



PROMACT PLASTICS LIMITED

**27TH
A N N U A L
R E P O R T
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TWENTYSEVENTH ANNUAL REPORT 2010-11

BOARD OF DIRECTORS	:	Ms. Payalben J. Patel	Chairperson
		Mr. Dharmendrakumar B. Patel	Director
		Mr. Shyamlal Gupta	Director
		Ms. Nikitaben J. Patel	Director
		Mr. Ankit J. Patel	Director
PRINCIPAL BANKERS	:	The Mehsana Urban Co.op. Bank Ltd., Mehsana.	
AUDITORS	:	M/s. R. R. S. & Associates, Chartered Accountants, Ahmedabad.	
COMPANY LAW CONSULTANTS	:	Mr. Kashyap R. Mehta, Company Secretary, Ahmedabad.	
REGISTERED OFFICE	:	106, Harikrupa Chambers, Behind National Chambers, Ashram Road, Ahmedabad-380 009.	
FACTORY	:	391 to 404, GIDC Estate, Phase-II, Dediyasan, Mehsana-384 002.	
REGISTRAR & SHARE TRANSFER AGENTS	:	M/s. Link Intime India Private Limited 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad - 380 009.	

Dear Members,

As you know, the Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated 21st April, 2011 and 29th April, 2011, respectively.

Your Company proposes to deliver electronically various communication/documents such as Notice of General Meeting, Annual Reports, Postal Ballot documents and such other necessary communication/documents from time to time to the Members, who have provided their email address to their Depository Participant (DP). Members holding shares in physical form and who are desirous of receiving the communication/documents in electronic form, are required to inform their email address to the Registrar and Transfer Agent of the Company.

Email addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, will be deemed to be your registered email address for serving the necessary communication/documents. Thus, the necessary communication would be sent in electronic form to the registered email address. Members, who wish to inform any updations/changes of their email address, are requested to promptly update the same with their DP/the Registrar and Transfer Agent of the Company, as the case may be, from time to time.

As a member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of the requisition from you.

We request you to support this initiative and opt for the electronic mode of communication by submitting your email address to your DP or to the Company, as the case may be, in the interest of the environment.



Save Environment Save U'r self

GO GREEN !

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NOTICE

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

Date : 26th September, 2011
Day : Monday
Time : 12 Noon
Place : Conference Hall of Hotel City Pride,
Opp. Gurukul, Drive - In Road,
Ahmedabad - 380 052.

to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Profit and Loss Account of the year ended on 31st March, 2011 and the Balance Sheet as on that date along with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Dharmendrakumar B. Patel, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Shyamlal Gupta, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT the consent of the company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company, mortgaging and/or charging all the immovable and movable properties of the Company wheresoever situate, present and future and the whole of the undertaking of the Company in favour of The Mehsana Urban Co-operative Bank Limited to secure the payment of not exceeding Rs. 2,00,00,000/- (Rupees two Crores only) at any particular time of loan / Interest, cost and all other money, expenses payable to lender."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with lenders, documents for creating mortgage and/or charge and reserving the right and to do all such acts and things as may be necessary for giving effect to the above resolution."

Registered Office:
106, Harikrupa Chambers,
Behind National Chambers,
Ashram Road,
Ahmedabad-380 009.
Date : 30th May, 2011.

By the Order of the Board,

Payalben J. Patel
Chairperson



PROMACT PLASTICS LIMITED

NOTES :

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item No. 5 set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
3. Pursuant to Section 154 of the Companies Act, 1956, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 21st September, 2011 to Monday, the 26th September, 2011 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to:
 - a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notify immediately the change in their registered address, if any, to the Company.
6. The Equity Shares of the Company are now available for dematerialisation, as the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN of the Equity Shares is INE818D01011.

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

In respect of Item No. 5:

Mehsana Urban Co. Op. Bank, Mehsana Branch has sanctioned/increased/ renewed Financial Assistance of Rs. 2,00,00,000/- (Rupees two Crores only) to the Company to meet financial requirements of the Company.

As per the Sanction Letter of Mehsana Urban Co. Op. Bank, Mehsana Branch, the Financial Assistance is to be secured by charge over the immovable/movable properties of the Company, both present and future.

Section 293(1)(a) of the Companies Act, 1956 provides inter alia, that the Board of Directors of a Public Company shall not, without the consent of such public company in general meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Since the charging by the Company of its immovable/movable properties as aforesaid in favour of Mehsana Urban Co. Op. Bank, Mehsana Branch may be regarded as disposal of the Company's properties/undertakings. It is, therefore, necessary for the members to pass resolution under Section 293(1)(a) of the Companies Act, 1956.

None of the Directors is in any way concerned or interested in the aforesaid resolution.

Copy of the Letter of Sanction of Mehsana Urban Co. Op. Bank, Mehsana and copies of the relevant documents/ agreement/ correspondence are open for inspection between 11.00 A.M. to 1.00 noon on any working day prior to the date of the meeting.

Your Directors recommend the Resolution.

Registered Office:

106, Harikrupa Chambers,
Behind National Chambers,
Ashram Road,
Ahmedabad-380 009.
Date : 30th May, 2011.

By the Order of the Board,

Payalben J. Patel
Chairperson

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the TWENTYSEVENTH ANNUAL REPORT together with the Audited Statement of Accounts for the financial year 2010-11 ended on 31st March, 2011.

