



PROMACT PLASTICS LIMITED

**25TH
A N N U A L
R E P O R T
2 0 0 8 - 2 0 0 9**

PROMACT PLASTICS LIMITED

TWENTYFIFTH ANNUAL REPORT 2008-09

BOARD OF DIRECTORS : **Shri Babubhai A. Patel** *Chairman*
Shri Sachin N. Patel *Director*
Shri Arvindbhai N. Patel *Director*
Shri Dharmendrakumar B. Patel *Director*
Shri Shyamlal H. Gupta *Director*

PRINCIPAL BANKERS : **The Mehsana Urban Co.op. Bank Ltd.,**
Mehsana.

AUDITORS : **M/s. R. R. S. & Associates,**
Chartered Accountants,
Ahmedabad.

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

FACTORY : 391 to 404, GIDC Estate, Phase-II,
Dediyasan, Mehsana-384 002.

CONTENTS	PAGE NOS.
Notice	1
Directors' Report	3-5
Report on Corporate Governance	6-10
Management Discussion And Analysis	11
Auditors' Report	12-13
Balance Sheet	14
Profit & Loss Account	15
Cash Flow Statement	16
Schedules	17-20
Notes on Accounts	21-23
Balance Sheet Abstract	24

NOTICE

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

Date : 30th September, 2009
Day : Wednesday
Time : 12 Noon
Place : Conference Hall of Hotel City Pride,
Opp. Gurukul Drive - In Road, Ahmedabad - 380 052.

to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Profit and Loss Account of the year ended on 31st March, 2009 and the Balance Sheet as on that date along with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri Babubhai A. Patel, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Sachin N. Patel be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Arvindbhai N. Patel be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Dharmendrakumar B. Patel be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Shyamlal H. Gupta be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Registered Office:

106, Harikrupa Chambers,
Behind National Chambers,
Ashram Road,
Ahmedabad-380 009.
Date : 30th June, 2009.

By the Order of the Board,

Babubhai A. Patel
Chairman

NOTES :

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item Nos. 4 to 7 as set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
3. Pursuant to Section 154 of the Companies Act, 1956, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 29th September, 2009 to Wednesday, the 30th September, 2009 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to:
 - a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notify immediately the change in their registered address, if any, to the Company.



6. The Equity Shares of the Company are now available for dematerialisation, as the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN of the Equity Shares is INE818D01011.

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item Nos. 4 to 7 of the accompanying notice dated 30th June, 2009 and should be taken as forming part of the notice.

In respect of Item No. 4:

The Board of Directors of the Company in their meeting held on 31st October, 2008 appointed Shri Sachin N. Patel as an Additional Director of the Company.

As per the Articles of Association of the Company and section 260 of the Companies Act, 1956, he will hold the office up to the date of this General Meeting.

As required under the provisions of Section 257 of the Companies Act, 1956, notice has been received from some of the members signifying their intention to propose him as candidate for office of the Director.

Shri Sachin N. Patel is dynamic businessman and is holding degree of B. E. Civil. He has over all experience of 8 years in various fields of business including steel industry.

Shri Sachin N. Patel is concerned or interested in the said business, since it relates to his appointment as Director of the Company. Shri Arvindbhai N. Patel may also be deemed as interested as Shri Sachin N. Patel is his relative. Except him, none of the Directors is in any way concerned or interested in the said business.

In respect of Item No. 5:

The Board of Directors of the Company in their meeting held on 31st October, 2008 appointed Shri Arvindbhai N. Patel as an Additional Director of the Company.

As per the Articles of Association of the Company and section 260 of the Companies Act, 1956, he will hold the office up to the date of this General Meeting.

As required under the provisions of Section 257 of the Companies Act, 1956, notice has been received from some of the members signifying their intention to propose him as candidate for office of the Director.

Shri Arvindbhai N. Patel is dynamic businessman and is holding degree of B.A. He has over all experience of 10 years in various fields of business including steel industry.

Shri Arvindbhai N. Patel is concerned or interested in the said business, since it relates to his appointment as Director of the Company. Shri Sachin N. Patel may also be deemed as interested as Shri Arvindbhai N. Patel is his relative. Except him, none of the Directors is in any way concerned or interested in the said business.

