

FORM A

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

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|----|--|-----------------------------|
| 1. | Name of Company | ECOPLAST LIMITED |
| 2. | Annual Financial statement of the year ended | 31 ST March,2014 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Frequency of observation | N.A. |

Yours faithfully,

For ECOPLAST LIMITED

Managing Director

CFO

Audit Committee Chairman

For Akkad Mehta & Co.

Chartered Accountants

(Firm Reg 100259W)

Sanjay Mehta

Partner

Membership No.16859





Ecoplast Limited

Annual Report 2013 -2014

| | |
|--|--|
| Board of Directors | Pheroze P. Kharas - Chairman Jaymin B. Desai - Managing Director Bankim B. Desai - Director Jehangir A. Moos - Director Dhananjay T. Desai - Director (Alternate to Mr. Bankim B. Desai) Mukul B. Desai - Director Bhupendra M. Desai - Director |
| Compliance Officer | M . D. Desai |
| Bankers | Bank of Baroda Main Branch, Nani Khatriwad, Valsad - 396 001, Gujarat. |
| Auditors | M/s Akkad Mehta & Company Chartered Accountants Vatika14 Baptista Road. Opp. Ishwarlal Park, Vile Parle (W), Mumbai - 400 056. |
| Share Registrars & Managers to the Fixed Deposit Scheme | TSR DARASHAW PRIVATE LTD. 6-10, Haji Moosa Patrawala Industrial estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011. |
| Registered Office | National Highway No.8, Water Works Cross Road, Abrama, Valsad - 396 002. Gujarat. email : ecoval@ecoplastindia.com Tele : (02632) 226157 |
| Head Office | 4, Magan Mahal, 215, Sir M. V. Road, Andheri (East), Mumbai : 400 069. email : ecobom@ecoplastindia.com Tele : (022) 26831403 |
| Website | : http://www.ecoplastindia.com |
| CIN | L25200GJ1981PLC004375 |

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NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of Ecoplast Limited will be held at the The Club Resort, At & P.O.Vashier, Valsad - 396 001 at 11.30 a.m. on Saturday, 20th September, 2014 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity shares for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Mr. Bankim Desai, (holding DIN 02399290), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.
4. To appoint auditors for a term of three years upto the conclusion of Thirty Fifth Annual General Meeting and fix their remuneration.

Appointment of Auditors

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Akkad Mehta & Co., (Firm Registration No 100259W), Chartered Accountants, be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty Fifth AGM of the Company to be held in the year 2017(subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

5. Appointment of Mr. Jehangir Moos as an Independent Director of the Company

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

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Jehangir A. Moos (holding DIN 00020609), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 20, 2014 up to September 19, 2019.”

6. Appointment of Mr. Mukul B. Desai as an Independent Director of the Company

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

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Mukul B. Desai (holding DIN 00015126), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 20, 2014 up to September 19, 2019.”

7. Appointment of Mr. Bhupendra M. Desai as an Independent Director of the Company

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Bhupendra M. Desai (holding DIN 02545003), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 20, 2014 up to September 19, 2019."

8. Payment of Commission to Non-Whole time Directors of the Company

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), as amended from time to time, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing April 1, 2014."

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

"RESOLVED THAT in suppression of the earlier resolution passed at the 30th Annual General Meeting of the Company held on 22nd September, 2012, the consent of the Company be and is hereby accorded under Section 180(1)(c) and other applicable provisions if any of the Companies Act, 2013 to the

extent applicable to the Board of Directors of the Company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of Directors shall not, at any time, exceed the sum of Rupees 50 Crores only at any point of time exclusive of interest."

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

"RESOLVED THAT in suppression of the earlier resolution passed at the 30th Annual General Meeting of the Company held on 22nd September, 2012, the consent of the Company, be and is hereby accorded under Section 180(1)(a) and other applicable provisions if any of the Companies Act, 1956 (as amended) and the Companies Act, 2013 to the extent applicable to the Board of Directors of the Company to mortgage and/ or charge and/ or hypothecate, on such terms and conditions and at such time or times, and in such form or manner, as it may think fit, the whole or substantially the whole of any one or more of the undertakings of the Company including the present and/ or future properties whether movable or immovable, comprised in any existing undertaking or undertakings of the Company, as the case may be for the purpose of securing financial assistance not exceeding Rupees 50 Crores only at any point of time by way of any of the following namely Term Loans in Indian Rupees and Foreign Currency, Export Credit, Equipment Credit Scheme, Leasing Credit Facilities or other facilities from the Financial Institutions and/or Bankers and/or any other parties together with interest thereon, commitment charges, liquidated damages, costs, charges, expenses and other

moneys payable by the Company to the respective Financial Institutions and/ or Bankers and/or other parties in terms of their respective Loan Agreements/Deeds of Agreements/ Hypothecation Agreements/ Letters of Sanction/Memorandum of terms and conditions entered into or to be entered into by the Company in respect of the said financial assistance, such security to rank pari passu with or second or subservient to the mortgages and/ or charges and/ or hypothecation already created or to be created in future by the Company or in such other manner as may be agreed to between the concerned parties and as may be thought expedient by the Board of Directors.”

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

“RESOLVED THAT M/s. Y. R. Doshi & Associates, Cost Accountants (ICWA Registration No. 3286) who have been appointed as the Cost Auditors of the Company to conduct the audit of the cost records for the financial year 2014-15 be paid remuneration of Rs. 60,000/- (Rupees Sixty Thousand Only) plus service tax and reimbursement of traveling and other out of pocket expenses.”

For and on behalf of the Board of Directors

Managing Director

Registered Office:

National Highway No. 8,

Water Works Cross Road,

Abrama, Valsad - 396002,

Gujarat

CIN: L25200GJ1981PLC004375

Tel: (02632) 226157

E-mail : Mahadevdesai@ecoplastindia.com,

Website :www.ecoplastindia.com

Mumbai, 28th May, 2014

Notes:

- a) The Statement setting out material facts pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND IN HOLDING NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HERewith. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.
- c) The Register of Members and the Share Transfer books of the Company will be closed from Saturday, 13th September, 2014 to Saturday, 20th September, 2014 (both days inclusive).
- d) Members seeking further information on the financial accounts are requested to write to the Company at least seven days before the meeting, so that relevant information can be kept ready at the meeting.
- e) All correspondence relating to transfer of shares, change of address, dividend mandates etc. should be sent to the Registrar & Share Transfer agents quoting their folio numbers only at the following address:

M/s TSR Darashaw Pvt. Ltd., 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E.Moses Road, Mahalaxmi, Mumbai - 400 011.

- f) In terms of Section 205A (5) of the Companies Act, 1956, dividends remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid / unclaimed dividend account of the Company shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to sub-section (1) of Section 205C of the Companies Act, 1956. Members are requested to seek early settlement of claim for payment of unpaid dividend from the Company. Members may please note that no claim of the transferred unclaimed / unpaid dividend shall lie against the above said fund or the Company after transfer of the amounts to the said fund.
- g) Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, form integral part of Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- h) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in security market. Shareholders holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Shareholders holding share in physical form can submit their PAN details to the Company.
- i) The Ministry of corporate Affairs (MCA), Government of India, through its Circular nos. 17/2011 and 18/2011 dated 21st April 2011 and 29th April 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance. Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report, etc to

the email address provided by you with your depositories.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email address.

- j) Members may also note that the Notice of the 32nd Annual General meeting and the Annual report for 2013-2014 will be also available on the Company's Website: www.ecoplastindia.com for download.
- k) All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the annual general meeting.
- l) Voting through electronic means:
- i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- (i) Open email and open PDF file viz; "Ecoplast e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

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- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Ecoplast Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to eco.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants (s) or requesting physical copy]:
- (i) Initial password will be provided separately: EVEN (e-Voting Event Number) USER ID PASSWORD/PIN
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication (s).
- V. The e-voting period commences on 14th September, 2014 (9:00 am) and ends on 16th September, 2014 (6:00pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 1st August 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 1st August 2014.
- VII. Mr. Mitesh Dhaliwala, of M/s Parikh Associates., Practising Company Secretaries, (Membership No ACS : 24539, CP : 9511) (Address : 111, 11th Floor, Sai Dwar CHS Ltd., Sab TV Lane, Opp. Laxmi Indl Estate, Off Link Road, Andheri (West), Mumbai - 400053.) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the e-voting process) in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
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IX. As the voting would be through electronic means, the Members who do not have access to e-voting, may send their assent or dissent in writing on the Ballot Form enclosed with the Annual Report. You are required to complete and sign the Ballot Form and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Mitesh Dhaliwala, Practicing Company Secretary, (Membership No. ACS24539), at the Registered Office of the Company not later than Monday, September 15, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting, i.e., either through e-Voting or by Ballot. If a Member casts votes by both modes, then voting done through e-Voting shall prevail and Ballot shall be treated as invalid.

X. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.ecoplastindia.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.

For and on behalf of the Board of Directors

Managing Director

Registered Office:

National Highway No. 8,

Water Works Cross Road,

Abrama, Valsad - 396002,

Gujarat

CIN: L25200GJ1981PLC004375

Tel: (02632) 226157

E-mail : Mahadevdesai@ecoplastindia.com,

Website : www.ecoplastindia.com

Mumbai, 28th May, 2014

ANNEXURE TO NOTICE

Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013("the Act") forming part of the notice.

Item No 5 to 7.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Jehangir Moos, Mr. Mukul B. Desai and Mr. Bhupendra M. Desai, as Independent Directors at various times, in compliance with the requirements of the Clause.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 1, 2014, every listed company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

Mr. Jehangir Moos, Mr. Mukul B. Desai and Mr. Bhupendra M. Desai, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Mr. Jehangir Moos, Mr. Mukul B. Desai and Mr. Bhupendra M. Desai fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Jehangir Moos, Mr. Mukul B. Desai and Mr. Bhupendra M. Desai as Independent Directors is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Directors to be appointed is given below:

Mr. Jehangir Moos is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 1989. He was at one time a practicing lawyer, and later a legal advisor to a large multinational pharmaceutical Company.

Mr. Mukul B. Desai is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2007. He is a Chartered Accountant by profession and having varied experience in the field of

Audit, Taxation, Corporate Law, Corporate Finance Structuring for more than 32 years.

Mr. Bhupendra M. Desai is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2009. He is a B. Tech from the Indian Institute of Technology (I.I.T) and an MBA from the Indian Institute of Management (I.I.M.). He joined Larsen & Toubro Ltd. In 1972, as post graduate trainee in Central Planning Department and subsequently transferred to Tractor Engineers Ltd. (a wholly owned subsidiary of L&T Ltd) in 1973. He retired from L & T Ltd; in 2005. After retirement he has worked as supply chain management consultant with L & T Ltd for two years and subsequently has worked as business consultant to various companies for three years.

Mr. Jehangir Moos, Mr. Mukul B. Desai and Mr. Bhupendra M. Desai, respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

Item No. 8:

At the Annual General Meeting of the Company held on 18th September, 2010, the Members had approved of the payment of commission to non-whole-time Directors of the Company not exceeding one percent per annum of the net profits of the Company for a period of five years commencing from April 1, 2009. It is proposed to continue with the payment of commission to non-whole-time Directors of the Company. Accordingly, it is proposed that in terms of Section 197 of the Act, the Directors (apart from the Managing Director and Whole-time Directors) be paid, for each of the five consecutive financial years of the Company commencing April 1, 2014, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

All the Directors of the Company except the Managing Director are concerned or interested in the Resolution at Item No. 8 of the Notice to the extent of the remuneration that may be received by them.

Item No 9.

Section 180 (1) (c) of the Companies Act, 2013, requires Shareholders approval to the limit of moneys borrowed by the Company when they exceed the aggregate of the paid up Capital of the Company and its free reserves.

As a part of future growth and expansion plans of the

Company, the Company may have to borrow more funds from banks and financial institutions and other parties in excess of the paid-up capital and free reserves of the Company and thus it is necessary that a higher ceiling limit for borrowing be approved by the members to enable the Board of Directors to procure working funds for business purposes as and when required. It is therefore proposed to authorise the Board of Directors to borrow in excess of the paid-up capital and free reserves of the Company subject to a maximum of Rupees Fifty Crores only.

A special resolution under Section 180 (1) (c) of the Companies Act, 2013 is therefore proposed for approval by the members.

None of the Directors, Key Managerial Personnel and the relatives of the aforesaid persons of the Company are interested in the said resolution.

The Board commends your approval of the said resolution.

Item no 10.

As a part of future growth plans of the Company, the borrowings from the Banks, financial institutions or other parties might be secured by mortgaging or charging the moveable and/or immovable assets of the Company. This may attract the provisions of Section 180(1)(a) of the Companies Act, 2013 which requires Shareholders approval.

A special resolution under Section 180 (1) (a) of the Companies Act, 2013 is therefore proposed for approval by the members.

None of the Directors, Key Managerial Personnel and the relatives of the aforesaid persons of the Company are interested in the said resolution.

The Board commends your approval of the said resolution.

Item no 11.

The Board of Directors on the recommendation of the Audit Committee have appointed M/s Y. R. Doshi & Associates, Cost Accountants (ICWA Registration No. 3286), as the Cost Auditors of the Company for the financial year 2014-15. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during normal business hours on any working day, excluding Saturday.

As per Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost

Auditors is to be ratified by the Shareholders. The Board has decided the remuneration payable to Y.R. Doshi & Associates as Cost Auditors on the recommendation of the Audit Committee. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 11.

The Board of Directors accordingly recommend the resolution set out at Item No. 11 of the accompanying Notice for the approval of the members.

For and on behalf of the Board of Directors
Managing Director

Registered Office:

National Highway No. 8,
Water Works Cross Road,
Abrama, Valsad - 396002,

Gujarat

CIN: L25200GJ1981PLC004375

Tel: (02632) 226157

E-mail : Mahadevdesai@ecoplastindia.com,

Website : www.ecoplastindia.com

Mumbai, 28th May, 2014

Profile of the Director being re-appointed at the 32nd Annual General Meeting in pursuance of Clause 49 IV (G) of the Listing Agreement entered into with the Stock Exchanges:

| Name of Director | Mr. Bankim Desai | Mr. Jehangir Moos | Mr. Mukul Desai | Mr. Bhupendra Desai |
|---|--|--|---|--|
| Date of Birth | 28/09/1953 | 21/05/1944 | 14/06/1956 | 26/08/1947 |
| Age | 61 | 70 | 58 | 67 |
| Date of Appointment | 07/05/1981 | 04/08/1989 | 25/08/2007 | 27/01/2009 |
| Experience in Specified Functional Area | Mr. B. B. Desai is one of the promoters. He has vast experience in Planning and Manufacturing. | He was a practicing lawyer and a legal advisor to a large multinational company. | He is a Chartered Accountant by profession and having varied experience in the field of Audit, Taxation, Corporate Law, Corporate Finance Structuring for more than 32 years. | He joined Larsen & Tourbro Ltd. in 1972, as post graduate trainee in Central Planning Department and subsequently transferred to Tractor Engineers Ltd. in 1973. After retirement he has worked as supply chain management consultant with L & T Ltd. for two years and subsequently has worked as business consultant to various companies for three years. |
| No. of shares held in the Company | - | 500 | 5551 | 100 |
| Qualification | M. Tech. (Chemical) | B.Sc. (Honours) LLB | Chartered Accountant | B. Tech, MBA |
| List of other Companies in which associated as Director | - | Nashik Venturers (P) Ltd. | Remi Process Plant & Machinery Ltd. Shrinkhala Securities Limited A.P. Marketing Private Limited Zicom Electronic Security Systems Ltd. | - |
| Chairman / Memberships of the Committee of the Board of other Companies in which associated as a Director | - | Audit Committee Member | Zicom Electronic Security Systems Ltd. Audit Committee : Chairman Remuneration Committee : Member Share Transfer : Member | - |

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

| | 31-03-2014 | 31-03-2013 | 31-03-2012 | 31-03-2011 | 31-03-2010 | |
|--|------------|------------|------------|------------|------------|--------|
| OPERATION | | | | | | |
| Sales (Net) | 819,840 | 758,358 | 597,170 | 660,615 | 484,717 | |
| Other Income | 2,254 | 6,134 | 1,743 | 1,578 | 1,339 | |
| Operating Profit [Before Depreciation] | 41,576 | 42,409 | 39,304 | 56,368 | 33,627 | |
| Profit before tax | 26,975 | 28,111 | 25,744 | 44,911 | 22,698 | |
| Profit after Tax (including prior period items) | 18,557 | 19,298 | 17,937 | 30,558 | 13,066 | |
| Dividend and Corporate Tax thereon | 4,184 | 4,184 | 4,184 | 9,445 | 6,297 | |
| Retained earnings | 14,373 | 15,114 | 13,753 | 21,113 | 6,769 | |
| Earnings per Share (Rs.) [On Face Value of Rs.10/-] | 6.19 | 6.43 | 5.98 | 10.19 | 4.36 | |
| ASSETS | | | | | | |
| Gross Block | 286,475 | 280,287 | 265,764 | 259,910 | 225,273 | |
| Net Block | 114,833 | 118,458 | 122,007 | 129,256 | 105,361 | |
| Net Current Assets | 61,019 | 59,301 | 41,304 | 57,805 | 113,783 | |
| Non Current Investments | 8,176 | 6,129 | 13,325 | 3,575 | 0 | |
| Long Term Loans & Advances | 46,397 | 31,801 | 26,532 | 4,264 | 0 | |
| Total Assets | 230,425 | 215,688 | 203,169 | 194,900 | 286,175 | |
| NET WORTH | | | | | | |
| Equity Capital | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | |
| Reserves and Surplus | 163,365 | 148,993 | 133,879 | 120,126 | 99,013 | |
| Net worth | 193,365 | 178,993 | 163,879 | 150,126 | 129,013 | |
| Book value per share (Rs.) [On Face Value of Rs.10/-] | 64.46 | 59.66 | 54.63 | 50.04 | 43.00 | |
| BORROWINGS | | | | | | |
| Long Term | 21,961 | 22,963 | 19,241 | 23,354 | 12,205 | |
| Short Term | 123,422 | 88,424 | 93,763 | 50,806 | 62,499 | |
| | 145,383 | 111,387 | 113,004 | 74,160 | 74,704 | |
| RATIOS | | | | | | |
| Profit before tax to Sales and other Income | % | 3.28 | 3.68 | 4.30 | 6.78 | 4.67 |
| Profit before tax to Net Worth | % | 13.95 | 15.71 | 15.71 | 29.92 | 17.59 |
| Dividend to Equity Capital | % | 12 | 12 | 12 | 27 | 18 |
| Dividend to Net Worth [Yield] | % | 2 | 2 | 3 | 6 | 5 |
| Return on Capital Employed | % | 25 | 26 | 25 | 34 | 13 |
| Dividend cover | Times | 4.44 | 4.61 | 4.29 | 3.24 | 2.08 |
| Current Ratio | Ratio | 1.25:1 | 1.30:1 | 1.27:1 | 1.36:1 | 1.45:1 |
| Long Term Debt:Equity | Ratio | 0.11:1 | 0.13:1 | 0.12:1 | 0.16:1 | 0.17:1 |

DIRECTORS' REPORT

To
The Members,

The Directors are pleased to present their Thirty-Second Annual Report and Audited Accounts for the year ended 31st March, 2014.

1. FINANCIAL RESULTS

| | Rs.'000 | |
|---|----------------|------------|
| | 31-03-2014 | 31-03-2013 |
| Net Sales | 819,840 | 758,358 |
| Other Income | 2,254 | 6,134 |
| Sales and Other Income | 822,094 | 764,492 |
| Operating Profit (before Depreciation, Exceptional items and Tax) | 41,576 | 49,605 |
| Less : Depreciation | 14,601 | 14,298 |
| Less : Exceptional items | - | 7,196 |
| Profit before tax | 26,975 | 28,111 |
| Less : Provision for Tax | | |
| Current Tax | 9,620 | 12,530 |
| Deferred tax Credit | (1,301) | (3,711) |
| Profit after Tax | 18,557 | 19,292 |
| Short Provision of Tax for Prior Years | - | 6 |
| Net Profit after prior period items | 18,557 | 19,298 |
| Add : Balance brought forward | 75,712 | 63,098 |
| Profit available for Appropriation | 94,269 | 82,396 |
| APPROPRIATION : | | |
| Transfer to General Reserve | 2,500 | 2,500 |
| Dividend on Equity Shares | 3,600 | 3,600 |
| Corporate Dividend Tax | 584 | 584 |
| Balance carried forward | 87,585 | 75,712 |
| | 94,269 | 82,396 |

2. OPERATIONS

Financial Year 2013-14 was full of uncertainties. Growth in domestic market has slowed down coupled with high inflation and higher interest rates which has impacted business sentiments. Liquidity crunch in market has adversely affected business in all sectors.