1. FINANCIAL RESULTS

(Rs.in Lacs)

Particulars	2010-2011	2009-2010
Profit Before Interest and Depreciation	3.06	104.90
Less : Interest	102.84	108.62
(Loss) before Depreciation	(99.78)	(3.72)
Less : Depreciation	58.28	60.28
(Loss) before tax	(158.06)	(64.00)
Add : Deferred Tax Asset	63.29	237.02
Profit / (Loss) after tax	(94.77)	173.02
Add : Previous Years' Income	-	5.32
Profit / (Loss) for the year	(94.77)	178.34
(Debit) Balance brought forward from Previous year	(571.14)	(749.48)
(Debit) Balance carried to Balance Sheet	(665.91)	(571.14)

2. DIVIDEND

As the Company has accumulated losses, your Directors are unable to recommend any Dividend for the Year 2010-11.

3. SALES & WORKING RESULTS:

The Sales during the year 2010-11 was Rs.1037 lacs as compared to Rs.1091 lacs during the year 2009-10.

The Profit before Interest and Depreciation during the year 2010-11 was Rs.3.06 lacs as against Profit of Rs. 104.90 lacs during 2009-10. As the Company had to provide for Interest of Rs.102.84 lacs during the year under review, the Loss before Depreciation was Rs. 99.78 lacs during the year under review, compared with Loss of Rs. 3.72 lacs during 2009-10. The Company provided Rs. 58.28 lacs for Depreciation and therefore Loss before tax stood at Rs. 158.06 lacs during the year under review compared to Loss of Rs. 64 lacs for the year 2009-10. After taking into account Deferred Tax Asset, the Net Loss for the year under review stood at Rs.94.77 lacs as against Net Profit of Rs.173.02 lacs during 2009-10.

4. ISO 9002:

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

5. FINANCE:

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

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

6. DIRECTORS:

One of your Directors viz. Mr. Babubhai A. Patel ceased to be Director upon resignation w.e.f. 29th May, 2010. Two of your Directors viz. Mr. Dharmendrakumar B. Patel and Mr. Shyamlal Gupta retire by rotation in terms of Articles of Association of the Company. They, however, being eligible, offer themselves for re-appointment.

7. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;



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- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2011 being end of the financial year 2010-11 and of the Loss of the Company for the year;
- (iii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

8. DEMATERIALISATION OF EQUITY SHARES:

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

9. CORPORATE GOVERNANCE:

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

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

11. LISTING:

The Equity Shares of the Company are listed on Ahmedabad and Mumbai Stock Exchanges and the Company has paid Annual Listing Fees to both the Stock Exchanges upto the year 2011-12.

12. GENERAL:

12.1 INSURANCE:

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

12.2 AUDITORS:

The present Auditors of the Company M/s. R. R. S. & Associates, Chartered Accountants were appointed as Auditors for the year 2010-11 and as such they will retire at the ensuing Annual General Meeting of the Company. They have submitted Certificate for their eligibility for re-appointment under Section 224 (1-B) of the Companies Act, 1956. The notes of the Auditors to the accounts are self explanatory.

12.3 PARTICULARS OF EMPLOYEES:

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

12.4 DEPOSITS:

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

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

14. ACKNOWLEDGMENT:

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

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

For and on behalf of the Board,

Place : Ahmedabad.
Date : 30th May, 2011.

Payalben J. Patel
Chairperson

ANNEXURE - I

A. CONSERVATION OF ENERGY :

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

B. TECHNOLOGY ABSORPTION :

- a) Efforts made in the technology absorption:

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

- b) Total Foreign Exchange earned and used.

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

FORM - A		
Disclosure of particulars with respect to Conservation of Energy		
Particulars	2010-11	2009-10
A. Power and fuel Consumption		
1. Electricity		
a) Purchased Units	13,01,248	14,18,088
Total amount (Rs. in lacs)	77.48	87.93
Rate/Unit Rs.	5.95	6.20
b) Through Diesel Generator		
Units	-	-
Total amount (Rs. in lacs)	-	-
Cost/Unit Rs.	-	-
2. Coal	-	-
3. Furnace oil	-	-
4. LSHS	-	-
5. Gas (Amt. In Lacs)	-	-
B. Unit of Production		
Products	HDPE Fabrics/Sacks	

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th May, 2011.

Payalben J. Patel
Chairperson



REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

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

Name of Directors	Category of Directorship	No. of other Directorships *	Committee (1) Membership (2) Meetings Chairmanship in other companies	No. of Board Meetings attended	Attendance at the AGM held on 30 th September, 2010 Yes(Y)/No(N)
Dharmendrakumar B. Patel	Independent Non Executive	—	—	6	Y
Shyamlal Gupta	Independent Non Executive	—	—	6	Y
Payalben J. Patel Chairperson	Independent Non Executive	—	—	5	Y
Nikitaben J. Patel	Independent Non Executive	—	—	5	Y
Ankit J. Patel	Independent Non Executive	—	—	1	N

* Private companies excluded.

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

Name of Director	Dharmendrakumar B. Patel	Shyamlal Gupta
Date of Birth	28-02-1963	07-07-1952
Date of Appointment	31-10-2008	31-10-2008
Expertise in specific functional areas	Administration & Management	Finance
List of Public Limited Companies in which Directorship held	—	—
Chairmanship of the Committees of the Board of Directors of the Company	Audit and Remuneration Committees	—
Chairman/Member of the Committees of Directors of other companies.	—	—

c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, about the overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors were held on 10-04-2010; 29-05-2010; 06-08-2010; 30-08-2010; 27-10-2010 and 14-02-2011.