In respect of Item No. 6:

The Board of Directors of the Company in their meeting held on 31st October, 2008 appointed Shri Dharmendrakumar B. Patel as an Additional Director of the Company.

As per the Articles of Association of the Company and section 260 of the Companies Act, 1956, he will hold the office up to the date of this General Meeting.

As required under the provisions of Section 257 of the Companies Act, 1956, notice has been received from some of the members signifying their intention to propose him as candidate for office of the Director.

Shri Dharmendrakumar B. Patel is dynamic businessman and is Graduate. He has over all experience of 20 years in various fields of business including Real Estate industry.

Shri Dharmendrakumar B. Patel is concerned or interested in the said business, since it relates to his appointment as Director of the Company. Except him, none of the Directors is in any way concerned or interested in the said business.

In respect of Item No. 7:

The Board of Directors of the Company in their meeting held on 31st October, 2008 appointed Shri Shyam Lal H. Gupta as an Additional Director of the Company.

As per the Articles of Association of the Company and section 260 of the Companies Act, 1956, he will hold the office up to the date of this General Meeting.

As required under the provisions of Section 257 of the Companies Act, 1956, notice has been received from some of the members signifying their intention to propose him as candidate for office of the Director.

Shri Shyam Lal H. Gupta is dynamic businessman and is B.A. He has over all experience of 30 years in various fields of business including Real Estate industry.

Shri Shyam Lal H. Gupta is concerned or interested in the said business, since it relates to his appointment as Director of the Company. Except him, none of the Directors is in any way concerned or interested in the said business.

Registered Office:

106, Harikrupa Chambers,
Behind National Chambers, Ashram Road,
Ahmedabad-380 009.
Date : 30th June, 2009.

By the Order of the Board,

Babubhai A. Patel
Chairman

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the TWENTYFIFTH ANNUAL REPORT together with the Audited Statement of Accounts for the financial year 2008-09 ended on 31st March, 2009.

1. FINANCIAL RESULTS

	2008-2009	(Rs.in Lacs) 2007-2008
Profit / (Loss) Before Interest and Depreciation	(0.94)	617.08
Less : Interest	106.98	105.11
Profit / (Loss) before Depreciation.	(107.92)	511.97
Less : Depreciation	61.34	53.93
Profit / (Loss) before tax	(169.27)	458.04
Less : Provision for tax	-	6.65
Provision for Deferred Tax	11.63	(83.52)
Provision for Fringe Benefit Tax	0.06	0.10
Income Tax for earlier years	-	0.29
Profit / (Loss) after tax	(180.96)	534.52
Previous Years' expenses	4.00	0.74
Profit / (Loss) after Previous years expenses	(184.96)	533.78
(Debit) Balance brought forward from Previous year	(564.52)	(1098.30)
(Debit) Balance carried to Balance Sheet	(749.48)	(564.52)

2. DIVIDEND

As the Company has accumulated losses, your Directors are unable to recommend any Dividend for the Year 2008-09.

3. SALES & WORKING RESULTS:

The Sales during the year 2008-09 was Rs. 1286 lacs as compared to Rs. 1353 lacs during the year 2007-08.

The Loss before Interest and Depreciation during the year 2008-09 was Rs. 0.94 lacs as against Profit of Rs. 317.08 lacs during 2007-08. As the Company had to provide for Interest of Rs. 106.98 lacs during the year under review, the Loss before Depreciation was Rs. 107.92 lacs during the year under review, compared with Profit of Rs. 511.97 during 2007-08. The Company provided Rs. 61.34 lacs for Depreciation and therefore Loss before tax stood at Rs. 169.27 lacs during the year under review compared to Profit of Rs. 458.04 lacs for the year 2007-08. After taking into account Deferred Tax and other Taxes, the Net Loss for the year under review stood at Rs.180.96 lacs against Net Profit of Rs.534.32 lacs during 2007-08.