Raw material prices kept increasing consistently month after month ending with overall increase of 26% for the year over previous year. This restricted company's ability to recover the same from customers.

During the period 30th September, 2013 to 14th October, 2013 the operations at the company's factory were affected due to stoppage of production and disconnection of power supply pursuant to order dated 20th September, 2013 passed by Gujarat Pollution Control Board, Gandhinagar. The said order was later revoked 14th October, 2013 and factory operations were resumed. This resulted in production loss and adversely affected the operating results for the year.

During the year under review, sales volume has dropped by 10% compared to the previous year while net sales have increased by 8% to Rs.8198 lacs from Rs.7584 lacs in the previous year. However for reasons explained as above Profit Before Tax has dropped by 24% to Rs.270 lacs from Rs.354 lacs in previous year..

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

3. DIVIDEND

The Board of Directors recommends a dividend of Rs.1.20 per equity share (12%) for the year 2013-14. (Previous year – 12 %) for approval at the Annual General Meeting. The dividend if approved, will result in a cash outflow of Rs.41.84 lacs including dividend distribution tax which would remain same as Rs. 41.84 lacs in previous year.

4. TRANSFER TO RESERVES

The Company proposes to transfer Rs. 25 lacs to the General Reserve out of the amount available for appropriation and an amount of Rs.118.73. lacs is proposed to be retained in the statement of Profit and Loss.

5. FIXED DEPOSIT

The Company continued accepting Fixed Deposits from the public during the year under review. The Company received Rs.1,18,16,000 under the Fixed Deposit scheme. At the close of the year there were no Fixed Deposits due for payment which remained either unclaimed or unpaid, except 25 deposits amounting to Rs. 5,57,000/- which have matured but have not been claimed. Of these, 6 Deposits, amounting to Rs.1,50,000/- have been repaid up to the date of this Report.

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

6. PROSPECTS FOR THE CURRENT YEAR:

The major thrust during the year would be to build business volumes in industrial applications and highly specialised laminate application targeting more customers in domestic and export markets.

The traditional business of Multilayer Films for production of laminates will continue but margins are expected to be under pressure, however the volumes generated will help improve plant capacity.

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

7. SUBSIDIARY COMPANY.

Pursuant to provisions of Section 212(8) of the Companies Act, 1956(Act), the Ministry of Corporate Affairs vide its General Circular No 2/2011 dated February 8, 2011 has granted general exemption subject to certain conditions to holding companies from complying with the provisions of Section 212 of the Act which requires the attaching of the Balance Sheet, Statement of Profit & Loss and other documents of its subsidiary companies to its Balance sheet. Accordingly, the said documents are not being included in this Annual Report. The main financial summaries of the subsidiary company are provided under the section "Subsidiary Company: Financial Highlights 2013-14" in the Annual report. However the company will make available the said annual accounts and related detailed information of the subsidiary company upon request by any member of the Company and the same will also be kept open for inspection by any member at the Registered Office of the Company and of the Subsidiary

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

Information in accordance with Clause (e) of Sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the financial year ended 31st March 2014 is given in the Annexure to this Report.

9. PARTICULARS OF EMPLOYEES

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

10. DIRECTORS

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

The Company had, pursuant to the provisions of clause 49 of the listing agreements entered into with stock exchanges, appointed Mr. Jehangir Moos, Mr. Mukul B. Desai and Mr Bhupendra M. Desai as Independent Directors of the Company.

As per section 149(4) of the companies act, 2013 ('Act'), with came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors. In accordance with the provisions of section 149 of the act, there directors are being appointed as independent directors to hold office as per their tenure of appointment mentioned in the notice of the forthcoming annual general meeting (AGM) of the company.

11. CORPORATE GOVERNANCE

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

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures from the applicable accounting standards.
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2014 and of the profit of the company for the year ended on that date;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the Annual Accounts on a "going concern" basis.

13. AUDITORS

M/s. Akkad Mehta and Co., Chartered Accountants, Auditors of the Company will retire at the 32nd Annual General Meeting and are eligible for re-appointment. Pursuant to the provisions of section 139 of the companies Act, 2013 and the rules framed thereunder, it is proposed to appoint M/s. Akkad Mehta and Co as statutory auditors of the company from the conclusion of the forthcoming AGM till the conclusion of the Thirty Fifth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

14. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Reconciliation of share capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital of the Company. This audit is carried out every

quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board of Directors. The audit, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the number of shares in dematerialized form (held with NSDL and CDSL) and the total number of shares in physical form.

15. COMPLIANCE CERTIFICATE

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

16. COST AUDITORS

The Company has appointed Y. R. Doshi and Associates, Cost Accountants, Mumbai for conducting Cost Audit under section 148 of Companies Act, 2013, if applicable, for the financial year 2014-15.

17. ACKNOWLEDGMENT

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

For and on behalf of the Board of Directors

P. P. Kharas
CHAIRMAN

Mumbai, 28th May, 2014

ANNEXURE TO THE DIRECTORS' REPORT 2013-14

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION**RESEARCH & DEVELOPMENT (R&D)**

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

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

- Evaluation and validation of films under actual processing, packaging, storage, handling and transportation conditions to establish performance characteristics as determined with the customer.
- Technical support to the customer in the event the end user has a problem; most often the problem is related to changes in processing, packaging system parameters or others, without informing the Company

Future plan of action :-

- Development of specialty films, which are import substitutes for our customers, and films which, due to their technology content, are difficult to replicate.

C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

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

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

D. R & D EXPENDITURE

| | (Rs'000) | |
|---|-----------------|-----------------|
| | 31.03.14 | 31.03.13 |
| a) Capital Expenditure | — | — |
| b) Recurring Expenditure | 833.00 | 688.00 |
| c) Total Expenditure | 833.00 | 688.00 |
| d) Total R & D Expenditure as a percentage of total turnover. | 0.10 | 0.09 |

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

E. FOREIGN EXCHANGE EARNINGS AND OUTGO

| | Rs. '000 | |
|---|----------|---------|
| a) Foreign Exchange Earnings | : | 121,375 |
| b) Foreign Exchange Outgo (Raw material, Spares & Others) | : | 352,240 |

For, and on behalf of the Board of Directors

P. P. Kharas
CHAIRMAN

Mumbai, 28th May, 2014.

COMPLIANCE CERTIFICATE

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

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

We have examined the registers, records, books and papers of ECOPLAST LIMITED as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and the entries therein have been recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time as mentioned in the said annexure.
3. The Company being a Public Limited Company, comments that a Private Limited Company has minimum prescribed paid-up capital, maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 6 (Six) times on 28.05.2013, 01.08.2013, 14.09.2013, 09.11.2013, 11.01.2014 and on 06.02.2014 in respect of which meetings notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose. (No circular resolution was passed.)
5. The Company closed its Register of Members from 07.09.2013 to 14.09.2013 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2013 was held on 14.09.2013 after giving notice to the members of the company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/ or persons or firms or companies referred to in the Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or the previous approval of the Central Government.
12. The duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. (i) The Company has delivered all the certificates on lodgment of securities for transfer/ transmission or any other purpose in accordance with the provisions of the Act. There was no allotment of securities during the year.
(ii) The Company deposited the amount of dividend declared at Annual General Meeting held on 14.09.2013 in a separate Bank Account on 17.09.2013 which is within five days from the date of declaration of such dividend.
(iii) The Company posted warrants to all the members within the period of 30 days from the date of declaration and that all unclaimed /unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank on 21.10.2013.
(iv) The Company has transferred the amounts of unpaid dividend and interest accrued on

matured deposits, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund within the time prescribed under the Act and the Rules made thereunder.

- (v) The Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted . There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the provisions of sections 58A and 58AA read with the Companies (Acceptance of Deposit) Rules, 1975 in respect of deposits accepted and the company has filed the copy of Statement in lieu of Advertisement and return of deposit with the Registrar of Companies.
24. The amount borrowed by the Company from financial institutions, banks and others during the financial year ending 31st March, 2014 is within the borrowing limits of the company.
25. The company has made loans and investments and given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the Registers kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. We are informed that there were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For Parikh & Associates

Place: Mumbai
Date: 27.05.2014

Signature:

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

Annexure 'A'

Statutory Registers as maintained by the Company

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

Other Registers

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

For Parikh & Associates

Place: Mumbai

Signature:

Date: 27.05.2014

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

Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on March 31, 2014:

| Sr. No. | Form No./ Return | Filed under section | For | Date of filing | Whether filed within prescribed time Yes/No | If delay in filing whether requisite additional fee paid. Yes/No |
|---------|---|--|--|----------------|---|--|
| 1. | Form 11NV | 205C | Interest accrued on matured deposit amounting to Rs. 2538 credited to IEPF on 13.04.2013 | 23.04.2013 | Yes | N.A |
| 2. | Form 62 | Rule 10 of the Companies (Acceptance of Deposits) Rules, 1975 | Return of Deposits as on 31st March, 2013 | 15.06.2013 | Yes | N.A |
| 3. | Form 23C | 209(1)(d) | Appointment of Y. R. Doshi & Associates as Cost Auditors of the Company | 26.06.2013 | Yes | N.A |
| 4. | Form 11NV | 205C | Interest accrued on matured deposit amounting to Rs. 752 credited to IEPF on 14.08.2013 | 22.08.2013 | Yes | N.A |
| 5. | Form 62 | Rule 4A of the Companies Acceptance of Deposit Rules & Sec 58A | Statement in lieu of Advertisement | 17.09.2013 | Yes | N.A |
| 6. | Form I-XBRL | 209(1)(d) | Cost Audit Report | 28.09.2013 | Yes | N.A |
| 7. | Form 66 Compliance Certificate for the financial year 2012-2013 | 383A | Financial Year 2012-2013 | 02.10.2013 | Yes | N.A |

| Sr. No. | Form No./ Return | Filed under section | For | Date of filing | Whether filed within prescribed time Yes/No | If delay in filing whether requisite additional fee paid. Yes/No |
|---------|--|---------------------|---|----------------|---|--|
| 8 | Form 23 AC XBRL & Form 23ACAXBRL alongwith Annual Report for the year ended 31.03.2013 | 220 | Approved at the Annual General Meeting held on 14.09.2013 | 11.10.2013 | Yes | N.A |
| 9 | Form 5-INV | 205C | Statement of unclaimed and unpaid amounts as on the AGM held on 14.09.2013 | 14.10.2013 | Yes | N.A |
| 10. | Form 20B alongwith Annual Return made as on 14.09.2013 | 159 | Annual General Meeting held on 14.09.2013 | 21.10.2013 | Yes | N.A |
| 11. | Form 1INV | 205C | Interest accrued on matured deposit amounting to Rs. 87155 credited to IEPF on 14.10.2013 | 21.10.2013 | Yes | N.A |
| 12. | Form 1INV | 205C | Interest accrued on matured deposit amounting to Rs. 4272 credited to IEPF on 25.10.2013 | 11.11.2013 | Yes | N.A |
| 13. | Form 1INV | 205C | Interest accrued on matured deposit amounting to Rs. 320 credited to IEPF on 29.01.2014 | 05.02.2014 | Yes | N.A |
| 14. | Form 1INV | 205C | Interest accrued on matured deposit amounting to Rs. 1199 credited to IEPF on 24.02.2014 | 27.02.2014 | Yes | N.A |

For Parikh & Associates

Place: Mumbai
Date: 27.05.2014

Signature:

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

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Outlook

Majority of the units in our Industry are in the unorganised sector with the exception of a few large units who operate with integrated film plants.

Plastics raw material consumption declined by 2% in the year 2013-14 from the previous year's figure of 14%. There is a general sense of optimism on growth in the coming year.

New polyethylene plants will start production in the coming year 2014-15. This should help bring about price stability and sustainable growth in the film business.

2. Opportunities and Threat

India, with an average per capita consumption of 10 kgs is well behind China at 38 kgs per capita. The USA is at 90 kgs per capita and a world average is 30 kgs per capita. This is one indicator of the growth potential.

Almost 40% of the fruits and vegetables are spoilt during the movement from the farm to the retail level. The Ministry of Food Processing G.O.I., estimates the annual loss at Rs.20, 000 crores. Apart from the lack of cold storage facilities and transportation, packing needs to be developed to extend the shelf life of produce. The potential growth in this sector is significant.

The industry has encountered high volatility and uncertainty on price movement coupled with volatility in exchange rates. Dependency on imported raw material for certain critical application is a recognised risk.

3. Segment-wise and Product-wise performance

The company has only one segment namely Multilayer Films

4. Outlook

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

5. Risks and Concern

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

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

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

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

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

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

6. Internal Control Systems and their adequacy:

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

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

7. Human Resource Developments:

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

Cautionary Statement :

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

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2014.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

II. BOARD OF DIRECTORS AND BOARD PROCEDURE:

The Board of Directors of the Company as on 31st March 2014 comprises of one Executive Director and five non-executive Directors. Out of five non-executive Directors three Directors are independent.

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

| Name | Executive/ Non Executive/ Independent | No.of Board Meetings Attended | Attendance at Previous AGM held on 14.09.2013 | No.of other Directorships held in other public Companies as on 31.03.2014 | Committee Positions held by the directors - Member/ Chairman |
|--|---------------------------------------|-------------------------------|---|---|--|
| P.P.Kharas (Chairman) | Non Executive | 5 | Present | Nil | Nil |
| J.B.Desai Managing Director | Executive | 6 | Present | Nil | Nil |
| J.A.Moos | Non Executive & Independent | 6 | Present | Nil | Nil |
| Bankim B.Desai | Non Executive | Nil | Nil | Nil | Nil |
| D. T. Desai (Alternate to Bankim B. Desai) | Non Executive | 1 | Absent | 2 | Nil |
| Mukul.B. Desai | Non Executive & Independent | 6 | Present | 3 | 3 (Including 1 as Chairman) |
| Bhupendra M. Desai | Non Executive & Independent | 5 | Absent | Nil | Nil |

The independent directors are not related to promoters or management at the Board level. None of the Directors are related inter-se.

During the year 2013-14, the Board of Directors met six times on 28th May,2013, 1st August, 2013, 14th September, 2013, 9th November, 2013

11th January, 2014 and 6th February, 2014.

None of the non- executive Directors is paid any remuneration other than sitting fees of Rs. 20,000/- for each director for attending each Board Meeting and Rs. 10,000/- for each Committee Meeting.

Share Holding of Non executive Directors as on 31st March 2014.

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

The information as required under Annexure IA to Clause 49 was made available to the Board before each meeting which comprises of:

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

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

All the directors have made necessary disclosures about the committee positions, they occupy in the other companies. None of the Directors of the Company are member of more than ten Board-level committees or Chairman of more than 5 such committees across all the companies as per the restrictions under clause - 49 of the listing agreement.

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

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

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

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

Mr. Bankim B. Desai

Mr. Bankim B. Desai, age 61 years has a Masters degree in Chemical Engineering from Wayne State University, U.S.A.

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

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

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

Mr. Jehangir Moos

Mr. Jehangir Moos is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 1989.

Mr. J. A. Moos, age 70 years was at one time a practicing lawyer, and later a legal advisor to a large multinational pharmaceutical Company.

Mr. Moos retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Moos being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31st March, 2019. A notice has been received from a member proposing Mr. Moos as a candidate for the office of Director of the Company.

Mr. Mukul B. Desai

Mr. Mukul B. Desai is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2007.

Mr. Mukul B. Desai, age 58 years is a Chartered Accountant by profession and having varied experience in the field of Audit, Taxation, Corporate Law, Corporate Finance Structuring for more than 32 years.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Mukul B. Desai being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Mukul B. Desai as a candidate for the office of Director of the Company.

Mr. Bhupendra M. Desai

Mr. Bhupendra M. Desai is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2009.

Mr. Bhupendra M. Desai, age 67 years, is a B. Tech from the Indian Institute of Technology (I.I.T) and an MBA from the Indian Institute of Management (I.I.M.). He joined Larsen & Toubro Ltd. In 1972, as post graduate trainee in Central Planning Department and subsequently transferred to Tractor Engineers Ltd. (a wholly owned subsidiary of L&T Ltd. in 1973. He retired from L & T Ltd; in 2005. After retirement he has worked as supply chain management consultant with L & T Ltd for two years and subsequently has worked as business consultant to various companies for three years.

He has varied experience in following areas;

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

Mr. Bhupendra M. Desai retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Bhupendra M. Desai being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Bhupendra M. Desai as a candidate for the office of Director of the Company.

III AUDIT COMMITTEE:

Terms of reference for Audit Committee:

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

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

The Audit committee consists of four non- executive Directors Mr. P. P. Kharas, Mr. J. A. Moos, Mr. Bhupendra

M. Desai and Mr. Mukul B Desai of whom three are Independent Directors. The members of the Committee have the relevant experience in the field of finance; taxation and accounting, with Mr. Mukul B.Desai, having expert knowledge in the field of finance, taxation and Company audit.

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

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

Meeting and Attendance during the year April'13 - March'14.

During the year April '13 - March '14, Four Audit Committee meetings were held, 28th May, 2013, 1st August, 2013, 9th November, 2013, and 6th February, 2014.

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

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

The Audit Committee meetings are attended by Statutory Auditors.

The Chairman of the Audit Committee, Mr. Mukul B. Desai was present at the Annual General Meeting of the Company held on 14.09.2013.

IV REMUNERATION COMMITTEE :

- The Remuneration Committee consists of Mr. Mukul B Desai, Mr. P. P. Kharas, Mr. Bhupendra M. Desai and Mr. J. A. Moos.
- Except Mr. P. P. Kharas, all other Directors are Independent Directors.
- Matters of remuneration of Executive, Non - Executive Directors and Senior Most Executives are considered by the Remuneration Committee and recommended to the Board.
- The remuneration policy of the Company is to remain competitive in the industry and to selectively reward personnel for their contributions.
- Independent Director Mr. Mukul B. Desai is the Chairman of Remuneration Committee
- The Compliance Officer of the Company Acts as the Secretary of the Committee.
- During the year April, 2013 - March, 2014 no Remuneration Committee meeting was held.

Remuneration of the Executive Directors and sitting fees to the Non-executive Directors paid in respect of the financial year 2013-2014 is given below :

A. Executive Directors :Rs.

| Name | Sitting Fees Rs. | Salaries & Perqs. Rs. | Commission | Total Rs. |
|---------------|------------------|-----------------------|------------|-----------|
| 1. J.B. Desai | -- | 45,90,996 | -- | 45,90,996 |
| Total (A) | -- | 45,90,996 | | 45,90,996 |

B. Non-Executive Directors :

| | | | | |
|---------------------------------------|----------|-----------|----------|-----------|
| 1. P.P.Kharas | 1,60,000 | -- | 81,481 | 2,41,481 |
| 2. J.A. Moos | 2,00,000 | -- | 81,481 | 2,81,481 |
| 3. D.T.Desai (waived remuneration) | -- | -- | -- | -- |
| 4. Mukul B Desai | 2,00,000 | -- | 81,481 | 2,81,481 |
| 5. Bhupendra M. Desai | 1,40,000 | -- | 81,481 | 2,21,481 |
| Total (B) | 7,00,000 | | 3,25,924 | 10,25,924 |
| (Total A+B) | 7,00,000 | 45,90,996 | 3,25,924 | 56,16,920 |

The Company does not have a scheme for grant of stock options.

V. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE :

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

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

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

During the year April '13 - March '14, Four Shareholders / Investors Grievance Committee meetings were held, on: 28th May 2013, 1st August, 2013, 9th November, 2013 and 6th February, 2014.