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3. AUDIT COMMITTEE:

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

Name of the Director	Expertise	Functions of the Committee	Attendance
Payalben J. Patel	All members are non-executive. Chair-person is independent Director and majority are independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s) which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	All the members at the time of relevant audit committee meetings were present on: 29-05-2010, 06-08-2010, 27-10-2010 and 14-02-2011.
Nikitaben J. Patel			
Dharmendra B. Patel			

4. REMUNERATION COMMITTEE:

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

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

1. Ms. Payalben J. Patel - Non Executive Independent
2. Ms. Nikitaben J. Patel - Non Executive Independent
3. Mr. Dharmendrabhai B. Patel - Non Executive Independent

Details of remuneration paid:

1. None of the Directors was paid any managerial remuneration during the year 2010-11.
2. No Sitting Fees, Commission or Stock Option has been offered to the Directors.

5. SHAREHOLDERS/INVESTORS' GRIEVANCES COMMITTEE:

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

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

The Company received eight complaints during the year and all were resolved to the satisfaction of the shareholders. There was no valid request for transfer of shares pending as on 31st March, 2011.

Ms. Payalben J. Patel, Director is the Compliance Officer for the above purpose.

6. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2007-08	30-09-2008	12 Noon	Conference Hall of Hotel City Pride, Opp.Gurukul, Drive-In Road, Ahmedabad - 380 052.
2008-09	30-09-2009	12 Noon	
2009-10	30-09-2010	12 Noon	

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

7. DISCLOSURES:

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

8. MEANS OF COMMUNICATIONS:

- a) In compliance with the requirements of the Listing Agreement, the Company regularly intimates Unaudited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are not displaying on Website and are not sent individually to the Shareholders.

**PROMACT PLASTICS LIMITED**

- b) During the year ended on 31st March, 2011, no presentations were made to Institutional Investors or analyst or any other enterprise.
- c) Management Discussion and Analysis forms part of the Annual Report.

9. SHAREHOLDERS' INFORMATION:

- a) Registered Office : 106, Harikrupa Chambers, Behind National Chambers, Ashram Road, Ahmedabad - 380 009.
- b) Annual General Meeting : Day : Monday
Date : 26th September, 2011
Time : 12 Noon.
Venue : Conference Hall of Hotel City Pride, Opp. Gurukul, Drive - In Road, Ahmedabad - 380 052.
- c) Financial Calendar :
1st Quarter Results : 1st / 2nd week - August, 2011.
Half-yearly Results : 1st / 2nd week - November, 2011.
3rd Quarter Results : 1st / 2nd week - February, 2012.
Audited yearly Results : End - May, 2012.
- d) Book Closure Dates : From : Wednesday, the 21st September, 2011
To : Monday, the 26th September, 2011.
(Both days inclusive).
- e) Dividend Payment Date : Not Applicable
- f) Listing of Shares on : 1. Ahmedabad Stock Exchange Limited,
Kamdhenu Complex, 1st Floor,
Opp. Sahajanand College,
Panjara Pole, Ambawadi, Ahmedabad - 380 015.
2. Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.
- g) Stock Exchange Code :

<u>Stock Exchange</u>	<u>Code</u>
ASE	45611
BSE	526494
- h) Stock Price Data :

TThe shares of the Company have been traded on The Stock Exchange, Mumbai during the period from 1st April, 2010 to 31st March, 2011. The details of which are as under:

Month	BSE		
	High (Rs.)	Low (Rs.)	No. of Shares Traded
April, 2010	3.79	3.12	18219
May, 2010	4.20	3.66	2520
June, 2010	4.75	3.51	64448
July, 2010	5.80	3.61	417082
August, 2010	5.50	4.58	63214
September, 2010	5.76	3.86	211850
October, 2010	4.50	3.38	157263
November, 2010	5.44	3.40	171359
December, 2010	4.77	3.81	34704
January, 2011	4.09	3.30	14849
February, 2011	3.30	2.81	27110
March, 2011	2.86	1.90	56170

i) Registrar and Share Transfer Agents. :

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

For both Physical and Electronic Form :

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

j) Share Transfer System :

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

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

k) Distribution of Shareholding as on 31st March, 2011:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	1825	64.00	335953	5.16
501 to 1000	417	14.62	321415	4.93
1001 to 2000	248	8.69	341328	5.24
2001 to 3000	113	3.96	291677	4.48
3001 to 4000	38	1.33	138552	2.13
4001 to 5000	37	1.30	172522	2.65
5001 to 10000	85	2.98	607977	9.34
10001 to above	89	3.12	4302376	66.07
Grand Total	2852	100.00	6511800	100.00

l) Category of Shareholders as on 31st March, 2011:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	2091308	32.12
Financial Institutions/Banks	-	-
Mutual Fund	-	-
Bodies Corporate	131029	2.01
NRIs	37217	0.57
Public	4252246	65.30
Grand Total	6511800	100.00

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

The Company has not issued any GDRs/ADRs.

n) Dematerialisation of Shares :

The Company has entered into Shares. Agreement with NSDL / CDSL for Dematerialisation of Shares. As on 31st March, 2011, a total of 59,58,657 Shares of the Company which form 92% of the Share Capital of the Company stands dematerialised.



PROMACT PLASTICS LIMITED

10. PLANT LOCATIONS:

The Company's plant is located at 391 to 404, GIDC Estate, Phase-II, Dediyan, Mehsana- 384002, Gujarat

11. ADDRESS FOR CORRESPONDENCE:

For both Physical and Electronic Form:

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

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

Registered Office :

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

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

Compliance Officer : Ms. Payalben J. Patel

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th May, 2011.

Payalben J. Patel
Chairperson

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Promact Plastics Limited, Ahmedabad

We have examined the compliance of conditions of Corporate Governance by M/s. Promact Plastics Limited, for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India. We have conducted our review on the basis of relevant records and documents maintained by the Company for the year ended 31st March, 2011 and furnished to us for the purpose of the review and the information and explanation given to us by the Company during the course of review.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances is pending for period exceeding one month against the Company as per the records maintained by the Company.

