



**PROMACT PLASTICS LIMITED**

**29<sup>TH</sup>**  
**A N N U A L**  
**R E P O R T**  
**2 0 1 2 - 2 0 1 3**

## 29<sup>TH</sup> REPORT 2012-13

<b>BOARD OF DIRECTORS</b>	:	<b>Ms. Payalben J. Patel</b>	Chairperson
		<b>Mr. Dharmendrakumar B. Patel</b>	Director
		<b>Mr. Shyamlal Gupta</b>	Director
		<b>Ms. Nikitaben J. Patel</b>	Director
		<b>Mr. Ankit J. Patel</b>	Director
<b>PRINCIPAL BANKERS</b>	:	<b>The Mehsana Urban Co.op. Bank Ltd.,</b> Mehsana.	
<b>AUDITORS</b>	:	<b>M/s. M. M. Salvi &amp; Co.,</b> Chartered Accountants, Mehsana.	
<b>COMPANY LAW CONSULTANTS</b>	:	Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad.	
<b>REGISTERED OFFICE</b>	:	106, Harikrupa Chambers, Behind National Chambers, Ashram Road, Ahmedabad-380 009.	
<b>FACTORY</b>	:	392 to 403, GIDC Estate, Phase-II, Dediyasan, Mehsana-384 002.	
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	:	<b>M/s. Link Intime India Private Limited</b> Unit No 303, 3 <sup>rd</sup> Floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad - 380 009.	

<b>CONTENTS</b>	<b>PAGE NOS.</b>
Notice	1-3
Directors' Report	4-7
Report on Corporate Governance	8-12
Auditors' Certificate on Corporate Governance	13
Management Discussion And Analysis	14
Independent Auditors' Report	15-18
Balance Sheet	19
Statement of Profit & Loss	20
Cash Flow Statement	21
Notes on Accounts	22-32

**NOTICE**

NOTICE is hereby given that the **29<sup>TH</sup> ANNUAL GENERAL MEETING** of the members of **PROMACT PLASTICS LIMITED** will be held as scheduled below:

Date : 27<sup>th</sup> September, 2013  
Day : Friday  
Time : 12.00 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 Statement of Profit and Loss of the year ended on 31<sup>st</sup> March, 2013 and the Balance Sheet as on that date along with the Directors' Report and Independent Auditors' Report thereon.
2. To appoint a Director in place of Mr. Ankit J. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dharmendrakumar B. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
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, 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 mortgage or charge by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situated, present and future, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of any Bank, Financial Institution or any other lender to secure Financial Assistance up to ` 25 Crores that may be lent/advanced to the Company by such Bank, Financial Institution or such other lender together with interest thereon at the rate, compound interest, additional interest, liquidated damages, costs, charges, expenses and other monies payable by the Company to Bank, Financial Institution or any such lender under Financial Assistance Agreement to be entered into by the Company in respect of the such Financial Assistance."

"RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorised to finalise with the Bank, Financial Institution or any such lender the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

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

"RESOLVED THAT in super session of all the earlier resolutions passed at the Board Meeting/General Meeting if any, pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sums of money, from time to time from any one or more of the Company's bankers and/or from any other persons, firms, bodies corporate or financial institutions whether by way of cash credit, advance or deposits, loans, debentures or bill discounting or otherwise whether unsecured or secured so that the moneys to be borrowed together with moneys already borrowed by the Company (apart from



## PROMACT PLASTICS LIMITED

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temporary loans obtained from Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, however that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ` 25 Crores (Rupees twenty five crores only)."

**Registered Office:**

106, Harikrupa Chambers,  
Behind National Chambers,  
Ashram Road,  
Ahmedabad-380 009.  
Date : 16<sup>th</sup> July, 2013

**By Order of the Board,**

**Payalben J. Patel**  
*Chairperson*

**NOTES :**

1. 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.
2. Pursuant to Section 154 of the Companies Act, 1956, Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 7<sup>th</sup> September, 2013 to Friday, the 27<sup>th</sup> September, 2013 (both days inclusive).
3. 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.
4. 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.
5. 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:**

The Company is planning to borrow funds from any Bank, Financial Institution or any other lender to meet its short term and long term financial requirements. Normally such Financial Assistance are to be secured by hypothecation / pledge of the Company's entire goods movables and other assets, present and future, including documents title to goods and other assets such as book-debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and rights and all machinery, present and future, and are to be further secured by a deposit of all title deeds of the existing immovable properties of the Company with intent to create a security in favour of such Bank, Financial Institution or such other lender on such terms and conditions.

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 in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

## **ANNUAL REPORT 2012-2013**

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the Bank may be regarded as, disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

Copy of Draft Financial Assistance Agreement and correspondence of the Company with such Bank, Financial Institution or such other lender are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.

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

### **In respect of Item No. 6:**

The proposed increase in the borrowing power of the Board is required in view of certain borrowing proposed to be made by the Company from Financial Institution/Banks/other lender. The Board of Directors feel that the limit be raised to ` 25 crores. The Resolution at item No.6 is of an enabling nature and would authorise the Directors to borrow from time to time sums not exceeding ` 25 crores. The Resolution would be in the super session of the earlier resolution passed at the Board of Directors meeting of the Company, if any.

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

### **Registered Office:**

106, Harikrupa Chambers,  
Behind National Chambers,  
Ashram Road,  
Ahmedabad-380 009.  
Date : 16<sup>th</sup> July, 2013

**By Order of the Board,**

**Payalben J. Patel**  
*Chairperson*

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present the TWENTYNINTH ANNUAL REPORT together with the Audited Statement of Accounts for the financial year 2012-13 ended on 31<sup>st</sup> March, 2013.

**1. FINANCIAL RESULTS:**

(` in Lacs)

Particulars	2012-2013	2011-2012
(Loss) before Interest and Depreciation	(44.87)	(40.30)
Add : Interest	131.58	131.13
(Loss) before Depreciation	(176.45)	(171.43)
Add : Depreciation	49.28	55.40
(Loss) before Exceptional items	(225.73)	(226.83)
Add: Exceptional items (Loss on sale of Plant & Machinery)	62.41	-
(Loss) before tax	(288.14)	(226.83)
Less : Deferred Tax Asset	-	59.75
(Loss) for the year after Tax	(288.14)	(167.08)
(Debit) Balance brought forward from Previous year	(832.99)	(665.91)
(Debit) Balance carried to Balance Sheet	<u>(1121.13)</u>	<u>(832.99)</u>

**2. DIVIDEND:**

As the Company has accumulated losses, your Directors are unable to recommend any Dividend for the Year 2012-13.