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

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

During the year, the Company has received 101 queries and nil complaints from the shareholders. There were nil unresolved shareholders complaints as on 31.03.2014. Also, there were nil shares pending for transfer as on 31.03.2014.

VI. SUBSIDIARY COMPANY

The Company does not have any material non-listed Indian Subsidiary company and hence, it is not required to have any Independent Director of the Company on the Board of the non-listed subsidiary Company.

VII. GENERAL BODY MEETINGS :**1. Last 3AGM**

| Date | Time | Location |
|-----------------------|------------|---|
| 14 th September, 2013 | 11.30 A.M. | The Club Resort, At & P.O. Vashier, Valsad, Gujarat, 396 001. |
| 22 nd September, 2012 | 11.30 A.M. | The Club Resort, At & P.O. Vashier, Valsad, Gujarat, 396 001. |
| 5th August, 2011 | 11.30 A.M. | The Club Resort, At & P.O. Vashier, Valsad, Gujarat, 396 001. |

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

On 22nd September, 2012 -

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

On 18th September, 2010 -

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

There were no other General Body Meetings during the last three years and no Resolution was put to vote through postal ballot. None of the resolution proposed for the forthcoming Annual General Meeting need to be passed by Postal Ballot.

VIII. DISCLOSURES :

- i) No transactions of material nature has been entered into by the Company with its Promoters, Directors or Management or relatives etc. that may have potential conflict with the interest of the Company, except as disclosed in the note No: 36 to the notes on accounts.
- ii) The Board of Directors has been informed from time to time the business risks faced by the Company and the steps taken by the management to face them.
- iii) A separate report on Management Discussion & Analysis which forms part of the report is annexed.
- iv) There were no instances of non compliances, penalty, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
- v) The CEO and CFO have certified to the Board in accordance with Clause 49 V of the Listing Agreement pertaining to CEO/CFO certification for the Financial Year ended March 31, 2014.
- vi) Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditors or Practicing Company Secretaries regarding the compliance of conditions of corporate governance stipulated in the Clause and annex the certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a certificate from the Auditors of the Company to this effect and the same is given as an annexure to the Directors' Report.

vii) The company has complied with all the mandatory requirements of Clause -49 of the Listing Agreements, except the whistle blower policy.

IX. MEANS OF COMMUNICATION :

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

Exclusive Email ID for redress of investor complaints.

In terms of Clause 47(f) of the Listing Agreement, Company has displayed the following information on its website for redress of Investor Complaints.

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

X. CODE OF CONDUCT.

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

The Board members have affirmed compliance with the Code of Conduct for the year 2013-14.

XI. GENERAL SHAREHOLDER INFORMATION :

1. Annual General Meeting :
 - Day, Date & Time : Saturday, 20th September, 2014, at 11.30A.M.
 - Venue : The Club Resort, At & P.O. Vashier, Valsad -396 001.
 2. Financial Calendar : (tentative)
 - From 1st April to 31st March every year.
 - First Quarter Results : Before 15th August, 2014.
 - Second Quarter Results : Before 15th November, 2014.
 - Third Quarter Results : Before 15th February, 2015.
 - Fourth Quarter Results or : Before 31st May, 2015
 - Annual results :
 - AGM for the year : 20th September, 2014
 3. Date of Book Closure : 13th Sept, 2014 to 20th Sept., 2014
 4. Dividend Payment date : 23th Sept. 2014
 5. Listing on Stock Exchanges : BSE Limited. The Company has paid listing Fees for the period 1st April, 2014 to 31st March, 2015.
 6. Stock Code : 526703
 7. Market Price Data : The performance of the Company's scrip on the BSE as compared to the sensx is as under :
-

Ecoplast Ltd on BSE Sensex

| Month | High (Rs.) | Low (Rs.) |
|----------|------------|-----------|
| Apr-2013 | 38.15 | 26.80 |
| May-2013 | 32.65 | 27.20 |
| Jun-2013 | 29.00 | 24.10 |
| Jul-2013 | 36.00 | 27.90 |
| Aug-2013 | 34.65 | 28.25 |
| Sep-2013 | 29.85 | 25.70 |
| Oct-2013 | 39.05 | 25.80 |
| Nov-2013 | 41.35 | 39.00 |
| Dec-2013 | 37.10 | 28.90 |
| Jan-2014 | 33.85 | 27.95 |
| Feb-2014 | 31.35 | 25.35 |
| Mar-2014 | 30.95 | 26.60 |

8. Performance: Ecoplast share price performance vs. BSE Sensex during April, 2013- March, 2014



9. Registrars and Share Transfer Agents : TSR DARASHAW PVT. LTD.
6-10, Haji Moosa Patrawala Industrial estate,
20, Dr.E.Moses Road, Mahalaxmi, Mumbai-400 011.
10. Share Transfer System : Demat / Physical
11. Distribution of shareholding by size class : As on 31.03.2014

| Category | Number of Shareholders | Shareholders% to Total | No. of Shares | Shares % to Total |
|---------------|------------------------|------------------------|----------------|-------------------|
| 1 TO 500 | 2114 | 87.28 | 311605 | 10.39 |
| 501 TO 1000 | 133 | 5.49 | 106095 | 3.54 |
| 1001 TO 2000 | 70 | 2.89 | 98377 | 3.28 |
| 2001 TO 3000 | 26 | 1.07 | 66286 | 2.21 |
| 3001 TO 4000 | 14 | 0.58 | 47721 | 1.59 |
| 4001 TO 5000 | 12 | 0.50 | 56225 | 1.87 |
| 5001 TO 10000 | 22 | 0.91 | 156750 | 5.23 |
| Over 10000 | 31 | 1.28 | 2156941 | 71.89 |
| TOTAL | 2422 | 100.00 | 3000000 | 100.00 |

12. Dematerialization of shares and liquidity : (2850259 Shares) 95.01% of equity shares of the Company have been dematerialized as on 31st March 2014 and balance (149741 Shares) 4.99 % is in physical form

13. Plant Location : National Highway No.8 Water Works Cross Road Abrama, Valsad - 396 001.

14. Address for correspondence : Ecoplast Ltd. National Highway No.8, Water Works Cross Road Abrama, Valsad - 396 001.

For and on behalf of the Board of Directors

J.B.Desai

Managing Director

Mumbai, 28th May, 2014

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

To,
The Board of Directors,
Ecoplast Ltd.,

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

- a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2014 and based on our knowledge and belief we state that :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable to the Auditors and Audit Committee :
 - i) significant changes, if any, in the internal control over financial reporting during the year.
 - ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

J.B.Desai
Managing Director

M. D. Desai
Compliance Officer

Mumbai, 28th May, 2014

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

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

I confirm that the Company has in respect of the financial year ended March 31, 2013, received from the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Mumbai, 28th May, 2014

J. B. Desai
Managing Director

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

To
The Members of Ecoplast Limited

We have examined the compliance of conditions of Corporate Governance by Ecoplast Limited ("the Company") for the year ended on March 31, 2014, with the relevant records and documents maintained by the Company as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

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

SANJAY MEHTA
Partner
Membership No. 016859

Mumbai,
Dated: May 28, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
ECOPLAST LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of ECOPLAST LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") which, as per clarification issued by the Ministry of Corporate Affairs, continues to apply under section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
 - in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - 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.
 - 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 subsection (3C) of Section 211 of the Companies Act, 1956 which as per clarification issued by the Ministry of Corporate Affairs, continues to apply under section 133 of the Companies Act 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12th September 2012).
 - On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Akkad Mehta & Co.**
Chartered Accountants
(Firm Registration No.100259W)

Sanjay N. Mehta
Partner
Membership No. 016859

Mumbai, 28th May, 2014

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 7 of our report of even date)

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there are procedures of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The fixed assets disposed off during the year do not constitute a substantial part and therefore, in our opinion, the disposal does not affect the going concern assumption.
- ii. (a) The inventory, except goods-in-transit has been physically verified by the management at reasonable intervals during the current year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- iii. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
- (a) The Company has given loans to a subsidiary company. In respect of the said loans, the maximum amount outstanding at any time during the year was Rs. 372.19 lacs and the year-end balance is Rs. 372.19 lacs (including interest Rs.4.29 lacs.).
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the company, are not prima facie prejudicial to the interest of the company.
- (c) The principal amounts are repayable over a period of two to five years or such tenure as may be mutually agreed upon from time to time. The interest was charged up to 12th June, 2013 and the loan was made interest free w.e.f. 13th June 2013 as Loanee became Wholly Owned Subsidiary Company.
- (d) In respect of the said loan and interest there on, there are no overdue amounts.
- (e) The company has not taken any loan from companies, firms or other parties covered in Register maintained under Section 301 of the companies Act 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v. (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the company and hence not commented upon.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. Accordingly, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this matter.
- vii. In our opinion, the internal audit functions carried during the year by firm of Chartered Accountant appointed by the management have been commensurate with the size of the Company and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of subsection

- (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, service tax, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, service tax, excise duty and cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- x. The Company does not have any accumulated losses at the end of the financial year and the Company has not incurred cash losses in the financial year and immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institutions or by way of debentures.
- xii. According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
- xv. The Company has given a corporate guarantee of Rs.2 Crores to North Eastern Development Finance Corp. Ltd., Assam, and Rs. 2.10 Crores to Bank of Baroda on behalf of Synergy Films Pvt. Ltd., a Subsidiary Company as a collateral security for Term Loan Facility and Working Capital Loan availed by the Subsidiary Company. In our opinion based on the information and explanations received, the terms and conditions of this guarantee are not prejudicial to the interest of the company.
- xvi. In our opinion and according to the explanations given to us, the term loans obtained during the year have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis to have been used for long term investment.
- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix. The company has not issued debentures and hence no securities have been created.
- xx. The company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the management.

For **AKKAD MEHTA & CO**

Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA

Partner

Membership No. 016859

Mumbai, 28th May, 2014.

BALANCE SHEET AS AT 31ST MARCH, 2014

| | Note No | As at 31.03.2014 | As at 31.03.2013 |
|--------------------------------|---------|--------------------|--------------------|
| EQUITY AND LIABILITIES | | ₹ | ₹ |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | 3 | 30,000,000 | 30,000,000 |
| Reserves and Surplus | 4 | 163,365,396 | 148,992,705 |
| | | <u>193,365,396</u> | <u>178,992,705</u> |
| NON CURRENT LIABILITIES | | | |
| Long Term Borrowings | 5 | 21,960,900 | 22,963,100 |
| Deferred Tax Liabilities (Net) | 6 | 12,983,975 | 14,285,178 |
| Long Term Provisions | 7 | 2,114,271 | 3,039,566 |
| | | <u>37,059,146</u> | <u>40,287,844</u> |
| CURRENT LIABILITIES | | | |
| Short Term Borrowings | 8 | 123,422,359 | 88,424,280 |
| Trade Payables | 9 | 95,649,822 | 86,977,238 |
| Other Current Liabilities | 10 | 17,198,972 | 17,368,028 |
| Short Term Provisions | 11 | 5,895,866 | 5,477,406 |
| | | <u>242,167,019</u> | <u>198,246,952</u> |
| TOTAL | | <u>472,591,561</u> | <u>417,527,501</u> |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Fixed Assets | | | |
| - Tangible Assets | 12 | 114,620,513 | 118,457,930 |
| - Capital work-in-progress | 12 | 212,448 | 3,592,116 |
| Non Current Investments | 13 | 8,176,257 | 6,128,771 |
| Long Term Loans & Advances | 14 | 46,396,674 | 31,801,135 |
| | | <u>169,405,892</u> | <u>159,979,952</u> |
| CURRENT ASSETS | | | |
| Inventories | 15 | 106,535,454 | 99,439,271 |
| Trade Receivables | 16 | 172,242,238 | 141,836,550 |
| Cash & Cash Equivalents | 17 | 11,321,045 | 6,418,353 |
| Short Term Loans & Advances | 18 | 11,482,482 | 8,852,123 |
| Other Current Assets | 19 | 1,604,450 | 1,001,252 |
| | | <u>303,185,669</u> | <u>257,547,549</u> |
| TOTAL | | <u>472,591,561</u> | <u>417,527,501</u> |

Significant Accounting Policies 2
Notes Forming a part of the Financial Statements 3 To 43

As per our Report of even date.
For **AKKAD MEHTA & CO.**
Chartered Accountants
Firm ICAI Registration No. 100259W

For and on behalf of the Board of Directors

SANJAY MEHTA
Partner
Membership No : 016859

P. P. KHARAS
Chairman

JAYMIN B.DESAI
Managing Director

Place: Mumbai
Date: 28th May, 2014

M. D. DESAI
C.F.O.

Place : Mumbai
Date : 28th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

| | Note No | 31.03.2014 | 31.03.2013 |
|---|---------|---------------------------|---------------------------|
| INCOME | | ₹ | ₹ |
| Revenue from Operations | 20 | 819,840,195 | 758,358,141 |
| Other Income | 21 | 2,253,577 | 6,133,735 |
| Total Revenue | | <u>822,093,772</u> | <u>764,491,876</u> |
| EXPENDITURE | | | |
| Cost of Materials Consumed | 22 | 631,874,262 | 567,237,868 |
| Changes in Inventories of Finished Goods and Work in Progress | 23 | (3,536,594) | (2,657,047) |
| Employee Benefits Expense | 24 | 40,619,889 | 36,165,419 |
| Finance Costs | 25 | 18,619,537 | 19,767,233 |
| Depreciation & Amortization | 12 | 14,600,863 | 14,297,757 |
| Other Expenses | 26 | 92,940,317 | 94,373,397 |
| Total Expenses | | <u>795,118,274</u> | <u>729,184,627</u> |
| Profit before exceptional items and tax | | <u>26,975,498</u> | 35,307,249 |
| Less : Exceptional Items | 27 | - | 7,196,229 |
| Profit Before Tax | | <u>26,975,498</u> | <u>28,111,020</u> |
| Tax Expenses : | | | |
| Current Tax | | 9,720,000 | 12,530,000 |
| Deferred Tax | | (1,301,203) | (3,710,553) |
| Tax in respect of Earlier Years | | - | (6,832) |
| Profit for the year | | <u>18,556,701</u> | <u>19,298,405</u> |
| Earnings Per Equity Share of Face Value of Rs.10 Each Basic & Diluted (in Rs.) | | 6.19 | 6.43 |
| Significant Accounting Policies | 2 | | |
| Notes Forming a part of the Financial Statements | 3 To 43 | | |

As per our Report of even date.
For **AKKAD MEHTA & CO.**
Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA
Partner
Membership No : 016859

Place: Mumbai
Date: 28th May, 2014

For and on behalf of the Board of Directors

P. P. KHARAS
Chairman

M. D. DESAI
C.F.O.

JAYMIN B.DESAI
Managing Director

Place : Mumbai
Date : 28th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

| Particulars | For the year ended 31 Mar, 2014 | | For the year ended 31 Mar, 2013 | |
|---|---------------------------------|----------------------------|---------------------------------|----------------------------|
| | ₹ | ₹ | ₹ | ₹ |
| A. Cash flow from operating activities | | | | |
| Net Profit before Tax as per Statement of Profit and Loss | | 26,975,498 | | 28,111,025 |
| <i>Adjustments for:</i> | | | | |
| Depreciation and amortization and impairment | 14,600,863 | | 15,734,024 | |
| (Profit) / loss on sale / write off of assets | 33,972 | | (37,585) | |
| Finance costs | 18,619,537 | | 19,767,234 | |
| Interest income | (937,573) | | (2,648,605) | |
| Liabilities / provisions no longer required written back | (23,362) | | (2,717,737) | |
| Provision for losses (diminution in value of investments) in Subsidiary Companies | - | | 7,196,223 | |
| Provision for doubtful trade and other receivables loans and advances | | <u>32,293,437</u> | | <u>37,293,554</u> |
| Operating profit before working capital changes | | <u>59,268,935</u> | | <u>65,404,579</u> |
| <i>Changes in working capital:</i> | | | | |
| <i>Adjustments for (increase) / decrease in operating assets:</i> | | | | |
| Inventories | (7,096,183) | | (26,972,038) | |
| Trade receivables | (30,405,688) | | (32,337,376) | |
| Short-term loans and advances | (2,630,359) | | (1,126,900) | |
| Long-term loans and advances | (4,069,289) | | (1,137,275) | |
| Other current assets | (603,198) | | (308,817) | |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> | | | | |
| Trade payables | 8,695,946 | | 50,793,909 | |
| Other current liabilities | (169,056) | | 1,942,363 | |
| Short-term provisions | 418,730 | | 263,579 | |
| Long-term provisions | <u>(925,295)</u> | | <u>986,170</u> | |
| | | <u>(36,784,392)</u> | | <u>(7,896,385)</u> |
| | | <u>22,484,543</u> | | <u>57,508,194</u> |
| Cash generated from operations | | <u>22,484,543</u> | | <u>57,508,194</u> |
| Net income tax (paid) / refunds | | <u>(9,720,000)</u> | | <u>(12,523,168)</u> |
| Net cash flow from / (used in) operating activities (A) | | <u>12,764,543</u> | | <u>44,985,026</u> |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets, including capital advances | (8,658,078) | | (16,039,205) | |
| Proceeds from sale of fixed assets | 1,240,329 | | 300,000 | |
| Purchase of long-term investments | (2,047,486) | | - | |
| - Subsidiaries | - | | - | |
| Loans given | | | | |
| - Subsidiaries | (10,526,250) | | (4,131,505) | |
| Interest received | | | | |
| - Subsidiaries | 429,167 | | 2,247,228 | |
| - Others | <u>508,406</u> | | <u>401,377</u> | |
| | | <u>(19,053,911)</u> | | <u>(17,222,105)</u> |
| | | <u>(19,053,911)</u> | | <u>(17,222,105)</u> |
| Net cash flow from / (used in) investing activities (B) | | <u>(19,053,911)</u> | | <u>(17,222,105)</u> |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

| Particulars | For the year ended 31 Mar, 2014 | | For the year ended 31 Mar, 2013 | |
|---|---------------------------------|-------------------|---------------------------------|---------------------|
| | ₹ | ₹ | ₹ | ₹ |
| C. Cash flow from financing activities | | | | |
| Proceeds / (Repayment) of long-term borrowings | (1,002,200) | | 3,721,823 | |
| Net increase / (decrease) in working capital borrowings | 34,666,708 | | (6,202,300) | |
| Proceeds/ (Repayment) of other short-term borrowings | 331,371 | | 863,699 | |
| Finance cost | (18,619,537) | | (19,767,233) | |
| Dividends paid | (3,600,000) | | (3,600,000) | |
| Tax on dividend | (584,280) | | (584,280) | |
| | | <u>11,192,061</u> | | <u>(25,568,291)</u> |
| Net cash flow from / (used in) financing activities (C) | | <u>11,192,061</u> | | <u>(25,568,291)</u> |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | 4,902,693 | | 2,194,630 |
| Cash and cash equivalents at the beginning of the year | | <u>6,418,353</u> | | <u>4,223,722</u> |
| Cash and cash equivalents at the end of the year | | <u>11,321,045</u> | | <u>6,418,352</u> |
| Cash and cash equivalents at the end of the year Comprises : | | | | |
| (a) Cash on hand | | 249,107 | | 233,074 |
| (b) Balances with banks | | | | |
| (i) In current accounts | | 2,247,714 | | 1,201,083 |
| (ii) In EEFC accounts | | 3,065,245 | | 2,087,123 |
| (iii) In deposit accounts | | 741,000 | | 730,000 |
| (iv) In earmarked accounts (Refer Note (2) below) | | <u>5,017,979</u> | | <u>2,167,073</u> |
| | | <u>11,321,045</u> | | <u>6,418,352</u> |

Notes:

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

As per our Report of even date.
For **AKKAD MEHTA & CO.**
Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA
Partner
Membership No : 016859

Place: Mumbai
Date: 28th May, 2014

For and on behalf of the Board of Directors

P. P. KHARAS
Chairman

M. D. DESAI
C.F.O.

JAYMIN B.DESAI
Managing Director

Place : Mumbai
Date : 28th May, 2014

Note on financial statements for the year ended 31st March 2014.**NOTES FORMING PART OF THE ACCOUNTS****1. Corporate Information**