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

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

Place : Ahmedabad
Dated : 30th May, 2011

Rajesh R. Shah
Partner
Membership No. 034549



MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments:

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

b. Opportunities and Threats:

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

c. Segment wise Performance:

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

d. Recent Trend and Future Outlook:

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

e. Risks and Concerns:

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

f. Internal Control Systems and their Adequacy:

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

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2010-11 is described in the Directors' Report under the head 'Sales and Working Results'.

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

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

i. Cautionary Statement:

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

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th May, 2011.

Payalben J. Patel
Chairperson

AUDITORS' REPORT

To,
The Members
PROMACT PLASTICS LIMITED, Ahmedabad

We have audited the attached Balance Sheet of **Promact Plastics Limited** as at 31st March, 2011 and the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report, are in agreement with the books of Account;
- (iv) In our opinion Balance Sheet, Profit & Loss Account and Cash flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of Companies Act, 1956.
- (v) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clauses (g) of sub sections (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the State of affairs of the company as at 31st March, 2011 and
 - (ii) In the case of Profit and Loss Account, of the loss for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Ahmedabad
Dated : 30th May, 2011

Rajesh R. Shah
Partner
Membership No. 034549



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

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

In respect of loans / deposits taken or given from or to any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, we report that:

The Company has not granted any loan parties covered in the register maintained under section 301 to the Companies Act, 1956.
- 4

In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- 5
 - a. According to the information and explanations given to us, we are of the opinion that the particulars of transactions that need to be entered into the register maintained under section 301 of the Company Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us the above transactions, wherever they exceed the threshold limit specified, are made at prices which are not prejudicial to the interest of the Company.
- 6

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the provisions of section 58A, section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
- 7

The Company does not have any Internal Auditor of any special department / cell for Internal Audit, but looking towards the quantum and value of transactions and the Internal Control Procedures, the company has enough control over the transactions of the business.
- 8

As explained to us, The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the products of the company.
- 9
 - a. According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, service tax, customs duty, excise duty, cess have generally been generally regularly deposited with the appropriate authorities.
 - b. According to the information and explanations given to us, there were no undisputed statutory dues, outstanding at the year end, for a period of more than six months from the date they became payable.
 - c. According to the information and explanation given to us the Company does not have any disputed liability with any government department

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10. The Company has accumulated losses at the end of the financial year amounting to Rs. 665.90 lacs and has not incurred cash loss during the year.
11. According to the records of the company and the information and explanation given to us, the Company has not defaulted in repayment of either of loan or interest dues to banks.
12. According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the Company is not dealing in shares, securities, debentures and other investments therefore; the clause 4 (xvi) of the Order is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not provided corporate guarantee for loans taken by others from bank.
16. In our opinion and according to the information and explanation given to us, the company has not raised any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. As the Company has not made any preferential allotment of share, hence the provision of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
19. The Company has not issued any debenture during the year.
20. The Company has not raised any money by way of Public Issues; therefore clause 4 (xx) of the Order is not applicable to the Company.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, nor such type of the case been reported or informed to us by the management.

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

Place : Ahmedabad
Dated : 30th May, 2011

Rajesh R. Shah
Partner
Membership No. 034549

**PROMACT PLASTICS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2011**

				(Amount in Rs.)	
		SCHEDULE		As at 31-3-2011	As at 31-3-2010
A SOURCES OF FUNDS					
1	Shareholders' Funds				
	Share Capital	A	65118000		65118000
	Reserves & Surplus	B	9096527		9096527
				74214527	74214527
2	Deferred Tax Liability	C	-		-
3	Loan Funds				
	Secured Loans	D	71118741		85658587
	Unsecured Loans	E	29775817		39633724
				100894558	125292311
	TOTAL			175109085	199506838
B APPLICATION OF FUNDS					
1	Fixed Assets	F			
	Gross Block		135955134		146712019
	Less : Depreciation		76790752		76536347
	Net Block			59164382	70175672
2	Investments	G		1929952	1929952
3	Current Assets, Loans & Advances	H			
	Inventories		27130306		25506649
	Sundry Debtors		17742732		37355621
	Cash & Bank Balances		346662		325464
	Loans & Advances		6442171		9052072
	Total (A)		51661871		72239806
	Less : Current Liabilities & Provisions	I			
	Current Liabilities		10689857		2446063
	Provisions		1008045		666868
	Total (B)		11697902		3112931
	Net Current Assets			39963969	69126875
4	Deferred Tax Asset	J		7459967	1130313
5.	Miscellaneous Expenditure to the extent not written off or adjusted	K		-	29797
6	Profit and Loss A/C (Dr. Bal)	B		66590815	57114229
	TOTAL			175109085	199506838
Notes to Accounts		S			