**3. SALES & WORKING RESULTS:**

The Sales during the year 2012-13 was ` 411.53 Lacs as compared to ` 1038.91 lacs during the year 2011-12. The Loss before Interest and Depreciation during the year 2012-13 was of ` 44.87 Lacs against as compared to ` 40.30 lacs during the year 2011-12. As the Company had to provide for Interest of ` 131.58 Lacs during the year under review, the Loss before Depreciation was ` 176.45 lacs the year under review, compared with Loss of ` 171.43 lacs during 2011-12. The Company provided ` 49.28 lacs for Depreciation and therefore Loss before tax stood at ` 225.73 lacs during the year under review compared to Loss of ` 226.83 lacs for the year 2011-12. After taking into account Exceptional items of ` 62.41 Lacs, the Net Loss for the year under review stood at ` 288.14 lacs as against Net Loss of ` 167.08 lacs during 2011-12.

**4. FINANCE:**

- 4.1 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.
- 4.2 The Income tax and Sales tax Assessment of the Company have been completed upto Assessment Year 2009-10 and the Financial Year 2006 07 respectively.

**5. DIRECTORS:**

Two of your Directors viz. Mr. Ankit J. Patel and Mr. Dharmendrakumar B. Patel retire by rotation in terms of Articles of Association of the Company. They, however, being eligible, offer themselves for re appointment.

**6. 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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## ANNUAL REPORT 2012-2013

- (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 31<sup>st</sup> March, 2013 being end of the financial year 2012-13 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.

### 7. 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.

### 8. CORPORATE GOVERNANCE:

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

### 9. 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.

### 10. LISTING:

The Equity Shares of the Company are listed on Ahmedabad Stock Exchange Limited and BSE Limited and the Company has paid Annual Listing Fees to both the Stock Exchanges upto the year 2013-14.

### 11. GENERAL:

#### 11.1 INSURANCE:

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

#### 11.2 AUDITORS:

The present Auditors of the Company M/s. M. M. Salvi & Co., Chartered Accountants, Mehsana were appointed as Auditors for the year 2012-13 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.

#### 11.3 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.

#### 11.4 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.

#### 11.5 POSTAL BALLOT:

The Board of Directors of the Company is in the process of inviting offers for disposal of Land and Building of the Company. The necessary consent of the members under section 293(1)(a) of the companies Act, 1956 by way of Postal Ballot will be obtained at appropriate time.



## **PROMACT PLASTICS LIMITED**

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

**13. 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 : 16<sup>th</sup> July, 2013

**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.

<b>FORM - A</b>		
Disclosure of particulars with respect to Conservation of Energy		
Particulars	2012-13	2011-12
<b>A. Power and fuel Consumption</b>		
1. Electricity		
a) Purchased Units	<b>299651</b>	1149007
Total amount ( ` in lacs)	<b>25.24</b>	76.13
Rate/Unit `	<b>8.24</b>	6.63
b) Through Diesel Generator		
Units	-	-
Total amount ( ` in lacs)	-	-
Cost/Unit `	-	-
2. Coal	-	-
3. Furnace oil	-	-
4. LSHS	-	-
5. Gas (Amt. In Lacs)	-	-
<b>B. Unit of Production</b>		
Products	HDPE Fabrics/Sacks	

**For and on behalf of the Board,**

Place : Ahmedabad  
Date : 16<sup>th</sup> July, 2013

**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 25 <sup>th</sup> September, 2012 Yes(Y)/No(N)
Dharmendrakumar B. Patel	Independent Non Executive	—	—	5	Y
Shyamlal Gupta	Independent Non Executive	—	—	5	Y
Payalben J. Patel Chairperson	Non Executive	—	—	5	Y
Nikitaben J. Patel	Non Executive	—	—	5	Y
Ankit J. Patel	Non Executive	—	—	2	N

\* Private companies excluded.

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

Name of Director	Mr. Ankit J. Patel	Mr. Dharmendrakumar B. Patel
Date of Birth	28-09-1981	28-02-1963
Date of Appointment	29-05-2010	31-10-2008
Expertise in specific functional areas	Factory Administration and Computer Software Programming	Administration & Management
List of Public Limited Companies in which Directorships held	—	—
Chairmanship of the Committees of the Board of Directors of the Company	—	Audit Committee

**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 14-05-2012, 16-07-2012, 06-11-2012, 23-11-2012 and 13-02-2013.

## ANNUAL REPORT 2012-2013

### 3. AUDIT COMMITTEE:

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

Name of Directors	Expertise	Functions of the Committee	Attendance
Payalben J. Patel	All members are non-executive. Chairperson 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: 14-05-2012, 16-07-2012, 06-11-2012 and 13-02-2013.
Shyamlal Gupta			
Dharmendra B. Patel , Chairman			

### 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, Chairman - Non Executive
2. Mr. Shyamlal H. Gupta - 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 2012-13.
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 one complaint 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 31<sup>st</sup> March, 2013.

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
2009-10	30-09-2010	12 Noon	Conference Hall of Hotel City Pride, Opp. Gurukul, Drive-In Road, Ahmedabad - 380 052.
2010-11	26-09-2011	12 Noon	
2011-12	25-09-2012	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 in last 3 years.

### 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 31<sup>st</sup> March, 2013, 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 : Friday  
Date : 27<sup>th</sup> September, 2013  
Time : 12.00 Noon.  
Venue : Conference Hall of Hotel City Pride, Opp. Gurukul, Drive-In-Road, Ahmedabad - 380 052.
- c) Financial Calendar :  
1st Quarter Results : 1<sup>st</sup> / 2<sup>nd</sup> week - August, 2013.  
Half-yearly Results : 1<sup>st</sup> / 2<sup>nd</sup> week - November, 2013.  
3rd Quarter Results : 1<sup>st</sup> / 2<sup>nd</sup> week - February, 2014.  
Audited yearly Results : End - May, 2014.
- d) Book Closure Dates : From : Saturday, the 7<sup>th</sup> September, 2013  
To : Friday, the 27<sup>th</sup> September, 2013  
(Both days inclusive).
- e) Dividend Payment Date : The Company has not declared dividend.
- f) Listing of Shares on Stock Exchanges : 1. Ahmedabad Stock Exchange Limited, Kamdhenu Complex, 1st Floor, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad - 380 015.  
2. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.
- g) Stock Exchange Code : 

Stock Exchange	Code
ASE	45611
BSE	526494
- h) Stock Price Data :

The shares of the Company have been traded on The Stock Exchange, Mumbai during the period from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013. The details of which are as under:

Month	BSE		
	High (₹)	Low (₹)	No. of Shares Traded
April, 2012	2.70	2.57	1100
May, 2012	2.57	2.57	200
June, 2012	2.69	2.69	10
July, 2012	2.82	2.60	17455
August, 2012	2.83	2.35	9187
September, 2012	3.36	2.45	14024
October, 2012	4.45	3.20	22870
November, 2012	4.02	3.09	7401
December, 2012	3.35	2.76	40376
January, 2013	3.15	2.95	24784
February, 2013	3.10	2.76	15938
March, 2013	2.67	2.40	7863

## ANNUAL REPORT 2012-2013

i) Registrar and Share Transfer Agents. :

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2003 dated 27<sup>th</sup> December, 2002 read with Circular No. D&CC/FITTC/CIR-18/2003 dated 12<sup>th</sup> 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.