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

2. Summary of Significant Accounting Policies**2.1 Basis of Accounting and preparation of financial statements**

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

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

2.2 Use of Estimates

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

2.3 Inventories

The mode of valuing closing stock is as under:

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

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

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

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

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

2.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is

adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

- a. Depreciation on Factory Buildings, Plant and Machinery, Electrical Installations and Equipment (other than Motor Car which is depreciated on the basis of balance of useful life) is provided on the Straight Line Method (S.L.M.) at the rates and in the manner prescribed by Schedule XIV to the Companies Act, 1956.
- b. Motor Cars are depreciated at the rate higher than those prescribed in Schedule XIV to the Companies Act, 1956 as in management's judgement, their estimated useful lives are shorter than those prescribed.
- c. Depreciation on exchange fluctuations capitalised to fixed assets is provided over the residual useful life of the fixed assets.
- d. Depreciation on additions / deletions to fixed assets is provided on prorata from the end of month of such addition or upto the month of such deletion, as the case may be.
- e. Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation

2.7 Revenue Recognition

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

2.8 Fixed Assets

- a. Fixed Assets are stated at cost of acquisition or construction or at revalued amounts wherever such assets have been revalued less accumulated depreciation.
- b. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

2.9 Machinery Spares

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

2.10 Foreign Currency Transactions

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

2.11 Investments

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

2.12 Employee Benefits

Short term employees benefits

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

Defined Contribution Plans

Superannuation :

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

Employee's Family Pension :

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

Provident Fund :

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

Defined Benefit Plans

Gratuity :

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

Compensated Absences :

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

Termination Benefits

Termination benefits are recognised as expense immediately

2.13 Borrowing Costs

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

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

2.14 Research and Development

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

2.15 Cenvat Credit

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

2.16 Lease

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

2.17 Earning per share

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

2.18 Taxation

Current tax

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

Deferred Tax Provision

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

2.19 Impairment of Fixed Assets

In accordance with AS 28 on 'Impairment of Assets', where there is an indication of impairment of the company's assets related to cash generating units, the carrying amount of such assets are reviewed at each Balance Sheet date to determine whether there is any impairment. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.20 Provisions/ Contingencies

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

2.21 Provision for Bad and Doubtful Debts/Advances

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

NOTE NO. 3 : SHARE CAPITAL

| Particulars | As at 31 March, 2014 | | As at 31 March, 2013 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | No. of Shares | Rs. | No. of Shares | Rs. |
| Authorised | | | | |
| Equity Shares of Rs.10 each with voting rights | 10,000,000 | 100,000,000 | 10,000,000 | 100,000,000 |
| Issued, Subscribed and fully paid up | | | | |
| Equity Shares of Rs.10/- each fully paid-up with voting right | 3,000,000 | 30,000,000 | 3,000,000 | 30,000,000 |
| | <u>3,000,000</u> | <u>30,000,000</u> | <u>3,000,000</u> | <u>30,000,000</u> |

3.1 The reconciliation of the number of shares outstanding is set out below:-

| Particulars | As at 31 March, 2014 | | As at 31 March, 2013 | |
|--|----------------------|-------------------|----------------------|-------------------|
| | No. of Shares | Rs. | No. of Shares | Rs. |
| Equity Shares outstanding at the beginning of the year | 3,000,000 | 30,000,000 | 3,000,000 | 30,000,000 |
| Add : Fresh issue during the year | - | - | - | - |
| Less : Buy back during the year | - | - | - | - |
| Equity Shares outstanding at the end of the year | <u>3,000,000</u> | <u>30,000,000</u> | <u>3,000,000</u> | <u>30,000,000</u> |

3.2 The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders.

3.3 The Paid-up Capital includes 1,500,000 Equity Shares of Rs.10 each allotted as fully paid up Bonus shares by capitalising Rs.5,000,000 out of General Reserve and Rs.10,000,000 out of Revaluation Reserve prior to Listing of Companies Equity Shares.

3.4 Details of shares held by each shareholder holding more than 5% shares :

| Class of shares / Name of shareholder | As at 31 March, 2014 | | As at 31 March, 2013 | |
|---------------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| | Number of shares held | % holding in that class of | Number of shares held | % holding in that class of |
| Equity shares with voting rights | | | | |
| Mrs Amita J. Desai | 475,016 | 15.83 | 475,016 | 15.83 |
| Mrs Charulata N. Patel | 344,607 | 11.49 | 344,607 | 11.49 |
| Silvar Stream Properties Pvt Ltd. | 476,827 | 15.89 | 476,827 | 15.89 |

NOTE NO. 4 : RESERVES AND SURPLUS

| Particulars | As at 31 March, 2014 | | As at 31 March, 2013 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Amount Rs. | | Amount Rs. | |
| (a) Securities premium account | | | | |
| Balance as per last Balance Sheet | | <u>30,000,000</u> | | <u>30,000,000</u> |
| Closing Balance | | <u>30,000,000</u> | | <u>30,000,000</u> |
| (b) General reserve | | | | |
| Balance as per last Balance Sheet | | 43,281,315 | | 40,781,315 |
| Add: Transferred from surplus in Statement of Profit and Loss | | <u>2,500,000</u> | | <u>2,500,000</u> |
| Closing Balance | | <u>45,781,315</u> | | <u>43,281,315</u> |
| (c) Surplus in Statement of Profit and Loss | | | | |
| Balance as per last Balance Sheet | | 75,711,390 | | 63,097,265 |
| Add: Profit for the year | | <u>18,556,701</u> | | <u>19,298,405</u> |
| | | <u>94,268,091</u> | | <u>82,395,670</u> |
| Less: Transferred to General reserve | | 2,500,000 | | 2,500,000 |
| Dividends proposed to be distributed to equity shareholders (Rs.1.20 per share) | | 3,600,000 | | 3,600,000 |
| Tax on dividend | | <u>584,010</u> | | <u>584,280</u> |
| Closing Balance | | <u>87,584,081</u> | | <u>75,711,390</u> |
| Total | | <u>163,365,396</u> | | <u>148,992,705</u> |

NOTE NO. 5 : LONG TERM BORROWINGS

| | As at 31-03-2014 | | As at 31-03-2013 | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Non-Current | Rs. Current | Non-Current | Rs. Current |
| SECURED | | | | |
| Term Loan from Bank | | | | |
| Bank of Baroda Term Loan II | 2,115,319 | 3,999,996 | 6,115,319 | 3,999,996 |
| Bank of Baroda Term Loan III | 1,330,812 | 3,099,996 | 4,430,812 | 3,099,996 |
| UNSECURED | | | | |
| From Public and Shareholders | | | | |
| Deposits from Public | 14,541,000 | 4,666,000 | 8,901,000 | 4,438,000 |
| Deposits from Shareholders | 1,500,000 | - | 20,000 | - |
| Car Loan under Hire Purchase | <u>2,473,769</u> | <u>1,022,200</u> | <u>3,495,969</u> | <u>918,829</u> |
| | 21,960,900 | 12,788,192 | 22,963,100 | 12,456,821 |

Details:

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

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

| Particulars | Rate of Interest (p.a.) | Amount in Rs. |
|------------------------------|-------------------------|-------------------|
| Term Loan from Bank | 13.25% | 10,546,123 |
| | | 10,546,123 |
| Deposits | 9% or < 11% | 265,000 |
| | 11% of < 12.5% | 20,442,000 |
| | | 20,707,000 |
| Car Loan under Hire Purchase | 10.87% | 1,890,984 |
| | 10.78% | 344,775 |
| | 10.51% | 630,105 |
| | 10.51% | 630,105 |
| | | 3,495,969 |

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

| Particulars | Maturity Profile (Amount in Rs.) | |
|------------------------------|----------------------------------|------------|
| | 1-2 years | 3-4 years |
| Term Loan from Bank | 10,546,123 | - |
| Deposits | 9,796,000 | 10,911,000 |
| Car Loan under Hire Purchase | 2,106,730 | 1,389,239 |

NOTE NO. 6 : DEFERRED TAX LIABILITY (NET)

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|--|------------------------------------|------------------------------------|
| Deferred tax (liability) / asset | | |
| Tax effect of items constituting deferred tax liability | | |
| On difference between book balance and tax balance of fixed assets | 16,631,322 | 18,034,970 |
| On Account of Retiring Gratuity | <u>163,092</u> | - |
| Tax effect of items constituting deferred tax liability | 16,794,414 | 18,034,970 |
| Tax effect of items constituting deferred tax assets | | |
| Provision for compensated absences, gratuity and other employee benefits | 1,241,578 | 1,180,933 |
| Provision for doubtful debts / advances | 233,685 | 233,685 |
| Provision for diminution in the value of investments | <u>2,335,176</u> | <u>2,335,174</u> |
| Tax effect of items constituting deferred tax assets | 3,810,439 | 3,749,792 |
| Net deferred tax (Liability) / Asset | (12,983,975) | (14,285,178) |

NOTE NO. 7 : LONG - TERM PROVISIONS

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|-------------------------|-------------------------|
| | Amount Rs. | Amount Rs. |
| Provision for employee benefits : | | |
| Provision for compensated absences | 2,114,271 | 2,283,007 |
| Provision for gratuity | - | 756,559 |
| Total | <u>2,114,271</u> | <u>3,039,566</u> |

NOTE NO. 8 : SHORT-TERM BORROWINGS

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|---------------------------|--------------------------|
| | Amount Rs. | Amount Rs. |
| Loans repayable on demand | | |
| From banks | | |
| Secured | 85,404,942 | 68,725,562 |
| Unsecured | 24,329,217 | 6,341,889 |
| From Others - Unsecured | | |
| Inter Corporate Deposits | 8,000,000 | 8,000,000 |
| Fixed Deposits from Public and Shareholders (Refer Note No. 5) | 4,666,000 | 4,438,000 |
| Car Finance under H.P. Agreement (Refer Note No. 5) | 1,022,200 | 918,829 |
| Total | <u>123,422,359</u> | <u>88,424,280</u> |

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

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|---------------------------|--------------------------|--------------------------|
| | Amount Rs. | Amount Rs. |
| Loans repayable on demand | | |
| Bank Of Baroda | 85,404,942 | 68,725,562 |
| | <u>85,404,942</u> | <u>68,725,562</u> |

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

NOTE NO. 9 : TRADE PAYABLES

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|-------------------------------------|--------------------------|--------------------------|
| | Amount Rs. | Amount Rs. |
| Trade payables : | | |
| Micro, Small and Medium Enterprises | 248,373 | 189,555 |
| Others | 95,401,449 | 86,787,683 |
| Total | <u>95,649,822</u> | <u>86,977,238</u> |

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

Amount due to Micro, Small and Medium Enterprises as on 31st March, 2014 are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows :

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| | Amount Rs. | Amount Rs. |
| Principal Amount due and remaining unpaid | 248,373 | 189,555 |
| Interest due on above and the unpaid interest | 2,299 | 1,260 |
| Interest paid during the year | - | - |
| Payment made beyond the appointed day during the year | 496,954 | 848,963 |
| Interest due and payable for the period of delay | 423 | 6,492 |
| Interest accrued and remaining unpaid | 2,722 | 7,752 |
| Amount of further interest remaining due and payable in succeeding years | 17,038 | 14,316 |

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

NOTE NO. 10 : OTHER CURRENT LIABILITIES

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| | Amount Rs. | Amount Rs. |
| Current maturities of long-term Secured Debts (Refer Note No.5) | 7,099,992 | 7,099,992 |
| Interest accrued and due on Fixed Deposits | 1,134,259 | 785,399 |
| Unpaid dividends* | 731,969 | 749,858 |
| Unpaid matured deposits and interest accrued thereon | 569,510 | 507,248 |
| Other payables | | |
| Statutory dues payable | 3,345,692 | 3,847,751 |
| Advances from customers | 3,343,062 | 4,120,555 |
| Others -Net Salaries & Wages Payable | 974,488 | 257,225 |
| Total | 17,198,972 | 17,368,028 |

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

NOTE NO. 11 : SHORT-TERM PROVISIONS

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| | Amount Rs. | Amount Rs. |
| Provision for employee benefits : | | |
| Provision for bonus | 728,683 | 693,453 |
| Provision for compensated absences | 983,173 | 599,673 |
| | 1,711,856 | 1,293,126 |
| Other Provision | | |
| Provision for proposed equity dividend | 3,600,000 | 3,600,000 |
| Provision for tax on proposed dividends | 584,010 | 584,280 |
| | 4,184,010 | 4,184,280 |
| Total | 5,895,866 | 5,477,406 |

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

| Tangible assets | GROSS BLOCK | | | Accumulated depreciation and impairment | | | NET BLOCK | |
|---|------------------------------|---|--|---|--|------------------------------|---------------------------------------|-------------------------------|
| | Balance as at 1-4-2013 | Additions Disposals Borrowing cost Capitalised | Balance as at 31-3-2014 | Balance as at 1-4-2013 | Depreciation Eliminated on disposal of assets recognised in statement of profit and loss | Balance as at 31-3-2014 | Balance as at 31-3-2013 | |
| Own Assets | | | | | | | | |
| Land - Freehold | 5,096,185 (5,096,185) | - - | 5,096,185 (5,096,185) | - - | - - | - - | 5,096,185 (5,096,185) | 5,096,185 (5,096,185) |
| Buildings * | 42,840,116 (42,229,470) | 289,015 (610,645) | 43,129,131 (42,840,115) | 14,923,792 (13,621,696) | 1,314,103 (1,302,094) | 16,237,895 (14,923,790) | 26,891,236 (27,916,327) | 27,916,324 (28,607,774) |
| Plant and Equipment | 202,726,192 (196,629,741) | 11,181,406 (6,096,450) | 212,026,452 (202,726,191) | 127,534,905 (116,478,078) | 9,900,025 (9,620,563) | 136,667,382 (127,534,908) | 75,359,070 (75,191,283) | 75,191,287 (80,151,663) |
| Furniture and Fixtures | 3,681,798 (3,665,468) | 66,905 (16,330) | 3,748,703 (3,681,798) | 3,202,802 (2,982,438) | 136,143 (220,364) | 3,338,945 (3,202,802) | 409,758 (478,996) | 478,996 (683,030) |
| Vehicles ** | 10,032,859 (5,972,862) | - (5,514,152) | 9,604,927 (10,032,859) | 3,799,692 (4,117,143) | 1,037,490 (874,289) | 4,409,251 (3,799,692) | 5,195,676 (6,233,167) | 6,233,167 (1,855,719) |
| Office equipment | 12,317,423 (12,170,387) | 339,717 (209,511) | 12,657,140 (12,317,423) | 8,775,451 (6,557,478) | 2,213,101 (2,280,447) | 10,988,552 (8,775,450) | 1,668,588 (3,541,973) | 3,541,972 (5,612,909) |
| Gross Total *** | 276,694,574 3,592,116 | 11,877,043 2,469,781 212,448 (3,464,500) | 286,262,539 286,474,987 212,448 - | 158,236,642 158,236,642 | 14,600,863 14,600,863 | 171,642,025 171,642,025 | 114,620,513 212,448 (3,592,117) | 118,457,930 3,592,116 - |
| CWIP | - | - | - | - | - | - | - | - |
| Previous year | 265,764,114 | 15,911,588 | 280,286,688 | 143,756,833 | 14,297,757 | 158,236,642 | 114,832,961 | 122,050,046 |
| Details of assets acquired under hire purchase agreements | | | | | | | | |
| Particulars | 31 March, 2014 | Gross Block 31 March, 2013 | Net Block 31 March, 2013 | | | | | |
| Vehicles | 6,668,120 | 6,668,120 | 6,050,151 | 5,097,277 | | | | |

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

*** Gross Block include Rs.24,46,449 on revaluation of Fixed Assets as on 31st March, 1994 excluding Vehicles, Furniture & Fixtures and Office Equipments.

NOTE NO. 13 : NON-CURRENT INVESTMENTS

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Other Investments | | |
| Investment in Equity Shares of a Subsidiary Company | | |
| Unquoted 11,95,360 (As at 31 March 2013 : 896,020) Equity Shares of Rs.10 each fully paid up in Synergy Films Pvt. Ltd. | 15,372,486 | 13,325,000 |
| Less : Provision for diminution in value of Investments till date | <u>7,196,229</u> | <u>7,196,229</u> |
| Total | <u>8,176,257</u> | <u>6,128,771</u> |

NOTE NO. 14 : LONG -TERM LOANS AND ADVANCES

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Capital Advances | | |
| Unsecured, considered good | 3,323,170 | - |
| Security deposits | | |
| Unsecured, considered good | 3,783,456 | 1,762,798 |
| Loans and advances to related parties | | |
| Unsecured, considered good | | |
| Loan and Interest due theiron from a Subsidiary Company (Refer Note 36) | 37,218,771 | 26,692,521 |
| Loans and advances to employees | 501,082 | 490,198 |
| Prepaid expenses | 119,168 | - |
| Advance income tax net of provisions | 1,252,956 | 2,660,025 |
| Balances with government authorities | | |
| Unsecured, considered good | | |
| CST & VAT receivable on Assessment | <u>198,071</u> | <u>195,593</u> |
| Total | <u>46,396,674</u> | <u>31,801,135</u> |

NOTE NO. 15 : INVENTORIES

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|-------------------------------------|------------------------------------|------------------------------------|
| Raw materials | 53,660,215 | 51,465,426 |
| Imported Raw-Materials in-transit | 21,575,361 | 20,677,764 |
| Work-in-progress | 7,148,192 | 14,781,180 |
| Finished goods | 16,000,630 | 10,094,361 |
| Finished Goods in-transit | 5,253,745 | - |
| Packing Material, Stores and Spares | <u>2,897,311</u> | <u>2,420,540</u> |
| Total | <u>106,535,454</u> | <u>99,439,271</u> |

NOTE NO. 16 : TRADE RECEIVABLES

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Unsecured, considered good | 5,723,045 | 267,945 |
| Doubtful | 720,138 | 720,138 |
| | 6,443,183 | 988,083 |
| Less: Provision for doubtful trade receivables | 720,138 | 720,138 |
| | 5,723,045 | 267,945 |
| Other Trade receivables* | | |
| Unsecured, considered good | <u>166,519,193</u> | <u>141,568,605</u> |
| Total | <u>172,242,238</u> | <u>141,836,550</u> |

* Includes trade receivable from Subsidiary Company of Rs. 1,38,69,917 (Previous Year 42,12,585) and Rs. 3,39,044 (Previous Year - NIL) from other related party (Refer Note No. 36)

NOTE NO. 17 : CASH AND CASH EQUIVALENTS

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Cash on hand | 249,107 | 233,074 |
| Balances with banks | | |
| In current accounts | 2,247,714 | 1,201,083 |
| In EEFC accounts | 3,065,245 | 2,087,123 |
| Unpaid dividend accounts | 733,229 | 751,073 |
| In Fixed deposit accounts Under Rule 10 of the Co.'s (Acceptance of Deposits) Rules, 1975 | 741,000 | 730,000 |
| In Fixed Deposit Accounts, held as margin money against Letter of Credit* | 4,284,750 | 1,416,000 |
| Total | <u>11,321,045</u> | <u>6,418,353</u> |

* Includes deposits of Rs. 10,00,000/- under Bank's Lien as a collateral security for Working Capital facilities availed by Subsidiary Company-Synergy Films Pvt. Ltd.