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

Rajesh R. Shah
Partner
Membership No. 034549
Firm Regn. No. 118336W

Place : Ahmedabad
Date : 30th May, 2011

For and on behalf of the Board

Payalben J. Patel Director
Nikitaben J. Patel Director

Place : Ahmedabad
Date : 30th May, 2011

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	2010-2011	(Amount in Rs.) 2009-2010
A. INCOME:			
Sales	L	103702148	109147529
Less : Excise duty on Sales		9691123	8564339
		<u>94011025</u>	<u>100583190</u>
Other Income	M	377394	626926
Increase/(Decrease) in Closing Stock	N	2201380	3982484
Profit on Sale of Assets		7153810	116881
TOTAL		<u>103743609</u>	<u>105309482</u>
B. EXPENDITURE:			
Materials & Manufacturing Expenses	O	97512341	91383975
Payments to & for Employees	P	869896	1322662
Administrative & Selling Expenses	Q	2202196	1890314
Interest & Financial Charges	R	10284489	10862320
Depreciation		5827807	6027764
Audit fees		82725	50000
Preliminary and preoperative expense written off		29797	172175
Loss on Sales of Plant and Machinery		2740598	—
TOTAL		<u>119549849</u>	<u>111709209</u>
C. Profit Before Tax		(15806240)	(6399727)
D. Provision For Tax			
Current Tax		—	—
Deferred Tax Assets / (Liabilities)		6329654	23702425
E. Income Tax for Earlier Years		—	—
F. Profit After Tax		(9476586)	17302698
Previous Year Expense/(Income)		—	532314
Profit After Previous Year Expense		(9476586)	17835012
Add : Balance as per last Year		(57114229)	(74949241)
G. Balance Carried to Balance Sheet		<u>(66590815)</u>	<u>(57114229)</u>
H. Basic/Diluted Earning Per Share of Rs. 10/- each fully paid up		(1.46)	2.66
Notes to Accounts	S		

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

Rajesh R. Shah
Partner
Membership No. 034549
Firm Regn. No. 118336W
Place : Ahmedabad
Date : 30th May, 2011

For and on behalf of the Board

Payalben J. Patel *Director*
Nikitaben J. Patel *Director*
Place : Ahmedabad
Date : 30th May, 2011

**PROMACT PLASTICS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULAR	(Rs. in Lacs)	
	2010-11	2009-10
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxes & Extra-Ordinary Items	(158.06)	(58.67)
Adjustments for :		
Depreciation	58.28	60.28
Loss / (Profit) on Sale of Assets (net)	(44.13)	(1.17)
Interest & Finance Charges	102.84	108.62
Dividend received	(2.77)	(2.31)
Interest received	(1.01)	(3.56)
Prior period expenses / (income)	-	-
Preliminary Expenses Written off	0.29	1.72
	<u>113.50</u>	<u>163.58</u>
Operating Profit before Working Capital Changes	(44.56)	104.91
(Increase) / Decrease in Inventory	(16.24)	(54.85)
(Increase) / Decrease in Trade Receivables	196.12	242.30
(Increase) / Decrease in Loans & Advances	25.93	31.77
Increase / (Decrease) in Trade Payables	85.84	(91.91)
	<u>291.65</u>	<u>127.32</u>
Cash Generated from Operation	247.09	232.24
Direct Taxes Paid	(0.20)	(0.36)
Net Cash from Operating Activities	247.29	232.60
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(17.21)	(14.28)
Sale Of assets	113.18	3.20
Purchase of Investments	-	-
Dividend received	2.77	2.31
Interest received	1.01	3.56
	<u>99.74</u>	<u>(5.21)</u>
Net Cash (used in) / from Investing Activities	99.74	(5.21)
C CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money Received	-	-
Increase/(Decreased) in Long Term Loans & Other Borrowings	(243.98)	(116.07)
Interest Paid	(102.84)	(108.62)
	<u>(346.82)</u>	<u>(224.69)</u>
Net Cash (used in) / from Financing Activities	(346.82)	(224.69)
D Net Increase/(decrease) in Cash and Cash Equivalents	<u>0.21</u>	<u>2.70</u>
Cash & Cash Equivalents in the beginning	3.25	0.56
Cash & Cash Equivalents at the end	3.47	3.25

As per our Report of even date

For **R. R. S. & Associates**

Chartered Accountants

Rajesh R. Shah

Partner

Membership No. 034549

Firm Regn. No. 118336W

Place : Ahmedabad

Date : 30th May, 2011

For and on behalf of the Board

Payalben J. Patel Director**Nikitaben J. Patel** Director

Place : Ahmedabad

Date : 30th May, 2011

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SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	(Amount in Rs.)	
	As at 31-03-2011	As at 31-03-2010
SCHEDULE - A : SHARE CAPITAL		
A Authorised Share Capital		
7000000 (P.Y. 7000000) Equity Shares of Rs. 10 Each	<u>70000000</u>	<u>70000000</u>
TOTAL	<u>70000000</u>	<u>70000000</u>
Issued, Subscribed and Paid up Capital		
6511800 (P.Y. 6511800) Equity Shares of Rs. 10/- each fully paid up	<u>65118000</u>	<u>65118000</u>
TOTAL	<u>65118000</u>	<u>65118000</u>
SCHEDULE - B : RESERVE AND SURPLUS		
General Reserve		
As per last Balance Sheet	9096527	9096527
Less: Bonus Shares Issued	-	-
Add : Transfer from Profit & Loss Account	-	-
	<u>9096527</u>	<u>9096527</u>
Profit and Loss Account		
As per last Balance Sheet	(57114229)	(74949241)
Add : Profit for the year	<u>9476586</u>	<u>17835012</u>
TOTAL	<u>(66590815)</u>	<u>(57114229)</u>
	<u>(57494288)</u>	<u>(48017702)</u>
SCHEDULE - C : DEFERRED TAX LIABILITY		
As per Last Balance Sheet	-	22572112
Less : Transfer to Deferred Tax Assets	-	<u>(22572112)</u>
TOTAL	<u>-</u>	<u>-</u>
SCHEDULE - D : SECURED LOANS		
WORKING CAPITAL		
Bank Overdraft		
Mehsana Urban Bank A/c no. 27/44 (Against Mortgage of factory land and building)	<u>50549846</u>	<u>65668931</u>
Cash Credit Limit		
Mehsana Urban Bank A/c no. 13/05/260 (Against Stock & Bood Debts and Secured by Fixed Assets of the Company)	<u>20568895</u>	<u>19989656</u>
TOTAL	<u>71118741</u>	<u>85658587</u>
SCHEDULE - E : UNSECURED LOANS		
From Inter Corporate Company	7500419	8109670
From Others	-	803551
Sales Tax Deferred Payment	<u>22275398</u>	<u>30720503</u>
TOTAL	<u>29775817</u>	<u>39633724</u>