Unit No 303, 3rd floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II,

Off C. G. Road,, Ahmedabad – 380 009

Tele. No. : (079) 2646 5179

Fax No. : (079) 2646 5179

e-mail Address: [ahmedabad@linkintime.co.in](mailto: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 15 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 31<sup>st</sup> March, 2013:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	1773	64.73	323842	4.97
501 to 1000	398	14.53	304782	4.68
1001 to 2000	234	8.54	324420	4.98
2001 to 3000	106	3.87	272693	4.19
3001 to 4000	33	1.20	121978	1.87
4001 to 5000	38	1.39	177269	2.72
5001 to 10000	72	2.63	518655	7.96
10001 & above	85	3.11	4468161	68.63
Grand Total	2739	100.00	6511800	100.00

l) Category of Shareholders as on 31<sup>st</sup> March, 2013:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	2119808	32.55
Financial Institutions/Banks	-	-
Mutual Fund	-	-
Bodies Corporate	128386	1.97
NRIs	53334	0.82
Public	4210272	64.66
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 31<sup>st</sup> March, 2013, a total of 59,90,297 Shares of the Company which form 92% of the Share Capital of the Company stands dematerialised.



## PROMACT PLASTICS LIMITED

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### 10. PLANT LOCATIONS:

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

### 11. ADDRESS FOR CORRESPONDENCE:

For both Physical and Electronic Form:

M/s. Link Intime India Private Limited.  
Unit No 303, 3rd floor Shoppers Plaza V,  
Opp. Municipal Market, Behind Shoppers Plaza II,  
Off C. G. Road, Ahmedabad – 380 009  
Tele. No. : (079) 2646 5179  
Fax No. : (079) 2646 5179  
e-mail Address: [ahmedabad@linkintime.co.in](mailto: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 : 16<sup>th</sup> July, 2013.

**Payalben J. Patel**  
*Chairperson*

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**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 31<sup>st</sup> March, 2013 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 31<sup>st</sup> March, 2013 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 procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

As 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 affair of the Company.

**for M. M. Salvi & Co.**  
Chartered Accountants  
FRN: 109004W

Date : 16<sup>th</sup> July, 2013  
Place : Mehsana

**M. M. Salvi**  
Proprietor  
M. No.: 030678



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**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 economies, 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 2012-13 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 : 16<sup>th</sup> July, 2013.

**Payalben J. Patel**  
*Chairperson*



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INDEPENDENT AUDITORS' REPORT

To,  
The Members  
PROMACT PLASTICS LIMITED, Ahmedabad

**Report on the Financial Statements**

We have audited the accompanying financial statements of Promact Plastics Limited. ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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 principles generally accepted in India including 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**

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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

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

**Other Matters**

At present the company has discontinued the running business and surrendered the H.T. Connection to U.G.V.C.L. Some part of old plant & machinery are sold during the year. Bank Term Loan and Cash Credit facilities secured by prime securities & collateral securities if market value of such securities are considered.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



## PROMACT PLASTICS LIMITED

- 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 March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

for, **M.M. Salvi & Co.**  
Chartered Accountants  
F.R.No. 109004W.

Place : Mehsana.  
Dated : 30/05/2013

**(M.M.Salvi)**  
Proprietor.  
M. No. 30678.

### ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date

- (1) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion, the Company has disposed off a substantial part of its fixed assets Plant & Machinery during the year.
- (2) In respect of its inventories:
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, 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 has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (3) 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 two parties. In respect of the said loans, the maximum amount outstanding at any time during the year was ` 245.51.Lacs and the year-end balance is ` 207.91 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 said loan has been given to the parties which are repayable on demand, there is no repayment schedule and question of overdue amount does not arise.
  - d) In respect of the said loans and interest thereon, there are no overdue amounts.
  - e) The Company has taken unsecured loan from three parties and maximum amount outstanding at any time during the year was ` 490.44 Lacs and yearend balance was ` 272.45 Lacs, other than parities covered in register maintained under section 301 of Company Act, 1956.

## ANNUAL REPORT 2012-2013

- f) In our opinion and according to information and explanation given to us, the terms and conditions are not prima facie prejudicial to the interest of the company.
- g) The said loan has taken from the parties which are repayable on demand and there is no repayment schedule and question of overdue amount does not arise.
- (4) 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 for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (5) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions not made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ` 5,00,000 in respect of each party during the year have been made.
- (6) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (9) In respect of statutory dues:
- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date of becoming payable.
- b) Details of dues of Income Tax, Sales Tax, Vat Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, and cess which have not been deposited or partly deposited as on March 2013 on accounts of disputes are given below.

Nature of Dispute	F.Y. Year	Amount Due	Amount Deposited	Authority
Income Tax	2002-03	3,82,163.00	—	I.T.O. Ahmedabad

- (10) During the year the company has incurred cash loss of ` 238.86 Lacs and at the end of the year negative net worth of the company is ` 378.99 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 and development.
- (11) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (12) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (14) The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.