NOTE NO. 18 : SHORT-TERM LOANS AND ADVANCES

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|--------------------------------------|------------------------------------|------------------------------------|
| Prepaid expenses | 1,960,628 | 1,879,025 |
| Prepaid Gratuity | 502,596 | - |
| Balances with Government Authorities | | |
| Cenvat credit receivable | 4,209,495 | 1,509,261 |
| Service Tax credit receivable | 4,112,199 | 2,759,433 |
| Advance to Trade Payables | 89,465 | 2,159,185 |
| Loans and Advances to employees | 608,099 | 545,219 |
| Total | <u>11,482,482</u> | <u>8,852,123</u> |

NOTE NO. 19 : OTHER CURRENT ASSETS

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|--|------------------------------------|------------------------------------|
| Accruals | | |
| Interest accrued on Fixed Deposits with Banks & Other Deposits | 432,300 | 219,921 |
| Others | | |
| Insurance Claims | - | 1,36,349 |
| TDS Refund Receivable | 439,326 | - |
| Discount Receivable | 732,824 | 644,982 |
| Total | <u>1,604,450</u> | <u>1,001,252</u> |

NOTE NO. 20 : REVENUE FROM OPERATIONS

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|--------------------------|------------------------------------|------------------------------------|
| Sale of products | 906,694,023 | 833,302,945 |
| Sale of Services | 952,446 | 3,413,929 |
| Other operating revenues | 345,085 | 761,540 |
| | 907,991,554 | 837,478,414 |
| Less: | | |
| Excise duty | 88,151,359 | 79,120,273 |
| Total | <u>819,840,195</u> | <u>758,358,141</u> |

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|-----------------------------|-----------------------------|
| | Amount Rs. | Amount Rs. |
| Sale of products comprises : | | |
| <u>Manufactured goods</u> | | |
| Plastic Film | 889,473,001 | 818,364,061 |
| Others | 4,141,690 | 2,746,100 |
| <u>Traded goods</u> | | |
| Others | <u>13,079,332</u> | <u>12,192,784</u> |
| Total - Sale of products | <u>906,694,023</u> | <u>833,302,945</u> |
| Sale of services comprises : | | |
| Processing charges | <u>952,446</u> | <u>3,413,929</u> |
| Total - Sale of services | <u>952,446</u> | <u>3,413,929</u> |
| Other operating revenues comprise : | | |
| Sale of Scraps | <u>345,085</u> | <u>761,540</u> |
| Total - Other operating revenues | <u>345,085</u> | <u>761,540</u> |
| NOTE NO. 21 : OTHER INCOME | | |
| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
| | Amount Rs. | Amount Rs. |
| Interest income | 937,573 | 2,648,605 |
| Other non-operating income | <u>1,316,004</u> | <u>3,485,130</u> |
| Total | <u>2,253,577</u> | <u>6,133,735</u> |
| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
| | Amount Rs. | Amount Rs. |
| Interest income comprises : | | |
| Interest from banks on Fixed Deposits | 219,493 | 275,853 |
| Interest on loans to a Subsidiary Company | 429,167 | 2,247,228 |
| Interest on Deposit with Dakshin Gujarat Vij Co Ltd. | 258,641 | 102,828 |
| Interest on Employees Loan | <u>30,272</u> | <u>22,696</u> |
| Total - Interest income | <u>937,573</u> | <u>2,648,605</u> |
| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
| | Amount Rs. | Amount Rs. |
| Other non-operating income comprises : | | |
| Profit on sale of fixed assets | - | 37,585 |
| Liabilities / provisions no longer required written back (net) | 23,362 | 2,717,737 |
| Insurance Claim Received | 647,917 | 260,353 |
| Miscellaneous income | 557,975 | 469,455 |
| Excess provisions for Gratuity written back | <u>86,750</u> | <u>-</u> |
| Total - Other non-operating income | <u>1,316,004</u> | <u>3,485,130</u> |

NOTE NO. 22 : COST OF MATERIALS CONSUMED

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|----------------------------------|---------------------------|---------------------------|
| | Amount Rs. | Amount Rs. |
| Opening stock | 51,474,994 | 39,883,007 |
| Add: Purchases | <u>634,059,483</u> | <u>578,829,855</u> |
| | 685,534,477 | 618,712,862 |
| Less: Closing stock | <u>53,660,215</u> | <u>51,474,994</u> |
| Cost of material consumed | <u>631,874,262</u> | <u>567,237,868</u> |
| Material consumed comprises : | | |
| Poly Granuals | 598,555,507 | 540,378,610 |
| Other items | <u>33,318,755</u> | <u>26,859,258</u> |
| Total | <u>631,874,262</u> | <u>567,237,868</u> |

Imported and Indigenous Raw Materials Consumed :

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|------------------|----------------------|----------------------|
| | Amount Rs. | Amount Rs. |
| Raw Materials : | | |
| Imported | | |
| Value | 389,361,935 | 319,427,889 |
| Percentage | 62 | 56 |
| Indigenous | | |
| Value | 242,512,327 | 247,809,979 |
| Percentage | <u>38</u> | <u>44</u> |
| Total Value | <u>631,874,262</u> | <u>567,237,868</u> |
| Total Percentage | <u>100</u> | <u>100</u> |

NOTE NO. 23 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|---|-------------------------|-------------------------|
| | Amount Rs. | Amount Rs. |
| <u>Inventories at the end of the year :</u> | | |
| Finished goods | 19,481,193 | 8,689,055 |
| Work-in-progress | <u>7,148,192</u> | <u>14,781,180</u> |
| | <u>26,629,385</u> | <u>23,470,235</u> |
| <u>Inventories at the beginning of the year :</u> | | |
| Finished goods | 8,689,055 | 12,814,204 |
| Work-in-progress | <u>14,781,180</u> | <u>7,885,158</u> |
| | <u>23,470,235</u> | <u>20,699,362</u> |
| Add/(Less) :- Variation in excise duty on opening and closing stock of finished goods | 377,444 | (113,826) |
| Net (increase) / decrease | <u>3,536,594</u> | <u>2,657,047</u> |

NOTE NO. 24 : EMPLOYEE BENEFITS EXPENSE

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Salaries, Wages, Bonus and Other Allowances | 36,111,214 | 31,668,604 |
| Contributions to Provident and other funds | 3,708,680 | 3,801,564 |
| Staff Welfare expenses | <u>799,995</u> | <u>695,251</u> |
| Total | <u>40,619,889</u> | <u>36,165,419</u> |

NOTE NO. 25 : FINANCE COSTS

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Interest expense on : | | |
| Borrowings* | 16,183,288 | 17,922,999 |
| Other borrowing costs | <u>2,436,249</u> | <u>1,844,234</u> |
| Total | <u>18,619,537</u> | <u>19,767,233</u> |
| * Interest expense include interest on loans for fixed period | 4,237,325 | 4,211,289 |

NOTE NO. 26 : OTHER EXPENSES

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Consumption of Stores and Spare parts | 2,538,319 | 2,974,905 |
| Consumption of Packing Materials | 16,430,922 | 15,145,993 |
| Consumption of Ink & Printing Cylinders | 418,883 | 676,621 |
| Power and fuel | 31,656,391 | 32,537,967 |
| Conversion Charges Paid | 10,494 | 23,584 |
| Repairs and Maintenance - Buildings | 1,248,960 | 1,111,755 |
| Repairs and Maintenance - Machinery | 6,107,668 | 4,208,644 |
| Repairs and Maintenance - Others | 492,926 | 493,913 |
| Insurance | 1,560,241 | 1,266,539 |
| Rates and taxes | 157,169 | 174,365 |
| Communication | 773,770 | 745,192 |
| Travelling and Conveyance | 3,848,029 | 3,237,280 |
| Printing and Stationery | 908,162 | 1,017,201 |
| Freight and forwarding | 9,314,631 | 10,280,323 |
| Sales Commission | 139,003 | 707,871 |
| Sales discount | 51,271 | 127,794 |
| Business promotion | 66,622 | 55,840 |
| Donations and contributions | 15,000 | 811,500 |
| Motor Car Expenses | 660,991 | 680,303 |
| Security Charges | 1,310,928 | 959,643 |
| Royalty Paid | 4,651,933 | 4,594,553 |
| Directors Sitting Fees | 700,000 | 292,500 |
| Commission to Non-Executive Directors | 325,924 | 400,000 |
| Legal and Professional | 1,969,714 | 2,241,176 |
| Payments to Auditors | 735,500 | 573,000 |
| Bad trade receivables Written off | - | 2,459,349 |
| Net loss on foreign currency transactions and translation | 2,945,285 | 847,226 |
| Provision for impairment of Fixed Assets | - | 1,436,267 |
| Other Miscellaneous Expenses | <u>3,901,581</u> | <u>4,292,093</u> |
| Total | <u>92,940,317</u> | <u>94,373,397</u> |

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|-------------------------------------|------------------------------------|------------------------------------|
| Payments to the auditors comprises | | |
| (a) To statutory auditors | | |
| Audit Fees | 300,000 | 220,000 |
| Taxation Matters | 50,000 | 40,000 |
| Company Law Matters | 50,000 | 40,000 |
| Tax Audit Fees | 50,000 | 30,000 |
| Certification and Other Services | <u>225,500</u> | <u>193,000</u> |
| Total | 675,500 | 523,000 |
| (b) To cost auditors for cost audit | <u>60,000</u> | <u>50,000</u> |
| Total | 735,500 | 573,000 |

NOTE NO. 27 : EXCEPTIONAL ITEMS

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|--|------------------------------------|------------------------------------|
| Provision for diminution in value of investments in Subsidiary Company - Synergy Films Pvt. Ltd. | - | <u>7,196,229</u> |
| Total | - | 7,196,229 |

NOTE NO. 28 : VALUE OF IMPORTS ON CIF BASIS

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|----------------------------|------------------------------------|------------------------------------|
| Raw Materials | 341,213,861 | 298,944,811 |
| Components and Spare Parts | 1,252,107 | 711,660 |
| Capital Goods | 4,642,749 | - |

NOTE NO. 29 : EXPENDITURE IN FOREIGN CURRENCY

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|------------------------------|------------------------------------|------------------------------------|
| Travelling Expenses | 364,194 | 201,291 |
| Interest on Letter of Credit | 115,515 | - |
| Royalty Paid | 4,651,933 | 4,594,553 |

NOTE NO. 30 : VALUE OF STORES AND SPARES CONSUMED

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|-------------|------------------------------------|------------------------------------|
| Imported | | |
| Value | 867,984 | 1,206,598 |
| Percentage | 34 | 41 |
| Indigenous | | |
| Value | 1,670,335 | 1,768,307 |
| Percentage | <u>66</u> | <u>59</u> |
| | <u>2,538,319</u> | <u>2,974,905</u> |
| | <u>100</u> | <u>100</u> |

NOTE NO. 31 : EARNINGS IN FOREIGN EXCHANGE

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Export of Goods calculated on FOB basis | 121,375,364 | 114,919,715 |

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

In respect of Investment of Rs.153.72 Lacs (Previous Year : Rs. 133.25 Lacs) made in Subsidiary Company Synergy Films Pvt. Ltd. the accumulated losses as per audited accounts as at 31st March, 2014 amounts to Rs.326.41 Lacs (Previous Year : Rs. 329.11 Lacs) representing the erosion of the entire net worth of the Subsidiary company due to operational losses. The company has, at the close of the year, assessed the carrying value of its investments and based on such assessment, the company has made not made any provision during the year (Previous Year Rs. 71.96 Lacs) for permanent diminution in the value of its investments in Synergy Films Pvt. Ltd.

NOTE NO. 33 DISCLOSURES UNDER ACCOUNTING STANDARD AS15**Particulars****Employee benefit plans**Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 20,50,348 (Year ended 31 March, 2013 Rs. 16,64,745) for Provident Fund contributions and Rs. 15,86,066 (Year ended 31 March, 2013 Rs. 12,15,378) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

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

Gratuity

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

| Particulars | As at 31 March, 2014 Amount Rs. Gratuity | As at 31 March, 2013 Amount Rs. Gratuity |
|---|---|---|
| Components of employer expense | | |
| Current service cost | 360,844 | 466,139 |
| Interest cost | 677,668 | 609,820 |
| Expected return on plan assets | (671,151) | (605,404) |
| Past service cost | | |
| Actuarial losses/(gains) | (454,111) | 326,125 |
| Total expense recognised in the Statement of Profit and Loss | (86,750) | 796,680 |
| Actual contribution and benefit payments for year | | |
| Actual benefit payments | 87,190 | 145,292 |
| Actual contributions | (432,381) | 187,615 |
| Net asset / (liability) recognised in the Balance Sheet | | |
| Present value of defined benefit obligation | 9,492,392 | 8,470,855 |
| Fair value of plan assets | (8,989,796) | 7,714,384 |
| Funded status [Surplus / (Deficit)] | 502,596 | (756,471) |
| Net asset / (liability) recognised in the Balance Sheet | 502,596 | (756,471) |
| Change in defined benefit obligations (DBO) during the year | | |
| Present value of DBO at beginning of the year | 8,470,855 | 7,174,358 |
| Current service cost | 360,844 | 466,139 |
| Interest cost | 677,668 | 609,820 |
| Actuarial (gains) / losses | (432,381) | 365,830 |
| Past service cost | - | - |
| Benefits paid | 87,190 | 145,292 |
| Present value of DBO at the end of the year | 8,989,796 | 8,470,855 |

Change in fair value of assets during the year

| | | |
|---|-------------------------|-------------------------|
| Plan assets at beginning of the year | 7,714,384 | 7,027,952 |
| Expected return on plan assets | 671,151 | 604,404 |
| Actual company contributions | 1,172,317 | 187,615 |
| Actuarial gain / (loss) | 21,730 | 39,705 |
| Benefits paid | <u>87,190</u> | <u>145,292</u> |
| Plan assets at the end of the year | <u>9,492,392</u> | <u>7,714,384</u> |
| Actual return on plan assets | 692,881 | 644,109 |

Composition of the plan assets is as follows :

| | | |
|--------------------------------|-----------|-----------|
| Insurer Managed Funds | 9,492,392 | 7,714,384 |
| Actuarial assumptions | | |
| Discount rate | 8.00% | 8.00% |
| Expected return on plan assets | 8.70% | 8.70% |
| Salary escalation | 8.00% | 8.00% |
| Attrition | 2.00% | 2.00% |
| Medical cost inflation | | |

Mortality tables
LIC 1994-96 (Ultimate)
LIC 1994-96 (Ultimate)
Particulars

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

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

Experience adjustments

| | 31-03-2014 | 31-03-2013 | 31-03-2012 | 31-03-2011 | 31-03-2010 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Gratuity | | | | | |
| Present value of DBO | 8,989,796 | 8,470,855 | 7,174,358 | 6,368,487 | 3,199,000 |
| Fair value of plan assets | 9,492,392 | 7,714,384 | 7,027,952 | 5,913,688 | 5,413,000 |
| Funded status [Surplus / (Deficit)] | 502,596 | (756,471) | (146,406) | (454,799) | 2,214,000 |
| Experience gain / (loss) adjustments on plan liabilities | 432,381 | 365,830 | 169,690 | 1,846,782 | (30,000) |
| Experience gain / (loss) adjustments on plan assets | 21,730 | 39,705 | 79,711 | 67,662 | 64,000 |
| | For the year ended | For the year ended | For the year ended | For the year ended | For the year ended |
| | 31 March, 2014 | 31 March, 2013 | 31 March, 2012 | 31 March, 2011 | 31 March, 2010 |

Actuarial assumptions for long-term compensated absences

| | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|
| Discount rate | 8.00% | 8.00% | 8.50% | 8.25% | 8.25% |
| Expected return on plan assets | 8.70% | 8.60% | 8.60% | 8.00% | 8.00% |
| Salary escalation | 8.00% | 8.00% | 8.00% | 8.00% | 5.00% |
| Attrition | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

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

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

NOTE NO. 34 DISCLOSURES UNDER ACCOUNTING STANDARD AS 16

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Details of borrowing costs capitalised | | |
| Borrowing costs capitalised during the year | 160,703 | 127,616 |

NOTE NO. 35 DISCLOSURES UNDER ACCOUNTING STANDARD AS 17**Segment Reporting :**

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

NOTE NO. 36 DISCLOSURES UNDER ACCOUNTING STANDARD AS 18

Particulars

Related party transactions**Details of related parties :**

| Description of relationship | Names of related parties |
|--|--|
| Subsidiaries | Synergy Films Pvt. Ltd. |
| Key Management Personnel (KMP) | Mr. J. B. Desai |
| Relatives of KMP | - |
| Company in which KMP / Relatives of KMP can exercise significant influence | Propack Industries (Prop. Kunal Plastics Pvt. Ltd.) |

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:

| | Subsidiaries | KMP | Entities in which relatives of KMP have significant influence | Total Amount Rs. |
|---|--------------|-------------|---|---------------------|
| (I) Purchase of goods | - | - | 1,410,175 | 1,410,175 |
| | - | - | (1,950,978) | (1,950,978) |
| (ii) Sale of goods | 13,221,520 | - | 2,188,869 | 15,410,389 |
| | (9,963,893) | - | (2,742,317) | (12,706,210) |
| (iii) Other Income-Interest Received | 429,167 | - | - | 429,167 |
| | (2,247,228) | - | - | (2,247,228) |
| (iv) Rendering of services | - | - | 756,571 | 756,571 |
| | - | - | (917,419) | (917,419) |
| (v) Receiving of services | - | 4,590,996 | 86,686 | 4,677,682 |
| | - | (2,966,994) | (188,440) | (3,155,434) |
| (vi) Finance (including loans and interest thereon) | 10,526,250 | - | - | 10,526,250 |
| | (4,131,505) | - | - | (4,131,505) |
| (vii) Acquisition of Shares of Subsidiary | - | - | 2,047,486 | 2,047,486 |
| | - | - | - | - |
| (viii) Guarantees and collaterals | 41,000,000 | - | - | 41,000,000 |
| | (41,000,000) | - | - | (41,000,000) |
| Balances outstanding at the end of the year | | | | |
| Trade receivables | 13,869,917 | - | 339,044 | 14,208,961 |
| | (4,212,585) | - | - | (4,212,585) |
| Inter Corporate Deposit | 37,218,771 | - | - | 37,218,771 |
| | (26,692,521) | - | - | (26,692,521) |

Note: Figures in bracket relates to the previous year

NOTE NO. 37 DISCLOSURES UNDER ACCOUNTING STANDARD AS 20

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Earnings per share | | |
| Basic and Diluted | | |
| Net profit for the year | 18,556,701 | 19,298,405 |
| Net profit / (loss) for the year from continuing operations attributable to the equity shareholders | 18,556,701 | 19,298,405 |
| Weighted average number of equity shares | 3,000,000 | 3,000,000 |
| Par value per share | 10.00 | 10.00 |
| Earnings per share - Basic and Diluted | 6.19 | 6.43 |

NOTE NO. 38 IMPAIRMENT OF ASSETS - AS 28

As at March 31, 2014, the Company has reviewed the future earnings of all its cash generating assets in accordance with the Accounting Standard 28 "Impairment of Assets". As the carrying amount of assets does not exceed the future recoverable amount, consequently, no adjustment to carrying amount of assets is considered necessary by the management.

NOTE NO. 39 CONTINGENT LIABILITIES AND COMMITMENTS

| | 31.3.2014 Rs. | 31.3.2013 Rs. |
|---|------------------|------------------|
| (I) Contingent Liabilities | | |
| In respect of claims against the Company not acknowledged as debts(Net) | 224,273 | 224,273 |
| Customs duty on raw materials imported under advance authorisation, against which export obligation is to be fulfilled | 1,148,834 | 2,528,785 |
| (ii) Commitments | | |
| The Company has given irrevocable and unconditional Corporate Guarantee/ Collateral Securities to North Eastern Development Finance Corporation Ltd. (NEDFC), Assam/ Bank of Baroda - Valsad on behalf of Synergy Films Pvt. Ltd., a Subsidiary company in which the company is holding 100 % of the equity shares as on 31/03/2014 as a collateral security for Working capital Term Loan availed by subsidiary company. | 41,000,000 | 41,000,000 |
| (iii) On account of Capital Commitments (Net of advances) | 6,150,175 | - |

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

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

| Name of the Party | Relationship | Amount outstanding as at 31 March, 2014 | Maximum balance outstanding during the year |
|-------------------------------|--------------------|--|--|
| Synergy Films Private Limited | Subsidiary Company | 37,218,771 (26,692,521) | 37,218,771 (28,720,016) |

(Figures in brackets represent previous year figures)

NOTE NO. 41 : DISCLOSURE OF DERIVATIVES

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at 31st March, 2014 are as follow :

| Particulars | 31-03-2014 | | 31-03-2013 | |
|-------------|--|-----------------------------|--|-----------------------------|
| | Amount in Foreign Currency (In '000) | Amount in INR (In '000) | Amount in Foreign Currency (In '000) | Amount in INR (In '000) |
| Assets | USD 158 | 9440 | USD 273 | 14714 |
| Liabilities | USD 651 | 39398 | USD 893 | 49386 |

NOTE NO. 42

The Company has imported Plant and Machineries for production of new Speciality Film under Export Promotion Capital Goods Scheme (EPCG) without payment of Custom Duty. In the event of non-fulfilment of export obligations as specified, Company may be held liable to pay custom duty of Rs.33.45 lacs (Previous year Rs.33.45 lacs) in terms of the said Scheme. As on 31st March 2014 Company is not in any default under the Scheme.