SCHEDULE - F : FIXED ASSETS

(Amount in Rs.)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 1-4-2010	Addition	Deductions	As on 31-3-2011	As on 1-4-2010	For the year	Deduct- ion	As on 31-3-2011	As on 31-3-2011	As on 31-3-2010
Air Condition	354185	-	-	354185	197543	16824	-	214367	139818	156642
Computer	673822	-	-	673822	586358	32007	-	618365	55457	87464
Electrical Installations	4002575	-	-	4002575	2134330	190122	-	2324452	1678123	1868245
Equipment	237633	-	-	237633	127400	11288	-	138688	98945	110233
Factory Building	19269104	-	-	19269104	7084554	643588	-	7728142	11540962	12184550
Staff Quarter	804818	-	-	804818	135706	13119	-	148825	655993	669112
Furniture and Fixure	1547943	-	-	1547943	1019964	96437	-	1116401	431542	527979
Mobile	22475	-	-	22475	12816	1068	-	13884	8591	9659
Plant & Machinery	117103255	1720805	12064000	106760060	64401726	4823354	5573402	63651678	43108382	52701529
Vehicles	835951	-	-	835951	835951	-	-	835951	-	-
Leasehold land	1860258	-	413690	1446568	-	-	-	-	1446568	1860258
TOTAL	146712019	1720805	12477690	135955134	76536348	5827807	5573402	76790753	59164381	70175671
Previous Year	146950865	1427605	1666451	146712019	71971916	6027764	1463331	76536348	70175671	74978949

Particulars	(Amount in Rs.)	
	As at 31-03-2011	As at 31-03-2010

SCHEDULE - G : INVESTMENTS

Investment in Shares

Quoted

 Dena Bank (3686 shares, Market value as on 31.3.2011 of Rs. 104.25/- share) **104922** 104922

Unquoted

 Amarnath Co.op. Bank Ltd. **73505** 73505

 Mehsana Urban Bank **1750500** 1750500

 The Co.Op. Bank of Mehsana Ltd. **1025** 1025

1929952 **1929952**
SCHEDULE - H : CURRENT ASSETS
INVENTORIES (as taken, valued and certified by management)

 Stock of Raw Materials **6611360** 7189082

 Stores and Spares **1920250** 1857426

 Stock of Finished Goods and WIP **18598696** 16460140

 Total **27130306** **25506649**
SUNDRY DEBOTRS (UNSECURED AND CONSIDERED GOOD)

 More than Six months **5671241** 20603122

 Others **12071491** 16752498

 Total **17742732** **37355621**
CASH & BANK BALANCES
Cash on hand **312652** 289100

Balance With Scheduled Banks

 In Current Accounts **34010** 36364

 Total **346662** **325464**
LOANS & ADVANCES

 Sundry Loans and Deposits **3887267** 3336998

 Advance Receivable in Cash or in Kind or For Value to be Received **1640040** 884347

(Unsecured and Considered Good)

 Advances to Suppliers **914864** 4830727

 Total **6442171** **9052072**

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Particulars	(Amount in Rs.)	
	As at 31-03-2011	As at 31-03-2010
SCHEDULE : I - CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Creditors for Goods	8838794	1017692
Creditors for Services	809814	1222171
Advances from Customers	1041250	206200
TOTAL	<u>10689857</u>	<u>2446063</u>
PROVISIONS		
Provision for Audit Fees	82725	50000
T.D.S. / T.C.S. Payable	114078	144456
Provision for expenses	631363	282929
CST/VAT Payable	179879	189483
TOTAL	<u>1008045</u>	<u>666868</u>
Schedule : J : DEFERRED TAX ASSET		
As per last Balance Sheet	1130313	22572112
Add : Adjusted for the year	6329654	23702425
TOTAL	<u>7459967</u>	<u>1130313</u>
SCHEDULE : K - MISCELLANEOUS EXPENSES (to the extent not written off)		
A. Preliminary Expenses		
Opening Balance	-	-
Less : Written off during the year	-	-
TOTAL (A)	-	-
B. Preoperative Expenses		
Opening Balance	29797	201972
Less : Written off during the year	29797	172175
TOTAL (B)	-	29797
TOTAL	-	29797
	<u>2010-11</u>	<u>2009-10</u>
SCHEDULE : L - SALES		
Gross Sales		
Manufacture Sales	103097071	108813036
Total Gross Sales	103097071	108813036
Less: Excise Duty	9691123	8564339
Net Sales	93405948	100248697
Job Work Income	605077	334493
TOTAL	<u>94011025</u>	<u>100583190</u>
SCHEDULE : M - OTHER INCOME		
Dividend Received	276560	230726
Other Interest Received	90881	351873
Other Income Received	-	40000
Bank FDR Interest	9953	4327
TOTAL	<u>377394</u>	<u>626926</u>