## **PROMACT PLASTICS LIMITED**

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- (15)** According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- (16)** The Company has not raised any new term loans during the year.
- (17)** According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- (18)** The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (19)** The company did not have any outstanding debenture during the year.
- (20)** The Company has not raised any monies by way of public issues during the year.
- (21)** In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

**for, M.M. Salvi & Co.**  
Chartered Accountants  
F.R.No. 109004W.

Place : Mehsana.  
Dated : 30 /05/2013

**(M.M.Salvi)**  
Proprietor.  
M. No. 30678.

**ANNUAL REPORT 2012-2013**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013**

<b>Particulars</b>	<b>Refer Note No.</b>	<b>2012-13</b>	<b>2011-12</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	1	<b>65,118,000</b>	65,118,000
(b) Reserves and surplus	2	<b>(103,016,992)</b>	(74,202,710)
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	<b>40,177,961</b>	47,671,056
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	4	<b>5,385,188</b>	13,830,293
(d) Long-term provisions	5	-	-
<b>Current liabilities</b>			
(a) Short-term borrowings	6	<b>66,916,127</b>	55,645,926
(b) Trade payables	7	-	7,121,661
(c) Other current liabilities	8	<b>4,593,299</b>	2,138,684
(d) Short-term provisions	9	<b>253,780</b>	1,310,509
<b>TOTAL</b>		<b><u>79,427,363</u></b>	<b><u>118,633,418</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		<b>32,793,783</b>	53,873,075
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments	11	<b>2,250,500</b>	2,428,927
(c) Deferred tax assets (net)		<b>13,435,186</b>	13,435,186
(d) Long-term loans and advances	12	<b>3,229,317</b>	4,179,578
(e) Other non-current assets	13	-	-
<b>Current assets</b>			
(a) Current investments			
(b) Inventories	14	<b>1,523,255</b>	26,379,431
(c) Trade receivables	15	<b>3,778,548</b>	15,459,930
(d) Cash and cash equivalents	16	<b>49,396</b>	563,293
(e) Short-term loans and advances	17	<b>22,367,378</b>	2,313,998
(f) Other current assets	18	-	-
<b>TOTAL</b>		<b><u>79,427,363</u></b>	<b><u>118,633,418</u></b>

**Notes forming parts of the financial statement.**

A, 1 to 44

As per our Audited Report Annexed.

**For M. M. Salvi & Co.**

Chartered Accountants

**(M. M. Salvi)**

Proprietor.

M.No. : 30678

F.R. No.: 109004W

Place : Mehsana

Date : 30/05/2013

**For and on behalf of the Board**

**Payalben J. Patel**      *Director*

**Nikitaben J. Patel**      *Director*

Place : Ahmedabad

Date : 30/05/2013

**PROMACT PLASTICS LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

Particulars	Refer Note No.	2012-13	2011-12
Revenue from operations [Gross]	19	41,153,263	103,891,308
Less: Excise Duty		4,519,801	9,952,959
Revenue from Operations(Net)		36,633,462	93,938,349
Other income	20	3,611,431	497,866
<b>Total Revenue (I + II)</b>		<b>40,244,893</b>	<b>94,436,215</b>
<b>Expenses:</b>			
Cost of materials consumed	21	21,398,136	80,115,115
Purchases of Stock-in-Trade			
Manufacturing & Operating Costs	22	3,273,629	10,940,070
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	16,848,016	2,156,002
Employee benefits expense	24	2,122,172	3,404,040
Finance costs	25	13,157,920	13,112,805
Depreciation and amortization expense		4,928,225	5,540,472
Other expenses	26	1,089,925	1,851,352
<b>Total expenses</b>		<b>62,818,022</b>	<b>117,119,856</b>
<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>(22,573,129)</b>	<b>(22,683,641)</b>
<b>Exceptional items</b>	27	<b>6,241,153</b>	<b>-</b>
<b>Profit before tax (V - VI)</b>		<b>(28,814,282)</b>	<b>(22,683,641)</b>
<b>Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax Assets		-	5,975,219
<b>Profit (Loss) for the period (VII-VIII)</b>		<b>(28,814,282)</b>	<b>(16,708,422)</b>
<b>Earnings per equity share:</b>			
(1) Basic		-4.42	-2.57
(2) Diluted		-4.42	-2.57

Notes forming parts of the financial statement.

A, 1 to 44

As per our Audited Report Annexed.

**For M. M. Salvi & Co.**

Chartered Accountants

**(M. M. Salvi)**

Proprietor.

M.No. : 30678

F.R. No.: 109004W

Place : Mehsana

Date : 30/05/2013

**For and on behalf of the Board****Payalben J. Patel** Director**Nikitaben J. Patel** Director

Place : Ahmedabad

Date : 30/05/2013

**ANNUAL REPORT 2012-2013**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

Particulars	(In `)	
	31/03/2013	31/03/2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before Tax & Extra ordinary items	-28,814,282	-22,683,641
Adjustments for: Depreciation	49,28,225	55,40,472
Bad Debts	-	-
Financial Charges	1,31,57,920	1,31,12,805
Profit/Loss on Sales of Fixed Assets (Net)	62,41,153	-
Dividend Income	-331,071	-277,337
Interest Received.	-140,714	-179,279
Duty Draw Back (Previous Year)	-	-41,250
Other Income	-675,577	0
Godoen Rent	-1,386,132	0
Profit on Sales of Share.	-334,196	0
Profit on Sale of Vehicle.	-283,500	0
Excise Duty for Closing Stock	-460,241	0
Preliminary Expenses Written Off	-	-
<b>Operating Profit before working capital changes</b>	<b>-8,098,415</b>	<b>-4,528,230</b>
Adjustment for : Trade & other receivables / Sundry Debtors	1,16,81,382	22,80,801
Inventories	2,48,56,176	7,50,875
Loans & Advances & Deposits	-18,916,409	-59,302
Current liabilities (Trade Payable)	-5,723,775	-1,129,363
<b>Cash generated from operations</b>	<b>37,98,959</b>	<b>-2,685,219</b>
Direct taxes paid	-186,712	-12,214
<b>Net Cash from operating activities (A)</b>	<b>36,12,247</b>	<b>-2,673,005</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets/Capital Work in Progress	-	-249,165
Sale of Fixed Assets.	99,09,914	-
Profit on Sales of fixed Assets	-	-
Increase/(Decrease) in Investment	1,78,427	-498,975
Dividend, Interest & other income	36,11,431	4,97,866
<b>Net Cash used in Investing Activities (B)</b>	<b>1,36,99,772</b>	<b>-250,274</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/(Decrease) in cash credit	-924,788	-30,522,820
Increase/(Decrease) in term loan	-7,493,092	4,76,71,053
Receipt/(Repayment) of loans/deposits	-8,445,105	-8,445,105
Inter Corporate Deposits Received /(Placed)	1,21,94,989	75,49,587
Financial Charges	-13,157,920	-13,112,805
<b>Net Cash used in Financing Activities ( C )</b>	<b>-17,825,916</b>	<b>31,39,910</b>
<b>Net increase / (Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>-513,897</b>	<b>2,16,631</b>
<b>Opening Cash &amp; Cash Equivalent-Opening Balance</b>	<b>5,63,293</b>	<b>3,46,662</b>
<b>Closing cash &amp; Cash Equivalent-Closing Balance</b>	<b>49,396</b>	<b>5,63,293</b>

**Notes on Cash Flow Statement for the year ended 31st March 2013;**

- The Cash Flow Statement is prepared in accordance with the format prescribed in Accounting Standard-3 issued by the Institute of Chartered Accountants of India.
- In part A of the Cash Flow Statement, figures in brackets indicate deductions made from Net Profit for deriving cash flow from operating activities. In Parts (B) and (C), figures in brackets indicate cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to conform to current year's presentation

As per our Audited Report Annexed.