NOTE NO. 43

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

As per our Report of even date.
For **AKKAD MEHTA & CO.**
Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA
Partner
Membership No : 016859

Place: Mumbai
Date: 28th May, 2014

For and on behalf of the Board of Directors

P. P. KHARAS
Chairman

M. D. DESAI
C.F.O.

JAYMIN B.DESAI
Managing Director

Place : Mumbai
Date : 28th May, 2014

**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF ECOPLAST LIMITED
TO THE BOARD OF DIRECTORS OF
ECOPLAST LIMITED**

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **ECOPLAST LIMITED** (the "Company"), and its subsidiary (the Company, its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the **Profit** of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

7. We did not audit the financial statements / financial information of subsidiary, whose financial statements / financial information reflect total asset of Rs. 5,88,53,640 as at 31st March, 2014, total revenues of Rs. 7,89,83,852 and net cash flows amounting to Rs. 3,08,280 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 2,69,955 for the year ended 31st March, 2014, as considered in the consolidated financial statements, in respect of subsidiary, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors.
8. Our report is not qualified in respect of other matter.

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

Sanjay Mehta
Partner
Membership No.016859

Mumbai, 28th May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

| | Note No | As at 31.03.2014 Amount Rs. | As at 31.03.2013 Amount Rs. |
|--|--------------|--------------------------------|--------------------------------|
| EQUITY AND LIABILITY | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | 3 | 30,000,000 | 30,000,000 |
| Reserves and Surplus | 4 | <u>152,029,888</u> | <u>139,309,903</u> |
| | | <u>182,029,888</u> | <u>169,309,903</u> |
| MINORITY INTEREST | | | |
| | | - | (4,661,087) |
| NON CURRENT LIABILITIES | | | |
| Long Term Borrowings | 5 | 32,117,621 | 41,364,402 |
| Deferred Tax Liabilities (Net) | 6 | 12,983,977 | 14,285,178 |
| Long Term Provisions | 7 | <u>2,114,271</u> | <u>3,039,566</u> |
| | | <u>47,215,869</u> | <u>58,689,146</u> |
| CURRENT LIABILITIES | | | |
| Short Term Borrowings | 8 | 123,686,312 | 93,226,608 |
| Trade Payables | 9 | 104,076,806 | 92,117,043 |
| Other Current Liabilities | 10 | 24,479,628 | 25,049,257 |
| Short Term Provisions | 11 | <u>5,895,866</u> | <u>5,477,406</u> |
| | | <u>258,138,612</u> | <u>215,870,315</u> |
| | TOTAL | <u>487,384,368</u> | <u>439,208,277</u> |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Fixed Assets | | | |
| - Tangible Assets | 12 | 139,656,116 | 144,452,168 |
| - Capital work-in-progress | 12 | 212,447 | 3,592,116 |
| Goodwill on Consolidation | 13 | 15,223,798 | 10,429,240 |
| Long Term Loans & Advances | 14 | <u>10,158,882</u> | <u>6,156,591</u> |
| | | <u>165,251,244</u> | <u>164,630,115</u> |
| CURRENT ASSETS | | | |
| Inventories | 15 | 119,076,033 | 105,641,911 |
| Trade Receivables | 16 | 176,423,988 | 150,628,721 |
| Cash & Cash Equivalents | 17 | 12,577,292 | 7,366,317 |
| Short Term Loans & Advances | 18 | 12,315,791 | 9,937,207 |
| Other Current Assets | 19 | <u>1,740,021</u> | <u>1,004,006</u> |
| | | <u>322,133,125</u> | <u>274,578,162</u> |
| | TOTAL | <u>487,384,368</u> | <u>439,208,277</u> |
| Significant Accounting Policies | 2 | | |
| Notes Forming a part of the Financial Statements | 3 To 41 | | |

As per our Report of even date.
For **AKKAD MEHTA & CO.**
Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA
Partner
Membership No : 016859

Place: Mumbai
Date: 28th May, 2014

For and on behalf of the Board of Directors

P. P. KHARAS
Chairman

M. D. DESAI
C.F.O.

JAYMIN B. DESAI
Managing Director

Place : Mumbai
Date : 28th May, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

| | Note No | As at 31.03.2014 Amount Rs. | As at 31.03.2013 Amount Rs. |
|---|---------|--------------------------------|--------------------------------|
| INCOME | | | |
| Revenue from Operations | 20 | 883,159,215 | 789,107,806 |
| Other Income | 21 | 3,984,838 | 4,806,871 |
| Total Revenue | | <u>887,144,053</u> | <u>793,914,677</u> |
| EXPENDITURE | | | |
| Cost of Materials Consumed | 22 | 683,066,160 | 590,827,930 |
| Changes in Inventories of Finished Goods and Work in Progress | 23 | (3,309,418) | (1,699,142) |
| Employee Benefits Expense | 24 | 42,922,706 | 38,085,779 |
| Finance Costs | 25 | 22,282,980 | 24,339,289 |
| Depreciation & Amortization | 12 | 16,084,405 | 15,780,621 |
| Other Expenses | 26 | 100,754,741 | 100,596,061 |
| Total Expenses | | <u>861,801,574</u> | <u>767,930,537</u> |
| Profit before exceptional items and tax | | 25,342,478 | 25,984,140 |
| Less : Exceptional Items | 27 | - | 7,196,229 |
| Profit Before Tax | | <u>25,342,478</u> | <u>18,787,911</u> |
| Tax Expenses : | | | |
| Current Tax | | 9,720,000 | 12,530,000 |
| Deferred Tax | | (1,301,201) | (3,710,553) |
| Tax in respect of Earlier Years | | - | (6,832) |
| Profit after tax but before share of Minority Interest | | 16,923,680 | 9,975,296 |
| Add: Share of Loss of Minority Interest | | - | 2,041,076 |
| Profit after tax for the year | | <u>16,923,680</u> | <u>12,016,372</u> |
| Earnings Per Equity Share of Face Value of Rs.10 Each | | | |
| Basic & Diluted (in Rs.) | | <u>5.64</u> | <u>4.01</u> |
| Significant Accounting Policies | 2 | | |
| Notes Forming a part of the Financial Statements | 3 To 41 | | |

As per our Report of even date.
For **AKKAD MEHTA & CO.**
Chartered Accountants
Firm ICAI Registration No. 100259W

For and on behalf of the Board of Directors

SANJAY MEHTA
Partner
Membership No : 016859

P. P. KHARAS
Chairman

JAYMIN B.DESAI
Managing Director

Place: Mumbai
Date: 28th May, 2014

M. D. DESAI
C.F.O.

Place : Mumbai
Date : 28th May, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

| Particulars | For the year ended 31 Mar, 2014 Amount Rs. | For the year ended 31 Mar, 2013 Amount Rs. |
|---|---|---|
| A. Cash flow from operating activities | | |
| Net Profit before Tax as per Statement of Profit and Loss | 25,342,478 | 18,787,911 |
| <i>Adjustments for :</i> | | |
| Depreciation and amortization and impairment | 17,976,340 | 18,359,131 |
| (Profit) / loss on sale / write off of assets | 174,268 | (37,585) |
| Finance costs | 22,282,980 | 24,339,289 |
| Interest income | (519,750) | (1,191,241) |
| Liabilities / provisions no longer required written back | (139,219) | (2,729,737) |
| Preliminary Exp. | <u>11,040</u> | <u>16,561</u> |
| | <u>39,785,659</u> | <u>38,756,418</u> |
| Operating profit before working capital changes | 65,128,138 | 57,544,328 |
| <i>Changes in working capital :</i> | | |
| <i>Adjustments for (increase) / decrease in operating assets :</i> | | |
| Inventories | (13,453,807) | (28,563,472) |
| Trade receivables | (25,795,266) | (39,544,557) |
| Short-term loans and advances | (2,378,584) | (1,239,707) |
| Long-term loans and advances | (4,002,291) | (1,037,275) |
| Other current assets | (736,015) | (311,571) |
| <i>Adjustments for increase/(decrease) in operating liabilities :</i> | | |
| Trade payables | 12,098,982 | 50,750,592 |
| Other current liabilities | (569,630) | 3,935,098 |
| Short-term provisions | (7,949,560) | 263,579 |
| Long-term provisions | <u>(925,295)</u> | <u>986,170</u> |
| | <u>(43,711,466)</u> | <u>(14,761,143)</u> |
| | <u>21,416,671</u> | <u>42,783,185</u> |
| Cash generated from operations | 21,416,671 | 42,783,185 |
| Net income tax (paid) / refunds | <u>(9,720,000)</u> | <u>(12,523,168)</u> |
| Net cash flow from / (used in) operating activities (A) | <u>11,696,671</u> | <u>30,260,017</u> |
| B. Cash flow from investing activities | | |
| Capital expenditure on fixed assets, including capital advances | (9,412,243) | (16,135,795) |
| Proceeds from sale of fixed assets | 1,340,330 | 300,000 |
| Purchase of long-term investments | (2,047,486) | - |
| Interest received | 519,750 | 1,191,241 |
| Others | <u>-</u> | <u>1,321,741</u> |
| | <u>(9,599,649)</u> | <u>(13,322,813)</u> |
| | <u>(9,599,649)</u> | <u>(13,322,813)</u> |
| Net cash flow from / (used in) investing activities (B) | <u>(9,599,649)</u> | <u>(13,322,813)</u> |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

| Particulars | For the year ended 31 Mar, 2014 Amount Rs. | For the year ended 31 Mar, 2013 Amount Rs. |
|---|---|---|
| C. Cash flow from financing activities | | |
| Proceeds / (Repayment) of long-term borrowings | (9,246,781) | 2,896,172 |
| Net increase / (decrease) in working capital borrowings | 30,050,608 | (6,202,300) |
| Proceeds/ (Repayment) of other short-term borrowings | 409,096 | (8,092,900) |
| Finance cost | (22,282,980) | (24,339,289) |
| Dividends paid | 3,600,000 | (3,600,000) |
| Tax on dividend | <u>584,010</u> | <u>(584,280)</u> |
| | <u>3,113,952</u> | <u>(39,922,597)</u> |
| Net cash flow from / (used in) financing activities (C) | <u>3,113,952</u> | <u>(39,922,597)</u> |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | <u>5,210,974</u> | <u>(22,985,393)</u> |
| Cash and cash equivalents at the beginning of the year | <u>7,366,317</u> | <u>30,351,702</u> |
| Cash and cash equivalents at the end of the year | <u>12,577,292</u> | <u>7,366,310</u> |
| Cash and cash equivalents at the end of the year Comprises : | | |
| (a) Cash on hand | 430,596 | 485,484 |
| (b) Balances with banks | | |
| (i) In current accounts | 3,414,621 | 1,270,637 |
| (ii) In EEFC accounts | 3,065,245 | 2,087,123 |
| (iii) In deposit accounts | 741,000 | 1,043,000 |
| (iv) In earmarked accounts (Refer Note (2) below) | <u>4,925,830</u> | <u>2,480,073</u> |
| | <u>12,577,292</u> | <u>7,366,316</u> |

Notes:

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

As per our Report of even date.
For **AKKAD MEHTA & CO.**
Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA
Partner
Membership No : 016859

Place: Mumbai
Date: 28th May, 2014

For and on behalf of the Board of Directors

P. P. KHARAS
Chairman

M. D. DESAI
C.F.O.

JAYMIN B.DESAI
Managing Director

Place : Mumbai
Date : 28th May, 2014

Note on financial statements for the year ended 31st March 2014.**NOTES FORMING PART OF THE ACCOUNTS****1 Principles of Consolidation**

- (a) The consolidated financial statements relate to Ecoplast Limited ("the Company") and its subsidiary Synergy Films Private Limited. The consolidated financial statements have been prepared on the following basis as per Accounting Standard AS 21 "Consolidated Financial Statements" :

The financial statements of the Company and its subsidiary have been combined on a line - by - line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra - group balances and intra - group transactions, if any, resulting in unrealized profits or losses.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements.

The excess of cost to the company of its investment over its portion of net worth in the consolidated subsidiary at the date on which investment in such subsidiary is made is recognized in CFS as Goodwill on consolidation and carried forward in the accounts. The said Goodwill is amortized over a period of 10 years and it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for.

Minority interest in the net assets of the consolidated subsidiary consists of amount of equity attributable to minority shareholder at the dates on which investments are made by the Company in the subsidiary company and further movement in their share in the Equity, subsequent to the dates of investment.

Minority interest share in the Net Profit/ (Loss) for the year of the consolidated subsidiary is identified and adjusted against the profit after tax of the Group. Pre-acquisition share in the Net loss for the year is identified and adjusted as Cost of control against the Profit after Tax of the Group.

- b) The Subsidiary Company in the consolidated financial statement is:

| | | |
|--|---|-------------------------------|
| Name of the Company | : | Synergy Films Private Limited |
| Country of Incorporation | : | India |
| % Voting power held as at March 31, 2014 | : | 100 |

The Synergy Films Private Ltd. became subsidiary of the Company with effect from 25th November, 2011 upon the transfer of controlling interest in the said company and became wholly owned Subsidiary from 12th June, 2013.

2 Summary of Significant Accounting Policies**2.1 Basis of Accounting and preparation of financial statements**

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

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

2.2 Use of Estimates

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

2.3 Inventories

The mode of valuing closing stock is as under :

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

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

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

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

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

2.5 Cash Flow Statement

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

2.6 Depreciation and amortisation

- a. Depreciation on Factory Buildings, Plant and Machinery, Electrical Installations and Equipment (other than Motor Car which is depreciated on the basis of balance of useful life) is provided on the Straight Line Method (S.L.M.) at the rates and in the manner prescribed by Schedule XIV to the Companies Act, 1956.
- b. Motor Cars are depreciated at the rate higher than those prescribed in Schedule XIV to the Companies Act, 1956 as in management's judgement, their estimated useful lives are shorter than those prescribed.
- c. Depreciation on exchange fluctuations capitalised to fixed assets is provided over the residual useful life of the fixed assets.
- d. Depreciation on additions / deletions to fixed assets is provided on prorata from the end of month of such addition or upto the month of such deletion, as the case may be.
- e. Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.
- f. Goodwill arising on consolidation is amortized over a period of 10 years.

2.7 Revenue Recognition

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

2.8 Fixed Assets

- a. Fixed Assets are stated at cost of acquisition or construction or at revalued amounts wherever such assets have been revalued less accumulated depreciation.
- b. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

2.9 Machinery Spares

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

2.10 Foreign Currency Transactions

“Initial Recognition: All transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction. **Measurement at Balance Sheet date:** Monetary assets and liabilities denominated in foreign currency are reported using the closing exchange rate on each balance sheet date unless covered by forward contract. **Treatment of Exchange Differences:** The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/ reported in financial statements are recognised as income/expense in the Statement of Profit & Loss of the year.”

2.11 Investments

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

2.12 Employee Benefits

Short term employees benefits

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

Defined Contribution Plans**Superannuation :**

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

Employee's Family Pension :

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

Provident Fund :

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

Defined Benefit Plans**Gratuity :**

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

Compensated Absences :

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

Termination Benefits

Termination benefits are recognised as expense immediately.

2.13 Borrowing Costs

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

2.14 Research and Development

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

2.15 Cenvat Credit

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

2.16 Lease

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

2.17 Earning per share

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

2.18 Taxation

Current tax

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

Deferred Tax Provision

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

2.19 Impairment of Fixed Assets

In accordance with AS 28 on 'Impairment of Assets', where there is an indication of impairment of the company's assets related to cash generating units, the carrying amount of such assets are reviewed at each Balance sheet date to determine whether there is any impairment. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.20 Provisions/ Contingencies

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

2.21 Provision for Bad and Doubtful Debts/Advances

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

NOTE NO. 3 : SHARE CAPITAL

| Particulars | As at 31 March, 2014 | | As at 31 March, 2013 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | No. of Shares | Rs. | No. of Shares | Rs. |
| Authorised | | | | |
| Equity Shares of Rs.10 each with voting rights | 10,000,000 | 100,000,000 | 10,000,000 | 100,000,000 |
| Issued, Subscribed and fully paid up | | | | |
| Equity Shares of Rs.10/- each fully paid-up with voting right | 3,000,000 | 30,000,000 | 3,000,000 | 30,000,000 |
| | <u>3,000,000</u> | <u>30,000,000</u> | <u>3,000,000</u> | <u>30,000,000</u> |

3.1 The reconciliation of the number of shares outstanding is set out below:-

| Particulars | As at 31 March, 2014 | | As at 31 March, 2013 | |
|--|----------------------|-------------------|----------------------|-------------------|
| | No. of Shares | Rs. | No. of Shares | Rs. |
| Equity Shares outstanding at the beginning of the year | 3,000,000 | 30,000,000 | 3,000,000 | 30,000,000 |
| Add : Fresh issue during the year | - | - | - | - |
| Less : Buy back during the year | - | - | - | - |
| Equity Shares outstanding at the end of the year | <u>3,000,000</u> | <u>30,000,000</u> | <u>3,000,000</u> | <u>30,000,000</u> |

3.2 The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders.

3.3 The Paid-up Capital includes 1,500,000 Equity Shares of Rs.10 each allotted as fully paid up Bonus shares by capitalising Rs.5,000,000 out of General Reserve and Rs.10,000,000 out of Revaluation Reserve prior to Listing of Companies Equity Shares.

3.4 Details of shares held by each shareholder holding more than 5% shares :

| Class of shares / Name of shareholder | As at 31 March, 2014 | | As at 31 March, 2013 | |
|---|-----------------------|----------------------------|-----------------------|----------------------------|
| | Number of shares held | % holding in that class of | Number of shares held | % holding in that class of |
| Equity shares with voting rights | | | | |
| Mrs Amita J. Desai | 475,016 | 15.83 | 475,016 | 15.83 |
| Mrs Charulata N. Patel | 344,607 | 11.49 | 344,607 | 11.49 |
| Silvar Stream Properties Pvt Ltd. | 476,827 | 15.89 | 476,827 | 15.89 |

NOTE NO. 4 : RESERVES AND SURPLUS

| Particulars | As at 31 March, 2014 | | As at 31 March, 2013 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Amount Rs. | | Amount Rs. | |
| (a) Securities premium account | | | | |
| Balance as per last Balance Sheet | | <u>30,000,000</u> | | <u>30,000,000</u> |
| Closing Balance | | <u>30,000,000</u> | | <u>30,000,000</u> |
| (b) General reserve | | | | |
| Balance as per last Balance Sheet | | 43,281,315 | | 40,781,315 |
| Add: Transferred from surplus in Statement of Profit and Loss | | <u>2,500,000</u> | | <u>2,500,000</u> |
| Closing Balance | | <u>45,781,315</u> | | <u>43,281,315</u> |
| (c) Surplus in Statement of Profit and Loss | | | | |
| Balance as per last Balance Sheet | | 66,028,588 | | 60,696,491 |
| Add: Profit for the year | | <u>16,923,680</u> | | <u>12,016,377</u> |
| | | <u>82,952,268</u> | | <u>72,712,868</u> |
| Less: Transferred to General reserve | | 2,500,000 | | 2,500,000 |
| Dividends proposed to be distributed to equity shareholders (Rs.1.20 per share) | | 3,600,000 | | 3,600,000 |
| Tax on dividend | | 584,010 | | 584,280 |
| Stock Reserve | | <u>19,685</u> | | <u>-</u> |
| Closing Balance | | <u>76,248,573</u> | | <u>66,028,588</u> |
| Total | | <u>152,029,888</u> | | <u>139,309,903</u> |

NOTE NO. 5 : LONG TERM BORROWINGS

| | As at 31-03-2014 | | As at 31-03-2013 | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | Non-Current | Rs. Current | Non-Current | Rs. Current |
| SECURED | | | | |
| Term Loan from Bank | | | | |
| Bank of Baroda Term Loan II | 2,115,319 | 3,999,996 | 6,115,319 | 3,999,996 |
| Bank of Baroda Term Loan III | 1,330,812 | 3,099,996 | 4,430,812 | 3,099,996 |
| Term Loan from North East Development Finance Corporation | 3,148,223 | 4,740,000 | 7,795,000 | 4,884,790 |
| Working Capital Loan from Bank of Baroda | 1,000,000 | 2,400,000 | 3,400,000 | 2,400,000 |
| UNSECURED | | | | |
| From Public and Shareholders | | | | |
| Deposits from Public | 14,541,000 | 4,666,000 | 8,901,000 | 4,438,000 |
| Deposits from Shareholders | 1,500,000 | - | 20,000 | - |
| Car Loan under Hire Purchase | 2,891,044 | 1,099,925 | 3,495,969 | 918,829 |
| From Related Party | <u>5,591,223</u> | <u>-</u> | <u>7,206,302</u> | <u>-</u> |
| | <u>32,117,621</u> | <u>20,005,917</u> | <u>41,364,402</u> | <u>19,741,611</u> |

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

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

5.2 Details of Loan from North East Development Finance Corporation of India :

Secured by :-

- (i) 1st charge by way of Equitable Mortgage of Land and Building at Kalaphar industrial area.
- (ii) 1st charge by way of Hypothecation of Plant and Machineries and other moveable assets.
- (iii) Corporate Gaurantee of Ecopalast Ltd for Rs 200 Lacs. (Previous year Rs. 400 Lacs)
- (iv) Personal gaurantee of Mr. J. B. Desai.