**PROMACT PLASTICS LIMITED**

	2010-11 (Rs.)	2009-10 (Rs.)
SCHEDULE : N - INCREASE / (DECREASE) IN STOCKS		
Closing Stock of Finished Goods and WIP	<u>20518946</u>	18317566
	<u>20518946</u>	<u>18317566</u>
Opening Stock of Finished Goods and WIP	<u>18317566</u>	14335082
	<u>18317566</u>	<u>14335082</u>
TOTAL	<u><u>2201380</u></u>	<u><u>3982484</u></u>
SCHEDULE : O - MATERIALS & MANUFACTURING EXPENSES		
Opening Stock of Raw Material	<u>7189082</u>	5686978
	<u>7189082</u>	<u>5686978</u>
Add : Purchase of Raw Material during the year	<u>81736639</u>	77928018
Freight Inward	<u>1357526</u>	1285637
Less: Closing Stock of Raw Material	<u>6611360</u>	7189082
Raw Material Consumed	<u>83671887</u>	77711551
Manufacturing Expenses		
Water Charges	<u>36200</u>	44435
Electrical Expenses	<u>7748112</u>	8793247
Labour Charges	<u>4586185</u>	3983056
Machine maintenance and repairs	<u>1262590</u>	552951
Excise Duty Expenses	<u>82687</u>	182098
Security Expenses	<u>124680</u>	116637
	<u>13840454</u>	<u>13672424</u>
GRAND TOTAL	<u><u>97512341</u></u>	<u><u>91383975</u></u>
SCHEDULE : P - PAYMENTS TO & FOR EMPLOYEES		
Salary and Bonus	<u>703890</u>	1041700
Medical and Welfare	<u>51218</u>	1298
Provident Fund	<u>17446</u>	141731
Staff Bus Expense	<u>97342</u>	137933
TOTAL	<u><u>869896</u></u>	<u><u>1322662</u></u>
SCHEDULE : Q - ADMINISTRATIVE & SELLING EXPENSES		
Office Administrative & Selling Expenses	<u>2075476</u>	1597848
Telephone Expenses	<u>43819</u>	59670
Bad Debt	-	-
Insurance	<u>13358</u>	12986
Outward Freight	-	150683
Stationery and Printing	<u>32210</u>	33262
Travelling Expenses	<u>37334</u>	35865
TOTAL	<u><u>2202196</u></u>	<u><u>1890314</u></u>
SCHEDULE : R - INTEREST & FINANCIAL CHARGES		
Bank Commission	<u>156893</u>	36868
Interest Paid to bank	<u>8934891</u>	9319091
Other Interest	<u>1192705</u>	1506361
Total	<u><u>10284489</u></u>	<u><u>10862320</u></u>

SCHEDULE - S : NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

(a) ACCOUNTING CONCEPT

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

(b) REVENUE RECOGNITION

(a) Revenue from sale of goods to domestic customers is recognized on dispatch of goods from the factory. Sales are recorded at invoice value net of sales tax, rate difference and sales return.

(b) Other Income is recognized on accrual basis except when realization of such income is uncertain.

(c) FIXED ASSETS & DEPRECIATION

1. Fixed assets are shown at their historical cost less depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

2. Depreciation is provided on straight-line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

(d) IMPAIRMENT OF ASSETS

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

(e) INVENTORIES

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

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

(f) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

Any contingent asset is not recognized in the Accounts.

(g) RETIREMENT BENEFITS

1. Short Term Employee Benefits: The undiscounted amount of short term employee benefits expected to be paid in exchange for the service rendered by employee is recognized during the period when the employee render the service.

2. Post Employee Benefits: Contribution to defined contribution scheme such as provident fund etc. is charged to P&L Account as incurred.

(h) INCOME TAX

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

**PROMACT PLASTICS LIMITED****B. NOTES ON ACCOUNTS****1. CONTINGENT LIABILITIES**

	<u>2010-11</u>	<u>2009-10</u>
	(Rs. in Lacs)	
Contingent Liability	Nil	Nil
2. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the current Assets, Loans and Advances in the ordinary course of the business will not be less than the amount stated in the Balance Sheet.		
3. The previous year figures have been regrouped / reclassified, wherever necessary, to make them comparable with the figures of current year.		
4. During the year the company has incurred cash loss of Rs. 72.08 lacs and at the end of the year net worth is positive by Rs. 76.24 lacs and the accounts are prepared with the concept of Going Concept. As per the information and explanations given to us, the company is taking positive steps to move further for survival.		
5. No outstanding of SSI creditors to whom an amount of Rs. 1 lac or more payable and was outstanding for more than 30 days as of 31/03/2011.		
6. Micro and Small Scale Business Enterprises: The management has initiated the process of identifying enterprises which have been providing goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprise Development Act, 2006. Accordingly, the disclosure requirement here under is not furnished.		
7. Balance conformations in respect of debtors, creditors and loan & Advance granted / taken are subject to confirmation and reconciliation.		

8. Components of Net Deferred Tax Liability

	<u>As at 31-03-2011 (Rs.)</u>	<u>As at 31-03-2010 (Rs.)</u>
Deferred Tax Liability		
Related to Fixed Assets	15110296	17277137
Deferred Tax Assets		
Carried Forward Loss allowable for tax purposes in the following years	21439950	18286176
Disallowance under the Income Tax Act 1961	Nil	121275
Net Deferred Tax Assets (Liability)	<u>7459967</u>	<u>1130313</u>

9. Managerial Remuneration

Paid to Managing Director		
	<u>2010-11 (Rs.)</u>	<u>2009-10 (Rs.)</u>
Total	Nil	Nil

10. Auditors' Remuneration

	<u>2010-11 (Rs.)</u>	<u>2009-10 (Rs.)</u>
For Auditor Remuneration	82725	50000
TOTAL	<u>82725</u>	<u>50000</u>

11. Earning Per Share :

Profit attributable to the Equity Shareholders	<u>(9476586)</u>	<u>17302698</u>
Weighted average number of Equity shares of Rs. 10/- each fully paid up outstanding during the year	6511800	6511800
Basic / Diluted earning per share of Rs. 10/- each fully paid up	(1.46)	2.66