**For M. M. Salvi & Co.**  
Chartered Accountants

**(M. M. Salvi)**  
Proprietor.  
M.No. : 30678  
F.R. No.: 109004W  
Place : Mehsana  
Date : 30/05/2013

For and on behalf of the Board

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

Place : Ahmedabad  
Date : 30/05/2013



## PROMACT PLASTICS LIMITED

### NOTES FORMING PARTS OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 213

#### NOTES TO ACCOUNTS

##### 1. Corporate Information

Promact Plastics Limited, a listed company at Bombay Stock Ltd. And Ahmedabad Stock Exchange Ltd. The company is engaged in manufacturing of HDPE /PP Woven Bags, Fabrics and Tarpauline at Dediyan G.I.D.C. Mehsana, Gujarat, India since more than twenty nine years.

##### 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 and excise 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 indicate 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 whichever is lower. 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 renders 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 comprise 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. But current year deferred tax net assets has not provided in books because of uncertainty.



**ANNUAL REPORT 2012-2013**

**NOTES TO THE FINANCIAL STATEMENTS**

	2012-13		2011-12	
	Number	Amount (₹)	Number	Amount (₹)
<b>NOTE 1 - SHARE CAPITAL</b>				
<b>Share Capital</b>				
<b>Authorised</b>				
Equity Shares of ₹ 10 each with voting rights	70,000,000	700,000,000	7,000,000	70,000,000
<b>Issued, Subscribed and fully paid up</b>				
Equity Shares of ₹ 10 each with voting rights, fully paid up	6,511,800	65,118,000	6,511,800	65,118,000
<b>Total</b>	<b>6,511,800</b>	<b>65,118,000</b>	<b>6,511,800</b>	<b>65,118,000</b>
<b>a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>				
Shares outstanding at the beginning of the year	6,511,800	65,118,000	6,511,800	65,118,000
Shares Issued during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	<b>6,511,800</b>	<b>65,118,000</b>	<b>6,511,800</b>	<b>65,118,000</b>
<b>c. Terms/rights attached to equity shares</b>				
The company has only one class of equity shares having a par value of ₹ 10 per share. The equity shares having rights, preference and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956.				
<b>Name of Shareholder</b>				
	<b>2012-13</b>		<b>2011-12</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
<b>c. Shares held by holding company in the company</b>	-	-	-	-
<b>d. Shares in the company held by each shareholder holding more than 5 percent shares.</b>				
Jayantibhai S. Patel.	3,29,480	5.06	3,29,480	5.06
			<b>2012-13</b>	<b>2011-12</b>
<b>NOTE 2 - RESERVES AND SURPLUS</b>				
<b>a. General Reserves</b>				
Opening Balance		9,096,527	9,096,527	
(+) Current Year Transfer		-	-	
(-) Written Back in Current Year		-	-	
Closing Balance		<b>9,096,527</b>	<b>9,096,527</b>	
<b>b. Surplus</b>				
Opening balance		(83,299,237)	(66,590,815)	
(+) Net Profit/(Net Loss) For the current year		(28,814,282)	(16,708,422)	
(+) Transfer from Reserves		-	-	
(-) Proposed Dividends		-	-	
(-) Interim Dividends		-	-	
(-) Transfer to Reserves		-	-	
Closing Balance		<b>(112,113,519)</b>	<b>(83,299,237)</b>	
<b>Total</b>		<b>(103,016,992)</b>	<b>(74,202,710)</b>	
<b>NOTE 3 - LONG TERM BORROWINGS</b>				
The Mehsana Urban Co.Op. Bank Ltd. (Term Loan A/c. No. 50/20/25)		40,177,961	47,671,056	
(Term Loan are secured by way of mortgagat of factory land & building.)				
Working Term Loan are further colletrally secured by creating mortgagat in favour of bank on the following properties				
1) Equitable mortgagat for leasehold land, & factory building & factory building situated at Plot 392 to 403,G.I.D.C. Phase -II, Dediyaasan. Mehsana. (Gujarat) a standing in the name of company				
2) General form of Guarantee signed by the following directors: 1. Ms. Payalben J.Patel, 2. Ms. Nikitaben J.Patel.				
<b>Total</b>		<b>40,177,961</b>	<b>47,671,056</b>	

	2012-13 ( ` )	2011-12 ( ` )
<b>NOTE 4 - OTHER LONG TERM LIABILITIES</b>		
Sales Tax Deferred Payment.	5,385,188	13,830,293
<b>Total</b>	<b>5,385,188</b>	<b>13,830,293</b>
<b>NOTE 5 - LONG TERM PROVISIONS</b>		
<b>(a) Provision for employee benefits</b>	-	-
Superannuation (unfunded)		
Gratuity (unfunded)		
Leave Encashment (unfunded)		
ESOP / ESOS		
<b>(b) Others (Specify nature)</b>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>NOTE 6 - SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
from banks: The Mehsana Urban Co-OP. Bank Ltd.	39,671,132	40,595,920
Cash Credit A/c. No. 13/05/260		
	<b>39,671,132</b>	<b>40,595,920</b>
<b>Unsecured</b>		
From Inter Corporate Company.	750,749	15,050,006
From Other.	26,494,246	-
<b>Total</b>	<b>66,916,127</b>	<b>55,645,926</b>
<p>(Secured By the working cash credit Loana are secured by way of mortgagate of factory land &amp; building and all present stocks and book debts.)  Working Cash credit loan and Term Loan are further colletrally secured by creating mortgagate in favour of bank on the following properties</p>		
<p>1) Equitable mortgage for leasehold land, &amp; factory building &amp; factory building situated at Plot 392 to 403,G.I.D.C. Phase -II, Dediyanan. Mehsana. (Gujarat) a standing in the name of Company</p>		
<p>2) Hyp.of entire of raw materials, stock-in-process, stores &amp; spares, finished goods and Book-debts of the Company.</p>		
<p>3) General form of Guarantee signed by the following directors: 1. Ms. Payalben J.Patel, 2. Ms. Nikitaben J.Patel.</p>		
<b>NOTE 7 - TRADE PAYABLES</b>		
(a) Micro and Small enterprises	-	-
(b) Others	-	7,121,661
<b>Total</b>	<b>-</b>	<b>7,121,661</b>
<p>7.1 The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 hence disclosures relating to amounts unpaid as at year end together with interest paid / payable under this Act have not been given.</p>		
<p>7.2 Balances of Trade Payable have been taken as per books and are subject to reconciliation / confirmation and consequential adjustments, if any.</p>		
<b>NOTE 8 - OTHER CURRENT LIABILITIES</b>		
TDS [Payable]	308,746	96,839
Advance From Customers	3,248,019	-
Payable Other Than Raw Material	1,036,534	2,041,845
<b>Total</b>	<b>4,593,299</b>	<b>2,138,684</b>
<b>NOTE 9 - SHORT TERM PROVISIONS</b>		
<b>(a) Provision for employee benefits</b>		
Factory Salary and Labour & Wages	-	360,772
Office Salary	-	24,296
<b>(b) Others (Specify nature)</b>		
CST/VAT Tax	203,780	234,749
Electricital Expenses.	-	194,666
Excise Duty .	-	446,026
Provision for Audit Fees.	50,000	50,000
<b>Total</b>	<b>253,780</b>	<b>1,310,509</b>

## ANNUAL REPORT 2012-2013

### NOTE 10 - FIXED ASSETS.

Particulars	Gross Block			Depreciation				Net Block		
	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	As on 31.12.2013 (₹)	As on 31.03.2012 (₹)
Air Condition	354185	-	-	354185	231237	16824	-	248061	106124	122948
Computer	685172	-	-	685172	650818	32546	-	683364	1808	34354
Electrical Installations	4002575	-	-	4002575	2515095	190122	-	2705217	1297358	1487480
Equipment.	237633	-	-	237633	150006	11288	-	161294	76339	87627
Factory Building	19269104	-	-	19269104	8373493	643588	-	9017081	10252023	10895611
Staff Quarter.	804818	-	-	804818	161979	13119	-	175098	629720	642839
Furniture and Fixture.	1547943	-	-	1547943	1213102	96437	-	1309539	238404	334842
Mobile	22475	-	-	22475	14955	1068	-	16023	6452	7520
Plant and Machinery	106913060	-	34987573	71925487	68181576	3919204	18836506	53264274	18661213	38731484
Vehicle.	835951	-	835951	-	835951	-	835951	-	-	-
Lease hold Land.	1446568	-	-	1446568	-	-	-	-	1446568	1446568
C.C.T.V. Camera/Thumb - Bioaccess.	84815	-	-	84815	3013	4029	-	7042	77773	81802
<b>SUB TOTAL (A)</b>	<b>136204299</b>	<b>-</b>	<b>35823524</b>	<b>100380775</b>	<b>82331225</b>	<b>4928225</b>	<b>19672457</b>	<b>67586993</b>	<b>32793782</b>	<b>53873075</b>
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)</b>	-	-	-	-	-	-	-	-	-	-
<b>Capital Work-in-progress</b>	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (C)</b>	-	-	-	-	-	-	-	-	-	-
<b>Intangible Assets Under Development</b>	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (D)</b>	-	-	-	-	-	-	-	-	-	-
<b>Total [A + B + C + D]</b>										
<b>(Current Year)</b>	<b>136204299</b>	<b>-</b>	<b>35823524</b>	<b>100380775</b>	<b>82331225</b>	<b>4928225</b>	<b>19672457</b>	<b>67586993</b>	<b>32793782</b>	<b>53873075</b>
(Previous Year)	135955134	249165	-	136204299	76790751	5540472	-	82331223	53873075	59164382

**2012-13**                      **2011-12**

### NOTE 11 - NON CURRENT INVESTMENT.

#### (a) Investment in Share - Unquoted.

The Mehsana Urban Co-Op. Bank Ltd.	2,250,500	2,250,500
Amarnath Co-Op. Bank Ltd.	-	73,505

#### (b) Investment in Equity Share - Quoted.

Dena Bank (3686 Shares. )	-	104,922
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<b>Total</b>	<b>2,250,500</b>	<b>2,428,927</b>
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### NOTE 12 - LONG TERM LOANS AND ADVANCES

#### a. Capital Advances

	-	-
--	---	---

#### b. Security Deposits

Unsecured, considered good	-	-
Security Deposit EMD	623,931	823,931
Other Deposit	1,831,567	2,581,828
Doubtful	-	-
Less: Provision for doubtful deposits	2,455,498	3,405,759

#### c. Loans and advances to related parties

	-	-
--	---	---

#### d. Other loans and advances (specify nature)

	773,819	773,819
	773,819	773,819
	<b>3,229,317</b>	<b>4,179,578</b>

	2012-13	2011-12
<b>NOTE 13- OTHER NON-CURRENT ASSETS</b>		
a. Long term trade receivables (including trade receivables on deferred credit terms)	-	-
	-	-
<b>NOTE 14 - INVENTORIES</b>		
a. Raw Materials and components (Valued at Cost)	8,327	8,016,487
b. Work-in-progress (Valued at Cost)	-	15,876,277
c. Finished goods (Valued at Cost / Net realisable Value)	1,199,928	639,997
d. Stores and Spares.	315,000	1,846,670
<b>Total</b>	<b>1,523,255</b>	<b>26,379,431</b>
<b>NOTE 15 - TRADE RECEIVABLES</b>		
Trade receivables outstanding for a period less than six months from the date they are due for payment.		
Unsecured, considered good	2,107,876	12,137,770
	2,107,876	12,137,770
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,670,672	3,322,160
	1,670,672	3,322,160
<b>Total</b>	<b>3,778,548</b>	<b>15,459,930</b>
Trade Receivable stated above include debts due by: Company in which director is a member / director		
	-	-
	-	-
<b>NOTE 16 - CASH AND CASH EQUIVALENTS</b>		
a. Balances with banks		
In Current Account	16,393	32,796
FDR and Margin money with bank	-	-
	16,393	32,796
b. Cash on hand	33,003	530,497
	49,396	563,293
<b>NOTE 17 - SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good unless otherwise stated</b>		
Loans and advances to related parties		
Bank FDR Interest Receivable	20,315	76,573
Provision for Dividend Receivable.	-	6,250
Advance Tax Paid. (Asst. Year 2005-06)	250,000	200,000
TDS Receivable 2006-07	398,456	398,456
TDS Receivable 2008-09	149,698	149,698
TDS Receivable 2009-10	36,141	36,141
TDS Receivable 2010-2011	20,112	20,112
TDS Receivable 2011-2012	12,896	12,214
TDS Receivable 2012-2013	186,712	-
Modvat Credit Receivable	33	33,012
PLA Account	3,531	1,703
Prepaid Insurance	-	27,440
Quantity Discount Receivable.	-	-
Advance to Creditors.	498,582	1,352,399
Prabhu Ispat Pvt. Limited.	13,885,653	-
Prabhu Steel Corporation.	6,905,249	-
	<b>22,367,378</b>	<b>2,313,998</b>
<b>Related Party Transaction</b>		
Company in which director is a member / director		
	-	-
	-	-