5.3 Details of Working Capital Loan from Bank of Baroda :

- (i) 1st Charge by way of Hypothecation of entire raw materials, stock-in-process, stores and spares, packing materials, finished goods and Book Debts both present and future.
- (ii) Corporate gurantees of Ecoplast Ltd. Rs.210 Lacs and personal gurantees of four others.

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

| Particulars | Rate of Interest (p.a.) | Amount in Rs. |
|---|-------------------------|-------------------|
| Term Loan from Bank | 13.25% | <u>10,546,123</u> |
| | | 10,546,123 |
| Term Loan from North East Development Finance Corporation | 12.75% | 7,888,223 |
| Working Capital Loan from Bank of Baroda | 14.75% | 3,400,000 |
| Deposits | 9% or < 11% | 265,000 |
| | 11% of < 12.5% | <u>20,442,000</u> |
| | | 20,707,000 |
| Car Loan under Hire Purchase | 10.87% | 1,890,984 |
| | 10.78% | 344,775 |
| | 10.51% | 630,105 |
| | 10.51% | 630,105 |
| | 10.25% | <u>495,000</u> |
| | | 3,990,969 |
| Loan From Related Party | 8.75% | 5,591,223 |

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

| Particulars | Maturity Profile (Amount in Rs.) | | |
|--|----------------------------------|------------|-----------|
| | 1-2 years | 3-4 years | 5-6 years |
| Term Loan from Bank | 10,546,123 | - | - |
| Term Loan from NEDCI | 7,888,223 | - | - |
| Working capital loan from Bank of Baroda | 3,400,000 | - | - |
| Deposits | 9,796,000 | 10,911,000 | - |
| Car Loan under Hire Purchase | 2,304,730 | 1,587,239 | 99,000 |
| Loan From Related Party | 5,591,223 | - | - |

NOTE NO. 6 : DEFFERED TAX LIABILITY (NET)

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| | Amount Rs. | Amount Rs. |
| Deferred tax (liability) / asset | | |
| <u>Tax effect of items constituting deferred tax liability</u> | | |
| On difference between book balance and tax balance of fixed assets | 16,631,322 | 18,034,970 |
| On Account of Retiring Gratuity | <u>163,092</u> | - |
| <u>Tax effect of items constituting deferred tax liability</u> | <u>16,794,414</u> | <u>18,034,970</u> |
| <u>Tax effect of items constituting deferred tax assets</u> | | |
| Provision for compensated absences, gratuity and other employee benefits | 1,241,578 | 1,180,933 |
| Provision for doubtful debts / advances | 233,685 | 233,685 |
| Provision for diminution in the value of investments | <u>2,335,174</u> | <u>2,335,174</u> |
| <u>Tax effect of items constituting deferred tax assets</u> | <u>3,810,437</u> | <u>3,749,792</u> |
| Net deferred tax (Liability) / Asset | (12,983,977) | (14,285,178) |

NOTE NO. 7 : LONG -TERM PROVISIONS

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|-------------------------|-------------------------|
| | Amount Rs. | Amount Rs. |
| Provision for employee benefits : | | |
| Provision for compensated absences | 2,114,271 | 2,283,007 |
| Provision for gratuity | - | 756,559 |
| Total | <u>2,114,271</u> | <u>3,039,566</u> |

NOTE NO. 8 : SHORT-TERM BORROWINGS

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|---------------------------|--------------------------|
| | Amount Rs. | Amount Rs. |
| Loans repayable on demand | | |
| From banks | | |
| Secured | 85,591,170 | 73,527,890 |
| Unsecured | 24,329,217 | 6,341,889 |
| From Others - Unsecured | | |
| Inter Corporate Deposits | 8,000,000 | 8,000,000 |
| Fixed Deposits from Public and Shareholders (Refer Note No. 5) | 4,666,000 | 4,438,000 |
| Car Finance under H.P. Agreement (Refer Note No. 5) | 1,099,925 | 918,829 |
| Total | <u>123,686,312</u> | <u>93,226,608</u> |

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

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|---------------------------|--------------------------|--------------------------|
| | Amount Rs. | Amount Rs. |
| Loans repayable on demand | | |
| Bank Of Baroda | <u>85,591,170</u> | <u>73,527,890</u> |
| | <u>85,591,170</u> | <u>73,527,890</u> |

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

NOTE NO. 9 : TRADE PAYABLES

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|-------------------------------------|---------------------------|--------------------------|
| | Amount Rs. | Amount Rs. |
| Trade payables : | | |
| Micro, Small and Medium Enterprises | 248,373 | 189,555 |
| Others | 103,828,433 | 91,927,488 |
| Total | <u>104,076,806</u> | <u>92,117,043</u> |

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

Amount due to Micro, Small and Medium Enterprises as on 31st March, 2014 are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows :

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| | Amount Rs. | Amount Rs. |
| Principal Amount due and remaining unpaid | 248,373 | 189,555 |
| Interest due on above and the unpaid interest | 2,299 | 1,260 |
| Interest paid during the year | - | - |
| Payment made beyond the appointed day during the year | 496,954 | 848,963 |
| Interest due and payable for the period of delay | 423 | 6,492 |
| Interest accrued and remaining unpaid | 2,722 | 7,752 |
| Amount of further interest remaining due and payable in succeeding years | 17,038 | 14,316 |

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

NOTE NO. 10 : OTHER CURRENT LIABILITIES

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| | Amount Rs. | Amount Rs. |
| Current maturities of long-term Secured Debts (Refer Note No.5) | 14,239,992 | 14,384,782 |
| Interest accrued and due on Fixed Deposits | 1,134,259 | 785,399 |
| Unpaid dividends* | 731,969 | 749,858 |
| Unpaid matured deposits and interest accrued thereon | 569,510 | 507,248 |
| Other payables | | |
| Statutory dues payable | 3,477,970 | 4,238,677 |
| Advances from customers | 3,351,440 | 4,126,069 |
| Others -Net Salaries & Wages Payable | 974,488 | 257,225 |
| Total | 24,479,628 | 25,049,258 |

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

NOTE NO. 11 : SHORT-TERM PROVISIONS

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| | Amount Rs. | Amount Rs. |
| Provision for employee benefits : | | |
| Provision for bonus | 728,683 | 693,453 |
| Provision for compensated absences | 983,173 | 599,673 |
| | <u>1,711,856</u> | <u>1,293,126</u> |
| Other Provision | | |
| Provision for proposed equity dividend | 3,600,000 | 3,600,000 |
| Provision for tax on proposed dividends | 584,010 | 584,280 |
| | <u>4,184,010</u> | <u>4,184,280</u> |
| Total | 5,895,866 | 5,477,406 |

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

| Tangible assets | GROSS BLOCK | | | Accumulated Depreciation and Impairment | | | NET BLOCK | |
|------------------------|------------------------------|----------------------------|--------------------------------------|---|--|----------------------------|------------------------------|------------------------------|
| | Balance as at 1-4-2013 | Additions | Disposals Borrowing cost Capitalised | Balance as at 1-4-2013 | Depreciation Eliminated on disposal of assets recognised in statement of profit and loss | Balance as at 31-3-2014 | Balance as at 31-3-2013 | Balance as at 31-3-2013 |
| Own Assets | | | | | | | | |
| Land - Freehold | 5,096,185 (5,096,185) | - | - | 5,096,185 (5,096,185) | - | - | - | 5,096,185 (5,096,185) |
| Buildings * | 53,698,911 (53,088,266) | 289,015 (610,645) | - | 53,987,926 (53,698,911) | 16,733,722 (15,068,942) | 1,676,787 (1,664,778) | 18,410,509 (16,733,720) | 36,965,189 (36,965,193) |
| Plant and Equipment | 224,277,167 (218,118,726) | 11,181,406 (6,158,440) | 2,041,849 | 233,577,427 (224,277,166) | 132,545,321 (120,465,861) | 10,923,698 (10,643,195) | 142,701,471 (132,545,323) | 91,731,846 (91,731,843) |
| Furniture and Fixtures | 3,776,070 (3,759,740) | 66,905 (16,330) | - | 3,842,975 (3,776,070) | 3,230,073 (3,003,742) | 142,110 (226,331) | 3,372,183 (3,230,073) | 545,997 (755,998) |
| Vehicles ** | 10,554,264 (6,497,037) | 716,165 (5,514,152) | 949,337 | 10,321,092 (10,557,034) | 4,034,795 (4,303,434) | 1,090,708 (924,018) | 4,416,464 (4,035,712) | 6,519,469 (2,193,603) |
| Office equipment | 12,500,730 (12,316,324) | 377,717 (244,111) | - | 12,878,447 (12,497,960) | 8,907,248 (6,663,067) | 2,240,061 (2,305,739) | 11,147,309 (8,906,331) | 3,593,482 (3,591,629) |
| Gross Total *** | 309,903,328 (298,876,278) | 12,631,208 (16,008,178) | 2,991,186 | 319,704,053 (313,495,442) | 165,451,159 (149,505,046) | 16,073,365 (15,764,061) | 180,047,936 (165,451,159) | 144,452,168 (148,044,285) |
| C W I P | 3,592,116 (3,464,500) | 212,448 (3,464,500) | 3,592,116 | 212,448 (3,592,116) | - | - | - | 212,448 (3,592,116) |
| Previous year | 313,495,444 (298,876,278) | 12,843,656 (16,008,178) | 6,583,302 | 319,916,501 (313,495,442) | 165,451,159 (149,505,046) | 16,073,365 (15,764,061) | 180,047,936 (165,451,159) | 148,044,285 (149,371,232) |

Details of assets acquired under hire purchase agreements

| Particulars | Gross Block | | Net Block | |
|-------------|----------------|----------------|----------------|----------------|
| | 31 March, 2014 | 31 March, 2013 | 31 March, 2014 | 31 March, 2013 |
| Vehicles | 7,384,285 | 6,668,120 | 6,759,102.85 | 6,050,151 |

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

*** Gross Block include Rs.24,46,449 on revaluation of Fixed Assets as on 31st March, 1994 excluding Vehicles, Furniture & Fixtures and Office Equipments.

NOTE NO. 13 : GOODWILL ON CONSOLIDATION

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|--|------------------------------------|------------------------------------|
| Goodwill at the beginning of the year | 10,429,240 | 18,796,688 |
| Add : On acquisition of Shares of Subsidiary during the year | 6,719,620 | - |
| Less : Preliminary expenses adjusted | 22,087 | 12,421 |
| Less : Provision for diminution in value of investment | - | 7,196,223 |
| Less : Impairment for the year | <u>1,902,975</u> | <u>1,158,804</u> |
| Goodwill at the end of the year | <u>15,223,798</u> | <u>10,429,240</u> |

NOTE NO. 14 : LONG -TERM LOANS AND ADVANCES

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---------------------------------------|------------------------------------|------------------------------------|
| Capital Advances | | |
| Unsecured, considered good | 3,331,630 | 36,283 |
| Security deposits | | |
| Unsecured, considered good | 4,530,406 | 2,476,748 |
| Loans and advances to related parties | | |
| Unsecured, considered good | | |
| Loans and advances to employees | 501,082 | 490,198 |
| Prepaid expenses | 119,168 | - |
| Advance income tax net of provisions | 1,478,525 | 2,957,769 |
| Balances with government authorities | | |
| Unsecured, considered good | | |
| CST & VAT receivable on Assessment | <u>198,071</u> | <u>195,593</u> |
| Total | <u>10,158,882</u> | <u>6,156,591</u> |

NOTE NO. 15 : INVENTORIES

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|--------------------------------------|------------------------------------|------------------------------------|
| Raw materials | 65,011,779 | 57,018,053 |
| Raw-Materials in-transit | 22,169,658 | 20,677,764 |
| Work-in-progress | 7,389,916 | 15,250,080 |
| Finished goods | 16,000,630 | 10,084,793 |
| Finished Goods in-transit | 5,253,745 | - |
| Packing Material , Stores and Spares | 3,250,305 | 2,601,653 |
| Others - Scrap | - | 9,568 |
| Total | <u>119,076,033</u> | <u>105,641,911</u> |

NOTE NO. 16 : TRADE RECEIVABLES

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Unsecured, considered good | 7,920,055 | 3,029,382 |
| Doubtful | <u>720,138</u> | <u>720,138</u> |
| | 8,640,193 | 3,749,520 |
| Less: Provision for doubtful trade receivables | <u>720,138</u> | <u>720,138</u> |
| | 7,920,055 | 3,029,382 |
| Other Trade receivables | | |
| Unsecured, considered good | <u>168,503,933</u> | <u>147,599,339</u> |
| Total | <u>176,423,988</u> | <u>150,628,721</u> |

NOTE NO. 17 : CASH AND CASH EQUIVALENTS

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|---|-----------------------------|-----------------------------|
| | Amount Rs. | Amount Rs. |
| Cash on hand | 430,596 | 485,484 |
| Balances with banks | | |
| In current accounts | 3,414,621 | 2,150,305 |
| In EEFC accounts | 3,065,245 | 2,087,123 |
| Unpaid dividend accounts | 641,080 | 497,405 |
| In Fixed deposit accounts Under Rule 10 of the Co.'s (Acceptance of Deposits) Rules, 1975 | 741,000 | 730,000 |
| In Fixed Deposit Accounts, held as margin money against Letter of Credit* | <u>4,284,750</u> | <u>1,416,000</u> |
| Total | <u>12,577,292</u> | <u>7,366,317</u> |

* Includes deposits of Rs. 10,00,000/- under Bank's Lien as a collateral security for Working Capital facilities availed by Subsidiary Company-Synergy Films Pvt. Ltd.

NOTE NO. 18 : SHORT-TERM LOANS AND ADVANCES

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--------------------------------------|-----------------------------|-----------------------------|
| | Amount Rs. | Amount Rs. |
| Prepaid expenses | 2,050,445 | 1,944,067 |
| Prepaid Gratuity | 502,596 | - |
| Balances with Government Authorities | | |
| Cenvat credit receivable | 4,571,678 | 1,625,977 |
| Service Tax credit receivable | 4,329,348 | 2,924,376 |
| VAT credit receivable | 51,712 | 313,752 |
| Advance to Trade Payables | 173,913 | 2,554,316 |
| Loans and Advances to employees | <u>636,099</u> | <u>574,719</u> |
| Total | <u>12,315,791</u> | <u>9,937,207</u> |

NOTE NO. 19 : OTHER CURRENT ASSETS

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--|-----------------------------|-----------------------------|
| | Amount Rs. | Amount Rs. |
| Accruals | | |
| Interest accrued on Fixed Deposits with Banks & Other Deposits | 491,497 | 222,675 |
| Others | | |
| Insurance Claims | - | 136,349 |
| TDS Refund Receivable | 439,326 | - |
| Discount Receivable | <u>809,198</u> | <u>644,982</u> |
| Total | <u>1,740,021</u> | <u>1,004,006</u> |

NOTE NO. 20 : REVENUE FROM OPERATIONS

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|--------------------------|-----------------------------|-----------------------------|
| | Amount Rs. | Amount Rs. |
| Sale of products | 982,570,649 | 867,796,742 |
| Sale of Services | 952,446 | 5,992,505 |
| Other operating revenues | 345,085 | 761,540 |
| | <u>983,868,180</u> | <u>874,550,787</u> |
| Less: | | |
| Excise duty | <u>100,708,965</u> | <u>85,442,981</u> |
| Total | <u>883,159,215</u> | <u>789,107,806</u> |

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|--|------------------------------------|------------------------------------|
| <u>Sale of products comprises :</u> | | |
| Manufactured goods | | |
| Plastic Film | 965,349,627 | 852,227,858 |
| Others | 6,015,867 | 3,222,037 |
| <u>Traded goods</u> | | |
| Others | <u>11,205,155</u> | <u>12,346,847</u> |
| Total - Sale of products | <u>982,570,649</u> | <u>867,796,742</u> |
| <u>Sale of services comprises :</u> | | |
| Processing charges | <u>952,446</u> | <u>5,992,505</u> |
| Total - Sale of services | <u>952,446</u> | <u>5,992,505</u> |
| <u>Other operating revenues comprise :</u> | | |
| Sale of Scraps | <u>345,085</u> | <u>761,540</u> |
| Total - Other operating revenues | <u>345,085</u> | <u>761,540</u> |

NOTE NO. 21 : OTHER INCOME

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|----------------------------|------------------------------------|------------------------------------|
| Interest income | 519,750 | 1,191,241 |
| Other non-operating income | <u>3,465,088</u> | <u>3,615,630</u> |
| Total | <u>3,984,838</u> | <u>4,806,871</u> |

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|--|------------------------------------|------------------------------------|
| <u>Interest income comprises :</u> | | |
| Interest from banks on Fixed Deposits | 219,493 | 1,056,623 |
| Interest on income tax refund | 11,344 | 9,094 |
| Interest on Deposit with Dakshin Gujarat Vij Co Ltd. | 258,641 | 102,828 |
| Interest on Employees Loan | <u>30,272</u> | <u>22,696</u> |
| Total - Interest income | <u>519,750</u> | <u>1,191,244</u> |

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|--|------------------------------------|------------------------------------|
| <u>Other non-operating income comprises :</u> | | |
| Profit on sale of fixed assets | - | 37,585 |
| Liabilities / provisions no longer required written back (net) | 139,219 | 2,729,737 |
| Insurance Claim Received | 657,154 | 293,892 |
| Miscellaneous income | 875,068 | 554,416 |
| Excess provisions for Gratuity written back | 86,750 | - |
| Other Income | <u>1,706,897</u> | <u>-</u> |
| Total - Other non-operating income | <u>3,465,088</u> | <u>3,615,630</u> |

NOTE NO. 22 : COST OF MATERIALS CONSUMED

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|-------------------------------|---------------------------|---------------------------|
| | Amount Rs. | Amount Rs. |
| Opening stock | 57,192,213 | 43,067,408 |
| Add: Purchases | <u>691,235,250</u> | <u>604,952,735</u> |
| | 748,427,463 | 648,020,143 |
| Less: Closing stock | <u>65,361,303</u> | <u>57,192,213</u> |
| Cost of material consumed | <u>683,066,160</u> | <u>590,827,930</u> |
| Material consumed comprises : | | |
| Poly Granuals | 647,345,061 | 560,370,633 |
| Other items | <u>35,721,099</u> | <u>30,457,297</u> |
| Total | <u>683,066,160</u> | <u>590,827,930</u> |

Imported and Indigenous Raw Materials Consumed :