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

(A) CAPACITY & PRODUCTION

Licence Capacity	:	NA
Installed Capacity	:	6750 Mt Pa
Production		2010-11 2009-10
HEDP Bags (As Certify by the management)		97,23,332 1,50,84,179

(B) CLOSING STOCK OF FINISHED/SEMI FINISHED GOODS PRODUCED (As certified by the Management)

Product Name	Qty. - Finished Goods	Qty. (WIP)	Total Qty.	Amount (Rs.)
Sacks (Nos.)				
- CY	73286	819600	892886	9631213
- PY	197226	367436	564662	5645758
Fabrics (Kgs)				
- CY	77188	9706	86894	7937103
- PY	85048	5190	90238	8887950
Tape on Looms (Kgs)				
- CY	—	11749	11749	970232
- PY	8805	12766	21571	1854243
Wastage (Kgs)				
- CY	5468	—	5468	60148
- PY	5456	—	5456	63189
Total				
- CY				18598696
- PY				16460140

(C) CLOSING STOCK OF RAW MATERIALS (As Certify by the management)

Product Name	Qty – Kgs	Amount (Rs.)
HDPE/PP/LDPE/MB/ FILLER		
- CY	87741	6569807
- PY	97882	6937857
Others		
- CY	210	41553
- PY	2005	251225
Total		
- CY		6611360
- PY		7189082

(D) SALES OF MANUFACTURED GOODS (As Certify by the management)

Product Name	2010-2011		2009-2010	
	Qty.	Amount (Rs.)	Qty.	Amount(Rs.)
SACKS (NOS.)	9847272	89052140	15047840	95532617
Wastage (kgs.)	52141	568429	75695	788708
Fabrics (Kgs.)	3247	271851	52867	3927372
Tape Strip (Kgs.)			577	
TOTAL		89892420		100248697
(E) SALES OF TRADING GOODS				
HDPE/PP/LDPE Granuals Kgs.	48420	3513528	Nil	Nil
Total	48420	3513528	Nil	Nil
(F) RAW MATERIAL CONSUMPTION				
HDPE/PP/LDPE & OTHERS Kgs.	1203008	83696908	1204450	77711551
Total	1203008	83696908	1204450	77711551

**PROMACT PLASTICS LIMITED****(G) CONSUMPTION OF IMPORTED AND INDIGENEOUS RAW MATERIALS**

	2010 – 2011		2009 – 2010	
	Amount (Rs.)	%	Amount (Rs.)	%
Indigenous	83696908	100	77711551	100
Imported	Nil	Nil	Nil	Nil

(H) CONSUMPTION OF IMPORTED & INDIGENEOUS STORES & SPARES

	2010 – 2011		2009 – 2010	
	(Rs.)	%	(Rs.)	%
Indigenous	1287670	100	552951	100
Imported	Nil	Nil	Nil	Nil

(I) EARNINGS / EXPENDITURE IN FOREIGN CURRENCY

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
FOB Value of Exports	Nil	Nil
Expenditure in foreign Currency	Nil	Nil

(J) CIF Value of Imports

CIF Value of Imports	Nil	Nil
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13. BALANCESHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**1. Registration Details**

Registration No. L25200GJ1985PLC007746 State Code 04
Balance Sheet Date 31st March, 2011

2. Capital Raised During the years (Rs. in Lacs)

Public Issue NIL Right Issue NIL
Bonus Issue NIL Private Placement NIL

3. Position of Mobilisation & Development of Funds (Rs. in Lacs)

Total Liabilities 175109085 Total Assets 175109085

Source of Funds

Paid-up Capital 65118000 Reserve & Surplus 9096527
Share Application Money – Deffered Tax Provision –
Secured Loans 71118740 Unsecured Loans 29775817

Application of Funds

Net Fixed Assets 59164382 Investments 1929952
Net Current Assets 39963969 Miscellaneous Expenses –
Accumulated Losses 66590815 Deffered Tax Provision 7459967

4. Performance of Company (Rs. in Lacs)

Total Revenue 94011025 Total Expenditure 119549849
Profit/Loss Before Tax (15806240) Profit After Tax (9476586)
Earning per Share (Rs.) (1.46) Dividend Rate (%) N.A.

5. Generic Name of Principal Product of Company

Item Code No. : 39239000
Products Description : HDPE/PP Woven Fabrics & Sacks

As per our Report of even date

For **R. R. S. & Associates**

Chartered Accountants

Rajesh R. Shah

Partner

Membership No. 034549

Firm Regn. No. 118336W

Place : Ahmedabad

Date : 30th May, 2011

For and on behalf of the Board

Payalben J. Patel Director**Nikitaben J. Patel** Director

Place : Ahmedabad

Date : 30th May, 2011

PROMACT PLASTICS LIMITED

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

27th Annual General Meeting

Monday, the 26th September, 2011 at 12.00 Noon.

ATTENDANCE SLIP

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

Signature of Member/ Proxy attending the meeting _____

Notes:

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

PROMACT PLASTICS LIMITED

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

FORM OF PROXY

I/We _____

of _____ in the district of _____

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

of _____ in the district of _____

or failing him _____

of _____ in the district of _____

as my/our Proxy to attend and vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Monday, the 26th September, 2011 and at any adjournment thereof.

Signed the _____ day of _____ 2011.

Signature _____

Affix
Revenue
Stamp

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

**BOOK-POST
PRINTED MATTER**

To,

If undelivered, please return to :

PROMACT PLASTICS LIMITED

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

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