## ANNUAL REPORT 2012-2013

	2012-13	2011-12
<b>NOTE 18 - OTHER CURRENT ASSETS</b>		
	-	-
	-	-
	<u>-</u>	<u>-</u>
<b>Note 18 - a) Contingent liabilities and commitments (to the extent not provided for)</b>		
<b>(i) Contingent Liabilities</b>		
(a) Other money for which the company is contingently liable:		
Bank Guarantee	2,935,000	5,689,000
Letter of Credit	-	-
	<u>2,935,000</u>	<u>5,689,000</u>
	<u>2,935,000</u>	<u>5,689,000</u>
<b>b) Details of Dividend Payment</b>		
<u>Particulars</u>	<u>Total</u>	<u>Per share</u>
Dividends proposed to be distributed to equity shareholders	-	-
c) In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.		
<b>NOTE 19 - REVENUE FROM OPERATIONS</b>		
Sale of products	41,153,263	103,891,308
<u>Less:</u> Excise duty	4,519,801	9,952,959
Job Work Income	-	-
<b>Total</b>	<u>36,633,462</u>	<u>93,938,349</u>
<b>NOTE 20 - OTHER INCOME</b>		
Interest Income (in case of a company other than a finance company)	95,898	77,645
Dividend Income	331,071	277,337
Duty Drawback. (Previous Year)	-	41,250
Bank FDR Interest	44,816	101,634
Other Income	675,577	-
Godown Rent	1,386,132	-
Profit on Sale of Share (Dena Bank)	334,196	-
Profit on Sales of Vehicle.	283,500	-
Excise Duty for Closing Stock	460,241	-
<b>Total</b>	<u>3,611,431</u>	<u>497,866</u>
<b>NOTE 21 - COST OF MATERIALS CONSUMED</b>		
Opening Stock	8,016,487	6,611,360
Add : Purchase of Raw Material during the year.	13,218,357	80,206,225
Freight (Purchase)	171,619	1,314,017
	<u>21,406,463</u>	<u>88,131,602</u>
Less : Closing Stock	8,327	8,016,487
<b>Total</b>	<u>21,398,136</u>	<u>80,115,115</u>
<b>Imported &amp; Indigenous Raw Materials Consumed</b>		
	<u>2012-13</u>	<u>2011-12</u>
	%	%
Imported	-	-
Indigenous	21,398,136	100 80,115,115
<b>Total</b>	<u>21,398,136</u>	<u>100 80,115,115</u>

	2012-13	2011-12
<b>NOTE 22 - MANUFACTURING &amp; OPERATING COSTS</b>		
Water Charges	26,800	37,880
Electrical Expenses (Electricity Bill)	2,523,597	7,613,181
Labour Charge	300,336	1,671,837
Machinery Maintenance and Repairs.	221,971	1,351,274
Excise Duty Expenses.	-	70,402
Security Expenses.	200,925	195,496
<b>Total</b>	<b>3,273,629</b>	<b>10,940,070</b>
<b>NOTE 23 - CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories at the beginning of the year</b>		
<b>Opening Stock :</b>		
Finished Goods and Work in Process	16,516,274	18,598,696
Stores and Spares.	1,846,670	1,920,250
<b>Inventories at the end of the year</b>		
<b>Closing Stock :</b>		
Finished Goods and Work in Process	1,199,928	16,516,274
Stores and Spares.	315,000	1,846,670
<b>Total</b>	<b>16,848,016</b>	<b>2,156,002</b>
<b>NOTE 24 - EMPLOYEE BENEFITS EXPENSE</b>		
(a) Salaries and Bonus	2,072,300	3,231,828
Directors Remuneration	-	-
(b) Contributions to -		
(i) Provident fund(ii) Superannuation scheme	-	21,902
(c) Gratuity fund contributions	-	-
(d) ESIC contributions	-	-
(e) Staff welfare expenses	49,872	150,310
<b>Total</b>	<b>2,122,172</b>	<b>3,404,040</b>
<b>NOTE 25 - FINANCE COSTS</b>		
<b>Interest expense</b>		
Working capital loans (Term Loan)	6,156,908	3,414,889
Working capital loans (Cash Credit)	4,091,101	8,553,686
Other borrowing costs	2,892,753	963,531
Bank Charges & Commission	17,158	180,699
<b>Total</b>	<b>13,157,920</b>	<b>13,112,805</b>

**ANNUAL REPORT 2012-2013**

	2012-13	2011-12
<b>NOTE 26 - OTHER EXPENSES</b>		
Telephone Expenses	50,250	58,932
Insurance	49,504	29,351
Freight (Inward /Outward)	9,852	62,487
Stationery And Printing	21,092	31,625
Travelling Expenses	70,369	33,950
Building Repairing	-	370,604
Computer Expenses	400	33,944
Consultant Expenses.	227,500	146,358
Diesel.	28,093	28,744
Donation	300	250
Filing expenses	-	1,750
G.I.D.C. Services Charges.	85,550	221,158
Listing fees	-	47,575
Office expenses	6,177	13,535
Professional Tax	2,400	2,400
Petrol Expenses	37,816	65,997
Postage expenses	7,968	20,889
Service Charges	27,202	47,923
Service Tax (Purchase)	62,824	33,709
Scooter Repairing	3,100	1,140
Sales Tax.	39,654	233,406
Advertisement Expenses	84,356	64,308
Factory Exp.	5,630	-
Kasar/Vatav.	112,060	41,530
Licence Fees.	-	38,800
Tea & Water Expenses.	-	41,437
Tender Fees.	-	7,600
penalty A/c.	-	834
Legal and Consultancy charges	104,734	64,064
Stamp Expenses	2,467	54,600
Conveyance Exp.	-	1,150
News Paper	628	200
2(R) Permission Fees	-	1,103
Audit Fees	50,000	50,000
<b>Total</b>	<b>1,089,925</b>	<b>1,851,352</b>
<b>NOTE 27 - EXCEPTIONAL ITEMS</b>		
Loss on Sales of Plant and Machinery	7,725,425	-
Less : Profit on Sales of Plant & Machinery,	1,484,272	-
<b>Total</b>	<b>6,241,153</b>	<b>-</b>

**28. NOTES ON ACCOUNTS**
**1. CONTINGENT LIABILITIES**

	<u>2012-13</u>	<u>2011-12</u>
		( ` in Lacs)
Contingent Liability (Bank Guarantee )	<b>29,35,000</b>	56,89,000

29. During the year the company has incurred cash loss of ` 238.86 Lacs and at the end of the year negative net worth of the company is ` 378.99 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 and development.

30. 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.

31. Balance conformations in respect of debtors, creditors and loan & Advance granted / taken are subject to confirmation and reconciliation.

**32. Segment Reporting Policies:**

Business Segment

The Company is exclusively engaged in the business of manufacturing of HDPE/PP Bags Fabrics and Tarpauline. This in the context of AS 17 "Segment Reporting", notified under the Companies (Accounting Standard) Rules, 2006, constitute one single primary segment.

**33. Other Accounting Policies:**

Accounting policies not specifically referred to, are consistent with the generally Accepted accounting practices.

**34. Components of Net Deferred Tax Asset**

	<u>As at 31-03-2013 ( ` )</u>	<u>As at 31-03-2012 ( ` )</u>
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	<b>1,34,35,186</b>	1,38,16,547
<b>Deferred Tax Assets</b>		
Carried Forward Loss allowable for tax purposes in the following years	<b>Nil</b>	2,72,51,733
Disallowance under the Income Tax Act 1961	<b>Nil</b>	Nil
Net Deferred Tax Assets (Liability)	<b>1,34,35,186.00</b>	1,34,35,186

**35. Managerial Remuneration**

	<u>2012-13 ( ` )</u>	<u>2011-12 ( ` )</u>
Paid to Director	<b>Nil</b>	Nil
Total	<b>Nil</b>	Nil

**36. Auditors' Remuneration**

For Auditor Remuneration	<b>50,000</b>	50,000
<b>TOTAL</b>	<b>50,000</b>	50,000

**37. Segment Reporting:**

Geographical Segment is identified as the secondary segment and details are given below:

<b>Description</b>	<u>2012-13</u>	<u>2011-12</u>
Domestic Sales (Net)	<b>3,66,33,462</b>	9,39,38,349
Export Sales	<b>Nil</b>	Nil
<b>Total</b>	<b>3,66,33,462</b>	9,39,38,349



## ANNUAL REPORT 2012-2013

### 38. Donation to Political Parties.

	2012-13 ( ` )	2011-12 ( ` )
	Nil	Nil
TOTAL	Nil	Nil

### 39. Earning Per Share :

Profit attributable to the Equity Shareholders	-2,88,14,282	-1,67,08,422
Weighted average number of Equity shares of ` 10/- each fully paid up outstanding during the year	<b>65,11,800</b>	65,11,800
Basic / Diluted earning per share of ` 10/- each fully paid up	-4.42	-2.57

### 40. CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS

Particulars	2012 – 2013		2011 – 2012	
	Amount ( ` )	%	Amount ( ` )	%
Indigenous	<b>2,13,98,136</b>	<b>100</b>	8,01,15,115	100
Imported	<b>Nil</b>	<b>Nil</b>	Nil	Nil

### 41. CONSUMPTION OF IMPORTED & INDIGENOUS STORES & SPARES

Particulars	( ` )		( ` )	
	Amount	%	Amount	%
Indigenous	2,21,971	100	13,51,274	100
Imported	<b>Nil</b>	<b>Nil</b>	Nil	Nil

### 42. EARNINGS / EXPENDITURE IN FOREIGN CURRENCY

	2012-13 ( ` )	2011-12 ( ` )
FOB Value of Exports	<b>Nil</b>	Nil
Expenditure in foreign Currency	<b>Nil</b>	Nil

### 43. CIF Value of Imports

CIF Value of Imports	<b>Nil</b>	Nil
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### 44. Related Party Disclosures :

#### A. List of related parties with whom transactions have taken place during the year

##### I. Name of the related parties      Short name      Nature of the relationship

Prabhu Steel Corporation.	PSC	Relative.
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##### II. Key Managerial Personnel:

Ms. Payalben J. Patel.	Chairperson
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Ms. Nikitabhen J. Patel.	Director.
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Mr. Ankitbhai J. Patel	Director.
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**PROMACT PLASTICS LIMITED**

## B. Transactions with related parties

( In ₹ )

Particulars		PSC	KMP
Sales Service and other income	<b>Current Year</b> Previous Year	<b>0</b> 0	<b>0</b> 0
Purchase of raw Material and Components and Services	<b>Current Year</b> Previous Year	<b>0</b> 0	<b>0</b> 0
interest and other expenditure	<b>Current Year</b> Previous Year	<b>0</b> 2,73,422.00	<b>0</b> 0
Interoperate Deposits Placed/ (Received) net amount and Other	<b>Current Year</b> Previous Year	<b>0</b> 0	<b>0</b> 0
Interest income	<b>Current Year</b> Previous Year	<b>60,277.00</b> 0	<b>0</b> 0
Salary Commission On profit	<b>Current Year</b> Previous Year	<b>0</b> 0	<b>0</b> 0
Purchase of capital assets	<b>Current Year</b> Previous Year	<b>0</b> 0	<b>0</b> 0
Share Purchase / Sales	<b>Current Year</b> Previous Year	<b>0</b> 0	<b>0</b> 0
Due to Company	<b>Current Year</b> Previous Year	<b>0</b> 0	<b>0</b> 0
Payable by Company	<b>Current Year</b> Previous Year	<b>69,05,249.00</b> 0	<b>0</b> 0
Interoperate deposits (receivable)/payable	<b>Current Year</b> Previous Year	<b>0</b> 0	<b>0</b> 0

The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements.

Previous year's figures have been regrouped / re classified wherever necessary to correspond with the current year's classification disclosure.

As per our Audited Report Annexed.

**For M. M. Salvi & Co.**  
Chartered Accountants

**(M. M. Salvi)**  
Proprietor.  
M.No. : 30678  
F.R. No.: 109004W  
Place : Mehsana  
Date : 30/05/2013

**For and on behalf of the Board**

**Payalben J. Patel** Director

**Nikitaben J. Patel** Director

Place : Ahmedabad  
Date : 30/05/2013

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**PROMACT PLASTICS LIMITED**

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

**29<sup>th</sup> Annual General Meeting**

Friday, the 27<sup>th</sup> September, 2013 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.

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**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 29<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 27<sup>th</sup> September, 2013 and at any adjournment thereof.

Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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.

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**Regd. Office** : 106, Harikrupa Chambers,  
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