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|------------------|----------------------|----------------------|
| | Amount Rs. | Amount Rs. |
| Raw Materials : | | |
| Imported | | |
| Value | 395,522,282 | 317,731,113 |
| Percentage | 58 | 54 |
| Indigenous | | |
| Value | 287,543,878 | 273,096,817 |
| Percentage | <u>42</u> | <u>46</u> |
| Total Value | <u>683,066,160</u> | <u>590,827,930</u> |
| Total Percentage | <u>100</u> | <u>100</u> |

NOTE NO. 23 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|---|----------------------|----------------------|
| | Amount Rs. | Amount Rs. |
| Inventories at the end of the year : | | |
| Finished goods | 19,481,193 | 8,689,055 |
| Work-in-progress | <u>7,389,916</u> | <u>15,250,080</u> |
| | <u>26,871,109</u> | <u>23,939,135</u> |
| Inventories at the beginning of the year : | | |
| Finished goods | 8,689,055 | 12,814,204 |
| Work-in-progress | <u>15,250,080</u> | <u>9,311,963</u> |
| | <u>23,939,135</u> | <u>22,126,167</u> |
| Add/(Less) :- Variation in excise duty on opening and closing stock of finished goods | 377,444 | (113,826) |
| Net (increase) / decrease | <u>3,309,418</u> | <u>1,699,142</u> |

NOTE NO. 24 : EMPLOYEE BENEFITS EXPENSE

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Salaries, Wages, Bonus and Other Allowances | 37,964,381 | 33,178,295 |
| Contributions to Provident and other funds | 3,925,399 | 4,008,275 |
| Staff Welfare expenses | <u>1,032,926</u> | <u>899,209</u> |
| Total | <u>42,922,706</u> | <u>38,085,779</u> |

NOTE NO. 25 : FINANCE COSTS

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|-----------------------|------------------------------------|------------------------------------|
| Interest expense on : | | |
| Borrowings | 19,516,342 | 22,320,208 |
| Other borrowing costs | <u>2,766,638</u> | <u>2,019,081</u> |
| Total | <u>22,282,980</u> | <u>24,339,289</u> |

NOTE NO. 26 : OTHER EXPENSES

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Consumption of Stores and Spare parts | 2,543,053 | 3,030,701 |
| Consumption of Packing Materials | 16,430,922 | 15,145,993 |
| Consumption of Ink & Printing Cylinders | 418,883 | 676,621 |
| Power and fuel | 35,117,976 | 35,384,445 |
| Conversion Charges Paid | 10,494 | 23,584 |
| Repairs and Maintenance - Buildings | 1,248,960 | 1,112,265 |
| Repairs and Maintenance - Machinery | 6,272,950 | 4,412,883 |
| Repairs and Maintenance - Others | 570,172 | 606,143 |
| Insurance | 1,685,349 | 1,378,657 |
| Rent including lease rentals | 67,956 | 67,986 |
| Rates and taxes | 221,281 | 231,751 |
| Communication | 823,813 | 845,277 |
| Travailing and Conveyance | 3,949,548 | 3,454,347 |
| Printing and Stationery | 934,866 | 1,062,827 |
| Freight and forwarding | 10,477,062 | 10,851,948 |
| Sales Commission | 139,003 | 707,871 |
| Sales discount | 51,271 | 127,794 |
| Business promotion | 66,622 | 55,840 |
| Donations and contributions | 21,201 | 835,902 |
| Motor Car Expenses | 726,524 | 807,418 |
| Security Charges | 1,537,728 | 1,102,510 |
| Royalty Paid | 4,651,933 | 4,594,553 |
| Directors Sitting Fees | 700,000 | 292,500 |
| Commission to Non-Executive Directors | 325,924 | 400,000 |
| Legal and Professional | 2,215,861 | 2,398,756 |
| Payments to Auditors | 750,500 | 588,000 |
| Bad trade receivables Written off | - | 2,459,349 |
| Net loss on foreign currency transactions and translation | 2,662,401 | 847,226 |
| Provision for impairment of Fixed Assets | - | 1,436,267 |
| Impairment of Goodwill on Consolidation | 1,902,975 | 1,158,804 |
| Other Miscellaneous Expenses | <u>4,229,513</u> | <u>4,497,843</u> |
| Total | <u>100,754,741</u> | <u>100,596,061</u> |

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|-------------------------------------|------------------------------------|------------------------------------|
| Payments to the auditors comprises | | |
| (a) To statutory auditors | | |
| Audit Fees | 315,000 | 235,000 |
| Taxation Matters | 50,000 | 40,000 |
| Company Law Matters | 50,000 | 40,000 |
| Tax Audit Fees | 50,000 | 30,000 |
| Certification and Other Services | <u>225,500</u> | <u>193,000</u> |
| Total | <u>690,500</u> | <u>538,000</u> |
| (b) To cost auditors for cost audit | <u>60,000</u> | <u>50,000</u> |
| Total | <u>750,500</u> | <u>588,000</u> |

NOTE NO. 27 : EXCEPTIONAL ITEMS

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|--|------------------------------------|------------------------------------|
| Provision for diminution in value of investments in Subsidiary Company - Synergy Films Pvt. Ltd. | - | <u>7,196,223</u> |
| Total | - | <u>7,196,223</u> |

NOTE NO. 28 : VALUE OF IMPORTS ON CIF BASIS

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|----------------------------|------------------------------------|------------------------------------|
| Raw Materials | 364,864,089 | 307,391,251 |
| Components and Spare Parts | 1,252,107 | 711,660 |
| Capital Goods | 4,642,749 | - |

NOTE NO. 29 : EXPENDITURE IN FOREIGN CURRENCY

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|------------------------------|------------------------------------|------------------------------------|
| Travelling Expenses | 364,194 | 201,291 |
| Interest on Letter of Credit | 115,515 | - |
| Royalty Paid | 4,651,933 | 4,594,553 |

NOTE NO. 30 : VALUE OF STORES AND SPARES CONSUMED

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|-------------|------------------------------------|------------------------------------|
| Imported | | |
| Value | 867,984 | 1,206,598 |
| Percentage | 34 | 40 |
| Indigenous | | |
| Value | 1,675,069 | 1,824,103 |
| Percentage | <u>66</u> | <u>60</u> |
| | <u>2,543,053</u> | <u>3,030,701</u> |
| | <u>100</u> | <u>100</u> |

NOTE NO. 31 : EARNINGS IN FOREIGN EXCHANGE

| Particulars | As at 31 March, 2014 Amount Rs. | As at 31 March, 2013 Amount Rs. |
|---|------------------------------------|------------------------------------|
| Export of Goods calculated on FOB basis | 121,375,364 | 114,919,715 |

NOTE NO. 32 DISCLOSURES UNDER ACCOUNTING STANDARD AS15
Particulars
Employee benefit plans
Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 20,50,348 (Year ended 31 March, 2013 Rs. 16,64,745) for Provident Fund contributions and Rs. 15,86,066 (Year ended 31 March, 2013 Rs. 12,15,378) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

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

Gratuity

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

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|---|-------------------------|-------------------------|
| | Amount Rs. | Amount Rs. |
| | Gratuity | Gratuity |
| Components of employer expense | | |
| Current service cost | 360,844 | 466,139 |
| Interest cost | 677,668 | 609,820 |
| Expected return on plan assets | (671,151) | (605,404) |
| Past service cost | | |
| Actuarial losses/(gains) | <u>(454,111)</u> | <u>326,125</u> |
| Total expense recognised in the Statement of Profit and Loss | <u>(86,750)</u> | <u>796,680</u> |
| Actual contribution and benefit payments for year | | |
| Actual benefit payments | 87,190 | 145,292 |
| Actual contributions | <u>(432,381)</u> | <u>187,615</u> |
| Net asset / (liability) recognised in the Balance Sheet | | |
| Present value of defined benefit obligation | 9,492,392 | 8,470,855 |
| Fair value of plan assets | (8,989,796) | 7,714,384 |
| Funded status [Surplus / (Deficit)] | <u>502,596</u> | <u>(756,471)</u> |
| Net asset / (liability) recognised in the Balance Sheet | <u>502,596</u> | <u>(756,471)</u> |
| Change in defined benefit obligations (DBO) during the year | | |
| Present value of DBO at beginning of the year | 8,470,855 | 7,174,358 |
| Current service cost | 360,844 | 466,139 |
| Interest cost | 677,668 | 609,820 |
| Actuarial (gains) / losses | (432,381) | 365,830 |
| Past service cost | - | - |
| Benefits paid | <u>87,190</u> | <u>145,292</u> |
| Present value of DBO at the end of the year | <u>8,989,796</u> | <u>8,470,855</u> |

Change in fair value of assets during the year

| | | |
|---|------------------|------------------|
| Plan assets at beginning of the year | 7,714,384 | 7,027,952 |
| Expected return on plan assets | 671,151 | 604,404 |
| Actual company contributions | 1,172,317 | 187,615 |
| Actuarial gain / (loss) | 21,730 | 39,705 |
| Benefits paid | 87,190 | 145,292 |
| Plan assets at the end of the year | 9,492,392 | 7,714,384 |
| Actual return on plan assets | 692,881 | 644,109 |

Composition of the plan assets is as follows :

| | | |
|--------------------------------|------------------|------------------|
| Insurer Managed Funds | <u>9,492,392</u> | <u>7,714,384</u> |
| Actuarial assumptions | | |
| Discount rate | 8.00% | 8.00% |
| Expected return on plan assets | 8.70% | 8.70% |
| Salary escalation | 8.00% | 8.00% |
| Attrition | 2.00% | 2.00% |
| Medical cost inflation | | |

Mortality tables**LIC 1994-96 (Ultimate)****LIC 1994-96 (Ultimate)****Particulars**

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

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

Experience adjustments

| | 31-03-2014 | 31-03-2013 | 31-03-2012 | 31-03-2011 | 31-03-2010 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Gratuity | | | | | |
| Present value of DBO | 8,989,796 | 8,470,855 | 7,174,358 | 6,368,487 | 3,199,000 |
| Fair value of plan assets | 9,492,392 | 7,714,384 | 7,027,952 | 5,913,688 | 5,413,000 |
| Funded status [Surplus / (Deficit)] | 502,596 | (756,471) | (146,406) | (454,799) | 2,214,000 |
| Experience gain / (loss) adjustments on plan liabilities | 432,381 | 365,830 | 169,690 | 1,846,782 | (30,000) |
| Experience gain / (loss) adjustments on plan assets | 21,730 | 39,705 | 79,711 | 67,662 | 64,000 |
| | For the year ended | For the year ended | For the year ended | For the year ended | For the year ended |
| | 31 March, 2014 | 31 March, 2013 | 31 March, 2012 | 31 March, 2011 | 31 March, 2010 |

Actuarial assumptions for long-term compensated absences

| | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|
| Discount rate | 8.00% | 8.00% | 8.50% | 8.25% | 8.25% |
| Expected return on plan assets | 8.70% | 8.60% | 8.60% | 8.00% | 8.00% |
| Salary escalation | 8.00% | 8.00% | 8.00% | 8.00% | 5.00% |
| Attrition | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

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

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

NOTE NO. 33 DISCLOSURES UNDER ACCOUNTING STANDARD AS 16

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|---|----------------------|----------------------|
| | Amount Rs. | Amount Rs. |
| Details of borrowing costs capitalised | | |
| Borrowing costs capitalised during the year | 160,703 | 127,616 |

NOTE NO. 34 DISCLOSURES UNDER ACCOUNTING STANDARD AS 17
Segment Reporting :

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

NOTE NO. 35 DISCLOSURES UNDER ACCOUNTING STANDARD AS 18
Particulars
Related party transactions
Details of related parties :
Description of relationship

Names of related parties

Key Management Personnel (KMP)

Mr. J. B. Desai

Relatives of KMP

-

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

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

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:

| | KMP | Entities in which relatives of KMP have significant influence | Total Amount Rs. |
|--|-------------|---|------------------|
| (i) Purchase of goods | - | 1,410,175 | 1,410,175 |
| | | (1,950,978) | (1,950,978) |
| (ii) Sale of goods | - | 2,188,869 | 2,188,869 |
| | | (2,742,317) | (2,742,317) |
| (iii) Rendering of services | - | 756,571 | 756,571 |
| | | (917,419) | (917,419) |
| (iv) Receiving of services | 4,590,996 | 86,686 | 4,677,682 |
| | (2,966,994) | (188,440) | (3,155,434) |
| (v) Acquisition of Shares of Subsidiary | | 2,047,486 | 2,047,486 |
| | | - | - |
| Balances outstanding at the end of the year | | | |
| Trade receivables | | 339,044 | 339,044 |

Note: Figures in bracket relates to the previous year

NOTE NO. 36 DISCLOSURES UNDER ACCOUNTING STANDARD AS 20

| Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|---|----------------------|----------------------|
| | Amount Rs. | Amount Rs. |
| Earnings per share | | |
| Basic and Diluted | | |
| Net profit for the year | <u>16,923,680</u> | <u>12,016,372</u> |
| Net profit / (loss) for the year from continuing operations attributable to the equity shareholders | 16,923,680 | 12,016,372 |
| Weighted average number of equity shares | 3,000,000 | 3,000,000 |
| Par value per share | <u>10.00</u> | <u>10.00</u> |
| Earnings per share - Basic and Diluted | <u>5.64</u> | <u>4.01</u> |

NOTE NO. 37 IMPAIRMENT OF ASSETS - AS 28

As at March 31, 2014, the Company has reviewed the future earnings of all its cash generating assets in accordance with the Accounting Standard 28 "Impairment of Assets". As the carrying amount of assets does not exceed the future recoverable amount, consequently, no adjustment to carrying amount of assets is considered necessary by the management.

As at March 31, 2014, the Company has tested the impairment of the goodwill on consolidation considering the fair value of investments made in subsidiary and prospects for recoupment of losses in reasonable time frame in accordance with the Accounting Standard 28 "Impairment of Assets". The management is of the view that Goodwill arising on consolidation be amortized over a period of 10 years. Accordingly, the said impairment loss of Rs. 19,02,975 has been recognised in the Statement of Profit & Loss for the year.

NOTE NO. 38 CONTINGENT LIABILITIES AND COMMITMENTS

| | 31.3.2014 | 31.3.2013 |
|--|------------|------------|
| | Rs. | Rs. |
| (I) Contingent Liabilities | | |
| In respect of claims against the Company not acknowledged as debts (Net) | 224,273 | 224,273 |
| Customs duty on raw materials imported under advance authorisation, against which export obligation is to be fulfilled | 1,148,834 | 2,528,785 |
| (ii) Commitments | | |
| The Company has given irrevocable and unconditional Corporate Guarantee/ Collateral Securities to North Eastern Development Finance Corporation Ltd. (NEDFC), Assam/ Bank of Baroda - Valsad on behalf of Synergy Films Pvt. Ltd., a Subsidiary company in which the company is holding 100% of the equity shares as on 31/03/2014 as a collateral security for Working capital Term Loan availed by subsidiary company. | 41,000,000 | 41,000,000 |
| (iii) On account of Capital Commitments (Net of advances) | 6,150,175 | - |

NOTE NO. 39 : DISCLOSURE OF DERIVATIVES

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at 31st March, 2014 are as follows :

| Particulars | 31-03-2014 | | 31-03-2013 | |
|-------------|--|-----------------------------|--|-----------------------------|
| | Amount in Foreign Currency (In '000) | Amount in INR (In '000) | Amount in Foreign Currency (In '000) | Amount in INR (In '000) |
| Assets | USD 158 | 9440 | USD 273 | 14714 |
| Liabilities | USD 651 | 39398 | USD 893 | 49386 |

NOTE NO. 40

The Company has imported Plant and Machineries for production of new Speciality Film under Export Promotion Capital Goods Scheme (EPCG) without payment of Custom Duty. In the event of non-fulfilment of export obligations as specified, Company may be held liable to pay custom duty of Rs.33.45 lacs (Previous year Rs.33.45 lacs) in terms of the said Scheme. As on 31st March 2014 Company is not in any default under the Scheme.

NOTE NO. 41

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

As per our Report of even date.
For **AKKAD MEHTA & CO.**
Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA
Partner
Membership No : 016859

Place: Mumbai
Date: 28th May, 2014

For and on behalf of the Board of Directors

P. P. KHARAS
Chairman

M. D. DESAI
C.F.O.

JAYMIN B.DESAI
Managing Director

Place : Mumbai
Date : 28th May, 2014

FINANCIAL INFORMATION OF SUBSIDIARY COMPANY

| | | |
|-------------------------------|---|-------------------------------|
| 1) Name of Subsidiary Company | : | Synergy Films Private Limited |
| 2) Reporting Currency | : | INR |
| 3) Capital | : | Rs. 11,953,600 |
| 4) Reserves | : | Rs. (30,316,962) |
| 5) Total Assets | : | Rs. 58,853,640 |
| 6) Total Liabilities | : | Rs. 77,217,002 |
| 7) Investments | : | Rs. - |
| 8) Turnover / Total Income | : | Rs. 78,983,852 |
| 9) Profit Before Tax | : | Rs. 269,955 |
| 10) Provision for Taxation | : | Rs. - |
| 11) Profit After Tax | : | Rs. 269,955 |
| 12) Proposed Dividend | : | Rs. - |
| 13) Country | : | INDIA |

As per our Report of even date.
For **AKKAD MEHTA & CO.**
Chartered Accountants
Firm ICAI Registration No. 100259W

SANJAY MEHTA
Partner
Membership No : 016859

Place: Mumbai
Date: 28th May, 2014

For and on behalf of the Board of Directors

P. P. KHARAS
Chairman

M. D. DESAI
C.F.O.

JAYMIN B.DESAI
Managing Director

Place : Mumbai
Date : 28th May, 2014

Ecoplast Limited

Regd. Office: National Highway No. 8, Water Works Cross Road, Abrama, Valsad – 396 002

CIN: L25200GJ1981PLC004375

Tel: (02632) 226157

E-mail : Mahadevdesai@ecoplastindia.com • Website : www.ecoplastindia.com

Attendance Slip

| |
|--|
| |
|--|

I hereby record my presence at the THIRTY SECOND ANNUAL GENERAL MEETING of the Company at the The Club Resort, At P. O. Vashier, Valsad 396 001 on Saturday the 20th day of September, 2014 at 11.30 A.M.

| |
|---|
| SIGNATURE OF THE ATTENDING MEMBER / PROXY |
|---|

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

Electronic Voting Particulars

| EVEN (Electronic Voting Event Number) | User ID | Password |
|--|----------------|-----------------|
| | | |

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

ECOPLAST LIMITED

Regd. Office: National Highway No. 8, Water Works Cross Road, Abrama, Valsad - 396 002

CIN: L25200GJ1981PLC004375

Tel: (02632) 226157

E-mail : Mahadevdesai@ecoplastindia.com • Website : www.ecoplastindia.com

| |
|---|
| Name of the Member (s) : _____ |
| Registered address : _____ |
| E-mail Id : _____ Folio No./ Client ID: _____ DP ID No. _____ |

I/ We, being the member(s) of _____ equity shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature : _____, or failing him / her:
2. Name :
Address :
E-mail Id :
Signature : _____, or failing him / her:
3. Name :
Address :
E-mail Id :
Signature : _____, or failing him / her:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the _____ Annual General Meeting of the Company, to be held on the _____ day of _____ 2014 at _____ p.m. at _____, and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below :

| Sr. No. | Resolutions |
|---------|--|
| 1. | Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014 |
| 2. | Declaration of dividend on equity shares of the Company for the year ended March 31, 2014 |
| 3. | Re-appointment of Mr. Bankim Desai as a director of the Company |
| 4. | Appointment of Auditors |
| 5. | Appointment of Mr. Jehangir Moos as an Independent Director |
| 6. | Appointment of Mr. Mukul Desai as an Independent Director |
| 7. | Appointment of Mr. Bhupendra Desai as an Independent Director |
| 8. | Approval of Payment of Commission to Non-Whole time Directors of the Company |
| 9. | Authority to obtain loans/borrowings under Section 180(1)(c) of the Companies Act, 2013 |
| 10. | Authority to Create Charge under Section 180 (1)(a) of the Companies Act, 2013 |
| 11. | Ratification of Payment of Remuneration to Cost Auditors |

Signed this _____ day of _____, 2014
Signature of Shareholder

Affix
Revenue
Stamp
of Rs. 1/-

Signature of Proxy Holder (s)

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting