenses	201,291	407,403
Interest on Letter of Credit	-	377,924
Royalty Paid	4,594,553	-

NOTE NO. 30 VALUE OF STORES AND SPARES CONSUMED

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Imported		
Value	1,206,598	957,094
Percentage	40	32
Indigenous		
Value	1,824,103	1,989,903
Percentage	<u>60</u>	<u>68</u>
	<u>3,030,701</u>	<u>2,931,897</u>
	<u>100</u>	<u>100</u>

NOTE NO. 31 EARNINGS IN FOREIGN EXCHANGE

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Export of Goods calculated on FOB basis	114,741,587	79,652,374

NOTE NO. 32 : DISCLOSURES UNDER ACCOUNT 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.17,86,911 (Year ended 31 March, 2012 15,04,946) for Provident Fund contributions and Rs.12,15,378 (Year ended 31 March, 2012 Rs 9,92,205) 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, 2013 Amount Rs. Gratuity	As at 31 March, 2012 Amount Rs. Gratuity
Components of employer expense		
Current service cost	466,139	430,477
Interest cost	609,820	525,400
Expected return on plan assets	(605,404)	(473,095)
Past service cost		
Actuarial losses/(gains)	326,125	89,979
Total expense recognised in the Statement of Profit and Loss	<u>796,680</u>	<u>572,761</u>
Actual contribution and benefit payments for year		
Actual benefit payments	145,292	319,696
Actual contributions	<u>187,615</u>	<u>881,154</u>
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	8,470,855	7,174,358
Fair value of plan assets	7,714,384	7,027,952
Funded status [Surplus / (Deficit)]	<u>(756,471)</u>	<u>(146,406)</u>
Net asset / (liability) recognised in the Balance Sheet	<u>(756,471)</u>	<u>(146,406)</u>

Particulars	As at 31 March, 2013 Amount Rs. Gratuity	As at 31 March, 2012 Amount Rs. Gratuity
Change in defined benefit obligations (DBO) during year		
Present value of DBO at beginning of the year	7,174,358	6,368,487
Current service cost	466,139	430,477
Interest cost	609,820	525,400
Actuarial (gains) / losses	365,830	169,690
Past service cost	-	-
Benefits paid	<u>145,292</u>	<u>319,696</u>
Present value of DBO at the end of the year	<u>8,470,855</u>	<u>7,174,358</u>

Change in fair value of assets during the year

Plan assets at beginning of the year	7,027,952	5,913,688
Expected return on plan assets	604,404	473,095
Actual company contributions	187,615	881,154
Actuarial gain / (loss)	39,705	79,711
Benefits paid	145,292	319,696
Plan assets at the end of the year	<u>7,714,384</u>	<u>7,027,952</u>

Actual return on plan assets	644,109	552,806
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Composition of the plan assets is as follows:

Insurer Managed Funds	7,027,952	7,027,952
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Actuarial assumptions

Discount rate	8.00%	8.50%
Expected return on plan assets	8.70%	8.60%
Salary escalation	8.00%	8.00%
Attrition	2.00%	2.00%
Medical cost inflation		
Mortality tables	LIC 1994-96 (Ultimate)	LIC 1994-96 (Ultimate)

Particulars

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

	31-03-2013	31-03-2012	31-03-2011	31-03-2010	31-03-2009
Gratuity					
Present value of DBO	8,470,855	7,174,358	6,368,487	3,199,000	2,742,000
Fair value of plan assets	7,714,384	7,027,952	5,913,688	5,413,000	4,990,000
Funded status [Surplus/(Deficit)]	(756,471)	(146,406)	(454,799)	(2,214,000)	(2,248,000)
Experience gain / (loss) adjustments on plan liabilities	365,830	169,690	1,846,782	(30,000)	66,000
Experience gain / (loss) adjustments on plan assets	39,705	79,711	67,662	64,000	62,000
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March, 2013	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009

Actuarial assumptions for long-term
compensated absences

Discount rate	8.00%	8.50%	8.25%	8.25%	8.00%
Expected return on plan assets	8.60%	8.60%	8.00%	8.00%	8.00%
Salary escalation	8.00%	8.00%	8.00%	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. 33 DISCLOSURES UNDER ACCOUNTING STANDARD AS 16

Particulars	As at 31 March, 2013 Amount Rs.	As at 31 March, 2012 Amount Rs.
Details of borrowing costs capitalised		
Borrowing costs capitalised during the year	<u>127,616</u>	<u>79,238</u>
- as fixed assets		

NOTE NO. 34 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. 35 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 Mr. Prashanta Choudhary Mr. Susanta Choudhary
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, 2013 and balances outstanding as at 31 March, 2013 :

	Interest in joint venture	KMP	Entities in which KMP/relatives	Total Amount Rs.
			have significant	
(i) Purchase of goods	-		1,950,978 (3,606,412)	1,950,978 (3,606,412)
(ii) Sale of goods	-	-	2,742,317 (3,695,812)	2,742,317 (3,695,812)
(iii) Rendering of services	-	-	917,419 (1,629,197)	917,419 (1,629,197)
(iv) Receiving of services		2,966,994 (2,383,966)	188,440 (402,800)	3,155,434 (2,786,796)

Note: Figures in bracket relates to the previous year

NOTE NO. 36 DISCLOSURES UNDER ACCOUNTING STANDARD AS 20

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount Rs.	Amount Rs.
Earnings per share		
Basic and Diluted		
Net profit for the year	12,016,377	15,536,164
Net profit / (loss) for the year from continuing operations attributable to the equity Weighted average number of equity share	12,016,377	15,536,164
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	<u>4.01</u>	<u>5.18</u>

NOTE NO. 37 IMPAIRMENT OF ASSETS - AS 28

- (i) As at March 31, 2013, the Company has reviewed the future earnings of all its cash generating assets in accordance with the Accounting Standard 28 "Impairment of Assets". On reviewing it was found that one of the Company's Plant L2K1 has out lived its economic life requiring a provision for impairment loss of Rs. 1,436,267 based on valuation report obtained from an independent Valuer. Accordingly impairment loss has been recognised in the Statement of Profit & Loss for the year.
- (ii) As at March 31, 2013, the Company has tested the impairment of the goodwill on consolidation considering the fair value of investments made in sbusidary and prospects for recoument of losses in resonable time frame in accordance with the Accounting Standard 28 "Impairment of Assets". The management is of the view that Goodwill arising on consolidation be amortized over a period of 10 years. Accordingly, the said impairment loss of Rs. 11,58,804 has been recognised in the Statement of Profit & Loss for the year.

	31.3.2013	31.3.2012
	Rs.	Rs.
NOTE NO. 38 CONTINGENT LIABILITIES		
(i) Contingent Liabilities		
In respect of claims against the Company not acknowledged as debts(Net)	224,273	224,273
Customs duty on raw materials imported under advance licensing, against which export obligation is to be fulfilled	2,528,785	2,000,164
(ii) Commitments		
The Company has given irrevocable and unconditional Corporate Guarantee/ Collateral Securities to North Eastern Development Finance Corporation Ltd. (NEDFC), Assam/ Bank of Baroda - Valsad 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.	41,000,000	40,000,000

NOTE NO. 39 DISCLOSURE OF DERIVATIVES

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at 31st March, 2013 are as follows :

Particulars	31-03-2013		31-03-2012	
	Amount in Foreign Currency (In '000)	Amount in INR (In '000)	Amount in Foreign Currency (In '000)	Amount in INR (In '000)
Assets	USD 272.51	14714.47	USD 70.11	3571.41
Liabilities	USD 893.39	49385.58	USD 340.27	17496.43

NOTE NO. 40

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 2013 Company is not in any default under the Scheme.

NOTE NO. 41

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.

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, 2013.

For and on behalf of the Board of Directors

JAYMIN B. DESAI

Managing Director

B. M. DESAI

Director

M. D. DESAI

C. F. O.

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. (30,597,957)
5) Total Assets	:	Rs. 48,285,414
6) Total Liabilities	:	Rs. 66,929,771
7) Investments	:	Rs. -
8) Turnover / Total Income	:	Rs. 41,633,922
9) Profit Before Tax	:	Rs. (8,164,306)
10) Provision for Taxation	:	Rs. -
11) Profit After Tax	:	Rs. (8,164,306)
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, 2013.

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 14th day of September, 2013 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
..... of in 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 14th day of September 2013 and at any
adjournment thereof.

Signed this day of 2013.

Reference Folio

Signature _____



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

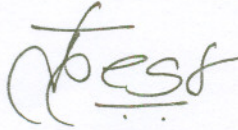
NOTE : The Proxy must be returned so as to reach the Registered Office of the Company, at National Highway No. 8, Water Works Cross Road, Abrama - Valsad 396 001, not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

FORM A


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

1.	Name of Company	ECOPLAST LIMITED
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A

Yours faithfully,
For ECOPLAST LIMITED



Managing Director



CFO



Audit Committee Chairman

For Akkad Mehta & Co.
Chartered Accountants
(Firm Reg 100259W)



Sanjay Mehta
Partner

Membership No: 16859