4. ISO 9002:

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

5. FINANCE:

- 5.1 During the year under review, the Company was generally regular in payment of Principal and Interest to the Financial Institutions/Banks. The Company is enjoying Working Capital Facilities from Mehsana Urban Co-Operative Bank Limited.
- 5.2 The Income-tax and Sales-tax Assessment of the Company have been completed upto Assessment Year 2007-08 and the Financial Year 2005-06 respectively.

6. DIRECTORS:

Shri Sachin N. Patel, Shri Arvindbhai N. Patel, Shri Dharmendrakumar B. Patel and Shri Shyamal H. Gupta were appointed as Directors by the Board of Directors w.e.f. 31st October, 2008. Shri Rameshbhai S. Patel, Shri Kamlesh H. Amin, Shri Ajit A. Patel and Shri Vishnubhai P. Patel ceased to be Directors upon resignation w.e.f. 31st October, 2008. The Board recommends their appointment as provided in the Notice of 25th Annual General Meeting.



PROMACT PLASTICS LIMITED

One of your Directors viz. Shri Babubhai A. Patel retires by rotation in terms of Articles 150 and 151 of the Articles of Association of the Company. He, however, being eligible, offers himself for re-appointment.

7. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2009 being end of the financial year 2008-09 and of the Loss of the Company for the year;
- (iii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

8. DEMATERIALISATION OF EQUITY SHARES:

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

9. CORPORATE GOVERNANCE:

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

10. LISTING:

The Equity Shares of the Company are listed on Ahmedabad and Mumbai Stock Exchanges and the Company has paid Annual Listing Fees to both the Stock Exchanges upto the year 2009-10.

11. GENERAL:

11.1 INSURANCE:

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

11.2 AUDITORS:

The present Auditors of the Company M/s. R. R. S. & Associates, Chartered Accountants were appointed as Auditors for the year 2008-09 and as such they will retire at the ensuing Annual General Meeting of the Company. They have submitted Certificate for their eligibility for re-appointment under Section 224 (1-B) of the Companies Act, 1956.

The notes of the Auditors to the accounts are self explanatory.

11.3 PARTICULARS OF EMPLOYEES:

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

11.4 DEPOSITS:

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

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

13. ACKNOWLEDGMENT:

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

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

For and on behalf of the Board,

Ahmedabad-380 009.
Date : 30th June, 2009.

Babubhai A. Patel
Chairman

ANNEXURE - I

A. CONSERVATION OF ENERGY :

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

B. TECHNOLOGY ABSORPTION :

- a) Efforts made in the technology absorption:
The Company is using indigenous technology which is the latest technology anywhere and the Company is implementing the recommendations received from machinery suppliers for advancement of technology. The Company has not carried out any specific Research and Development activities except for routine quality improvement and process development.
- b) Total Foreign Exchange earned and used.
The Company has not earned or spent any foreign exchange during the year under review.

FORM - A

Disclosure of particulars with respect to Conservation of Energy

	<u>2008-09</u>	<u>2007-08</u>
A. Power and fuel Consumption		
1. Electricity		
a) Purchased Units	16,30,592	16,08,128
Total amount (Rs. in lacs)	98.17	84.71
Rate/Unit Rs.	6.02	5.27
b) Through Diesel Generator		
Units	-	-
Total amount (Rs. in lacs)	-	-
Cost/Unit Rs.	-	-
2. Coal	-	-
3. Furnace oil	-	-
4. LSHS	-	-
5. Gas (Amt. In Lacs)	-	-
B. Consumption per ton of Production		
Products		HDPE Fabrics/Sacks

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th June, 2009.

Babubhai A. Patel
Chairman



REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

Name of Directors	Category of Directorship	No. of other Directorships *	Committee (1) Membership (2) Meetings Chairmanship in other companies	No. of Board attended	Attendance at the AGM held on 30 th September, 2008 Yes(Y)/No(N)
Babubhai A. Patel, Chairman	Non-Executive	—	—	5	Y
Sachin N. Patel@	Independent Non-Executive	—	—	2	N
Arvindbhai N. Patel @	Independent Non Executive	—	—	2	N
Dharmendrakumar B. Patel @	Independent Non Executive	—	—	2	N
Shyamlal H. Gupta @	Independent Non Executive	—	—	2	N

* Private companies excluded.

@ For part of the year

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

Name of Director	Sachin N. Patel	Arvindbhai N. Patel
Date of Birth	19-08-1978	02-05-1973
Date of Appointment	31-10-2008	31-10-2008
Expertise in specific functional areas	Accounts & Finance	Marketing
List of Public Limited Companies in which Directorship held	—	—
Chairmanship of the Committees of the Board of Directors of the Company	—	—
Chairman/Member of the Committees of Directors of other companies.	—	—

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

c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors were held on 30-04-2008, 30-06-2008, 31-07-2008, 31-10-2008 and 30-01-2009.

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors:

Name of the Director	Expertise	Functions of the Committee	Attendance
Sachin N. Patel	All members are non-executive. Chairman is independent Director and majority are independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s) which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	All the members were present at the meeting held on: 30-06-2008, 31-07-2008, 30-10-2008 and 31-01-2009.
Arvindbhai N. Patel			
Babubhai A. Patel			

4. REMUNERATION COMMITTEE:

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

The Committee comprises the following Directors as members:

1. Sachin N. Patel, Chairman - Non-executive Independent
2. Arvindbhai N. Patel, Member - Non-executive Independent
3. Babubhai A. Patel, Member - Non-executive

Details of remuneration paid:

1. None of the Directors was paid any managerial remuneration during the year 2008-09.
2. No Sitting Fees, Commission or Stock Option has been offered to the Directors.

5. SHAREHOLDERS/INVESTORS' GRIEVANCES COMMITTEE:

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

Shri Sachin N. Patel and Shri Arvindbhai N. Patel, Directors are the Members of the Committee.

The Company received four complaints during the year and all were resolved to the satisfaction of the shareholders. There was no valid request for transfer of shares pending as on 31st March, 2009.

Shri Babubhai A. Patel, Director is the Compliance Officer for the above purpose.

6. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2005-06	21-09-2006	12 Noon	Conference Hall of Hotel City Pride, Opp.Gurukul, Drive-In Road, Ahmedabad - 380 052.
2006-07	22-09-2007	12 Noon	Conference Hall of Hotel City Pride, Opp.Gurukul, Drive-In Road, Ahmedabad - 380 052.
2007-08	30-09-2008	12 Noon	Conference Hall of Hotel City Pride, Opp.Gurukul, Drive-In Road, Ahmedabad - 380 052.

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

7. DISCLOSURES:

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



8. MEANS OF COMMUNICATIONS:

- a) In compliance with the requirements of the Listing Agreement, the Company regularly intimates Unaudited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are not displaying on Website and are not sent individually to the Shareholders.
- b) During the year ended on 31st March, 2009, no presentations were made to Institutional investors or analyst or any other enterpris.
- c) Management Discussion and Analysis form part of the Annual Report.

9. SHAREHOLDERS' INFORMATION:

- a) Registered Office : 106, Harikrupa Chambers, Behind National Chambers, Ashram Road, Ahmedabad - 380 009.
- b) Annual General Meeting : Day : Wednesday
Date : 30th September, 2009
Time : 12 Noon.
Venue : Conference Hall of Hotel City Pride, Opp. Gurukul, Drive - In Road, Ahmedabad - 380 052.
- c) Financial Calendar :
1st Quarter Results : End-July, 2009.
Half-yearly Results : End-October, 2009.
3rd Quarter Results : End-January, 2010.
Audited yearly Results : End-June, 2010.
- d) Book Closure Dates : From : Tuesday, the 29th September, 2009
To : Wednesday, the 30th September, 2009.
(Both days inclusive).
- e) Dividend Payment Date : Not Applicable
- f) Listing of Shares on : 1. Ahmedabad Stock Exchange Limited,
Kamdheni Complex, 1st Floor,
Opp. Sahajanand College,
Panjara Pole, Ambawadi, Ahmedabad - 380 015.
2. Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.
- g) Stock Exchange Code :

Stock Exchange	Code
ASE	45611
BSE	526494

h) Stock Price Data :

The shares of the Company have been traded on The Stock Exchange, Mumbai during the period from 1st April, 2008 to 31st March, 2009. The details of which are as under:

BSE

Month	High (Rs.)	Low (Rs.)	Shares Traded (No.)
April, 2008	4.56	3.25	132933
May, 2008	3.95	3.15	54780
June, 2008	3.30	2.55	37834
July, 2008	4.20	2.10	226814
August, 2008	4.30	3.51	51690
September, 2008	4.00	3.29	79902
October, 2008	3.80	2.83	42368
November, 2008	3.25	2.30	4972
December, 2008	3.50	2.76	8838
January, 2009	3.15	2.52	20627
February, 2009	3.00	2.86	4460
March, 2009	2.81	1.80	20948

i) Registrar and Share Transfer Agents :

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

M/s. Pinnacle Share Registry Pvt. Ltd.
Near Asoka Mills Premises, Naroda Road, Ahmedabad - 380 025.
Tele. No. : (079) 2220 4226, 2220 0338
Fax No. : (079) 2220 2963
e-mail Address: investor.service@psrpi.com

j) Share Transfer System :

The transfer of shares in physical form is processed and completed by M/s. Pinnacle Share Registry Pvt. Ltd. within a period of 25 days from the date of receipt thereof.

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

k) Distribution of Shareholding as on 31st March, 2009:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	1932	63.12	371168	5.70
501 to 1000	450	14.70	348101	5.35
1001 to 2000	274	8.95	390449	6.00
2001 to 3000	129	4.21	332991	5.11
3001 to 4000	46	1.50	169123	2.60
4001 to 5000	51	1.67	239010	3.67
5001 to 10000	84	2.74	593708	9.12
10001 to above	95	3.11	4067250	62.45
Grand Total	3061	100.00	6511800	100.00

l) Category of Shareholders as on 31st March, 2009:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	7,23,452	11.11
Financial Institutions/Banks	-	-
Mutual Fund	-	-
Bodies Corporate	4,07,565	6.26
NRIs	14,771	0.23
Public	53,66,012	82.40
Grand Total	65,11,800	100.00

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

The Company has not issued any GDRs/ADRs.

n) Dematerialisation of Shares :

The Company has entered into Shares. Agreement with NSDL / CDSL for Dematerialisation of Shares. As on 31st March, 2009, a total of -59,47,417 Shares of the Company which form 91.33 % of the Share Capital of the Company stands dematerialised.



10. PLANT LOCATIONS:

The Company's plant is located at 391 to 404, GIDC Estate, Phase-II, Dediyanan, Mehsana- 384 002.

11. ADDRESS FOR CORRESPONDENCE:

For both Physical and Electronic Form:

M/s. Pinnacle Share Registry Pvt. Ltd.
Near Asoka Mills Premises,
Naroda Road, Ahmedabad - 380 025.
Tele. No. : (079) 2220 4226, 2220 0338
Fax No. : (079) 2220 2963
e-mail Address: investor.service@psrpl.com

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

Registered Office :

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

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

Compliance Officer : Shri Babubhai A. Patel

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th June, 2009.

Babubhai A. Patel
Chairman

AUDITORS' CERTIFICATE

To
**The Members of
Promact Plastics Limited, Ahmedabad**

We have examined the compliance of conditions of Corporate Governance by M/s. Promact Plastics Limited, for the year ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

As per representation received from the Registrars of the Company, we state that as per records maintained by the Shareholders'/ Investors' Grievance Committee, no investor grievance remaining unattended/ pending for more than 30 days.

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

R.R.S. & ASSOCIATES
Chartered Accountants

Place : Ahmedabad
Dated : 30th June, 2009

Rajesh R. Shah
Proprietor
Membership No. 034549

MANAGEMENT DISCUSSION AND ANALYSIS
a. Industry Structure and Developments:

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

b. Opportunities and Threats:

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

c. Segmentwise Performance:

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

d. Recent Trend and Future Outlook:

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

e. Risks and Concerns:

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

f. Internal Control Systems and their Adequacy:

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

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2008-09 is described in the Directors' Report under the head 'Sales and Working Results'.

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

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

i. Cautionary Statement:

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

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th June, 2009.

Babubhai A. Patel
Chairman



AUDITORS' REPORT

To,
The Members
PROMACT PLASTICS LIMITED

We have audited the attached Balance Sheet of **Promact Plastics Limited** as at 31st March, 2009 and the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As require by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 7 of the said Order.

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report, are in agreement with the books of Account;
- (iv) In our opinion Balance Sheet, Profit & Loss Account and Cash flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of Companies Act, 1956.
- (v) On the basis of written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors disqualified as on 31st March, 2009 from being appointed as a Director in terms of clauses (g) of sub sections (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and subject to:
 - i) **Note No 4 of Schedule R regarding negative net worth** give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the State of affairs of the company as at 31st March, 2009 and
 - (ii) In the case of Profit and Loss Account, of the loss for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

R.R.S. & ASSOCIATES
Chartered Accountants

Place : Ahmedabad
Dated : 30th June, 2009

Rajesh R. Shah
Proprietor
Membership No. 034549

ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 1 of our report of even date]

- 1
 - a. As informed to us, the Company is in the process of maintaining of fixed assets register showing full particulars including quantitative details and situation of its Fixed Assets.
 - b. As informed to us, the management has not verified any of the Fixed Assets of the Company during the year.
 - c. In our opinion and according to the information and explanation given to us, substantial part of fixed assets has not been disposed off by the company during the year
- 2
 - a. As explained to us, the management at the year-end has physically verified inventory. In our opinion, the frequency of verification is reasonable.
 - b. As per the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. On the basis of our examination of the inventory records, we are of the opinion that, the company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- 3 In respect of loans / deposits taken or given from or to any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, we report that:

- a. The Company has neither granted nor taken any loan or deposit from a Company, firm or parties covered in the register maintained under section 301 to the Companies Act, 1956. Since there are no transactions of loan granted or taken, other requirement of the clause is not applicable.
- 4 In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- 5 a. According to the information and explanations given to us, we are of the opinion that the particulars of transactions that need to be entered into the register maintained under section 301 of the Company Act, 1956 have been so entered.
b. In our opinion and according to the information and explanations given to us the above transactions, wherever they exceeds the threshold limit specified, are made at a prices which are not prejudicial to the interest of the Company.
- 6 In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the provisions of section 58A, section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
7. The Company does not have any Internal Auditor of any special department / cell for Internal Audit, but looking towards the quantum and value of transactions and the Internal Control Procedures, the company has enough control over the transactions of the business.
- 8 As explained to us, The Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the products of the company.
- 9 a. According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, service tax, customs duty, excise duty, cess have generally been generally regularly deposited with the appropriate authorities.
b. According to the information and explanations given to us, there were no undisputed statutory dues, outstanding at the year end, for a period of more than six months from the date they became payable.
c. According to the information and explanation given to us the Company does not have any disputed liability with any government department
- 10 The Company has accumulated losses at the end of the financial year amounting to Rs. 749.49 lacs and have generated cash loss of Rs 107.92 lacs during the year.
- 11 According to the records of the company and the information and explanation given to us, the Company has not defaulted in repayment of either of loan or interest dues to banks.
- 12 According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the Company is not dealing in shares, securities, debentures and other investments therefore; the clause 4 (xvi) of the Order is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not provided corporate guarantee for loans taken by others from bank.
16. In our opinion and according to the information and explanation given to us, the company has not raised any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash flow statement of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
18. As the Company has not made any preferential allotment of share, hence the provision of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
19. The Company has not issued any debenture during the year.
20. The Company has not raised any money by way of Public Issues; therefore clause 4 (xx) of the Order is not applicable to the Company.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, nor such type of the case been reported or informed to us by the management.

R.R.S. & ASSOCIATES
Chartered Accountants

Place : Ahmedabad
Dated : 30th June, 2009

Rajesh R. Shah
Proprietor
Membership No. 034549

**PROMACT PLASTICS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2009**

				(Amount in Rs.)	
		SCHEDULE		As at 31-3-2009	As at 31-3-2008
A SOURCES OF FUNDS					
1	Shareholders' Funds				
	Share Capital	A	65118000		65118000
	Reserves & Surplus	B	9096527		9096527
				<u>74214527</u>	<u>74214527</u>
2	Deferred Tax Liability	C	22572112		21408951
3	Loan Funds				
	Secured Loans	D	70333122		60252100
	Unsecured Loans	E	66765927		75274368
				<u>137099049</u>	<u>135526468</u>
	TOTAL			<u>233885688</u>	<u>231149947</u>
B APPLICATION OF FUNDS					
1	Fixed Assets	F			
	Gross Block		146950865		146950865
	Less : Depreciation		71971916		65837816
	Net Block			<u>74978949</u>	<u>81113049</u>
2	Investments	G		<u>1929952</u>	<u>1087952</u>
3	Current Assets, Loans & Advances	H			
	Inventories		20022060		18080559
	Sundry Debtors		61586047		64869149
	Cash & Bank Balances		55557		593464
	Loans & Advances		12265699		16546476
	Total (A)		93929363		100089648
	Less : Current Liabilities & Provisions	I			
	Current Liabilities		9771826		4888943
	Provisions		2331701		3104212
	Total (B)		12103527		7993155
	Net Current Assets			81825836	92096494
4	Miscellaneous Expenditure to the extent not written off or adjusted	J		201972	400455
5	Profit and Loss A/C(Dr. Bal)	B		74948979	56451997
	TOTAL			<u>233885688</u>	<u>231149947</u>
	Notes to Accounts	V			

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

Rajesh R. Shah
Partner

Place : Ahmedabad
Date : 30th June, 2009

For and on behalf of the Board

Babubhai A. Patel Chairman

Sachin N. Patel Director

Place : Ahmedabad
Date : 30th June, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE	2008-2009	(Amount in Rs.) 2007-2008
A. INCOME:			
Sales	K	128669744	135333819
Less : Excise duty on Sales		13925396	18262142
		<u>114744348</u>	<u>117071677</u>
Other Income	L	714094	571358
Increase/(Decrease) in Closing Stock	M	(1904726)	13280737
Profit/(Loss) on Sale of Assets (net)		---	48399828
TOTAL		<u>113553716</u>	<u>179323599</u>
B. EXPENDITURE:			
Materials & Manufacturing Expenses	N	109216541	113964063
Payments to & for Employees	O	1918056	1573261
Administrative & Selling Expenses	P	1879558	1759499
Interest & Financial Charges	Q	10698331	10511191
Depreciation		6134100	5393352
Audit fees		50000	112360
Sundry Dr/Cr Balance Written off / back		385574	---
Preliminary and preoperative expense written off		198483	205598
TOTAL		<u>130480643</u>	<u>133519324</u>
C. Profit Before Tax		(16926927)	45804275
D. Provision For Tax			
Current Tax		---	665593
Deferred Tax		1163161	(8352466)
Fringe Benefit Tax		6000	10000
E. Income Tax for Earlier Years			
		---	29417
F. Profit After Tax			
Profit After Tax		(18096088)	53451731
Previous Year Expense		400894	74000
Profit After Previous Year Expense		(18496982)	53377731
Add : Balance as per last Year		(56451997)	(109829728)
G. Profit available for appropriation			
Proposed Dividend		-	-
Corporate Dividend Tax		-	-
General Reserve		-	-
H. Balance Carried to Balance Sheet			
		<u>(74948979)</u>	<u>(56451997)</u>
I. Basic/Diluted Earning Per Share of			
Rs. 10/- each fully paid up		(2.78)	8.21
Notes to Accounts	R		

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

Rajesh R. Shah
Partner

Place : Ahmedabad
Date : 30th June, 2009

For and on behalf of the Board

Babubhai A. Patel Chairman

Sachin N. Patel Director

Place : Ahmedabad
Date : 30th June, 2009

**PROMACT PLASTICS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULAR	(Rs. in Lacs)		
	2008-09		2007-08
A CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Taxes & Extra-Ordinary Items	(173.28)		458.04
Adjustments for :			
Depreciation	61.34		53.93
Loss / (Profit) on Sale of Assets (net)	---		(484.00)
Interest & Finance Charges	106.98		105.11
Dividend received	(1.41)		(1.05)
Interest received	(4.30)		(4.03)
Prior period expenses	4.01		0.74
Kasar/ Vatav received	---		0.14
Preliminary Expenses Written off	1.98		2.06
	<u>168.61</u>	<u>168.61</u>	<u>(327.10)</u>
Operating Profit before Working Capital Changes	(4.67)		130.94
(Increase) / Decrease in Inventory	(19.42)		(123.42)
(Increase) / Decrease in Trade Receivables	32.83		(194.05)
(Increase) / Decrease in Loans & Advances	40.74		0.29
Increase / (Decrease) in Trade Payables	41.10		(38.39)
	<u>95.26</u>	<u>95.26</u>	<u>(355.57)</u>
Cash Generated from Operation	90.59		(224.63)
Direct Taxes Paid	2.00		2.15
Net Cash from Operating Activities	88.59		(226.78)
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	0.00		(48.71)
Sale Of assets	0.00		506.93
Purchase of investments	(8.42)		(1.00)
Dividend received	1.41		1.05
Interest received	4.30		4.03
	<u>(2.71)</u>	<u>(2.71)</u>	<u>462.31</u>
Net Cash (used in) / from Investing Activities	(2.71)	(2.71)	462.31
C CASH FLOW FROM FINANCING ACTIVITIES			
Share Application Money Received	0.00		(83.52)
Increase/(Decreased) in Long Term Loans & Other Borrowings	15.73		(58.60)
Dividend Paid (with Tax)	0.00		0.00
Shares Issue Expenses incurred	0.00		0.00
Interest Paid	(106.98)		(105.11)
	<u>(91.26)</u>	<u>(91.26)</u>	<u>(247.24)</u>
Net Cash (used in) / from Financing Activities	(91.26)	(91.26)	(247.24)
D Net Increase/(decrease) in Cash and Cash Equivalents	(5.38)		(11.71)
Cash & Cash Equivalents in the beginning	5.93		17.65
Cash & Cash Equivalents at the end	0.56		5.93

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

Rajesh R. Shah
Partner

Place : Ahmedabad
Date : 30th June, 2009

For and on behalf of the Board

Babubhai A. Patel Chairman
Sachin N. Patel Director

Place : Ahmedabad
Date : 30th June, 2009

SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	(Amount in Rupees)	
	As at 31-03-2009	As at 31-03-2008
SCHEDULE - A : SHARE CAPITAL		
A Authorised Share Capital		
7000000 (P.Y. 7000000) Equity Shares of RS. 10 Each	70000000	70000000
TOTAL	<u>70000000</u>	<u>70000000</u>
Issued, Subscribed and Paid up Capital		
6511800 (P.Y. 6511800) Equity Shares of RS. 10/- each fully paid up	65118000	65118000
TOTAL	<u>65118000</u>	<u>65118000</u>
SCHEDULE - B : RESERVE AND SURPLUS		
General Reserve		
As per last Balance Sheet	9096527	9096527
Less: Bonus Shares Issued	-	-
Add : Transfer from Profit & Loss Account	-	-
	<u>9096527</u>	<u>9096527</u>
Profit and Loss Account		
As per last Balance Sheet	(56451997)	(109829728)
Add : Profit for the year	(18496982)	53377731
	<u>(74948979)</u>	<u>(56451997)</u>
TOTAL	<u>(65852452)</u>	<u>(47355470)</u>
SCHEDULE - C : DEFERRED TAX LIABILITY		
As per Last Balance Sheet	21408951	29761417
Add : Adjusted for the year	1163161	(8352466)
TOTAL	<u>22572112</u>	<u>21408951</u>
SCHEDULE - D : SECURED LOANS		
WORKING CAPITAL		
Mehsana Urban Bank A/c no. 27/44 (Against Mortgage of factory and land and building)	50644551	60252100
Mehsana Urban Bank A/c no. 13/05/260 (Against Stock & Bood Debts)	19688571	-
TOTAL	<u>70333122</u>	<u>60252100</u>
SCHEDULE - E : UNSECURED LOANS		
From Inter Corporate Company	20357182	20183382
From Others	5330674	5330674
Sales Tax Deferred Payment	41078071	49760312
TOTAL	<u>66765927</u>	<u>75274368</u>

SCHEDULE - F : FIXED ASSETS

(Rupees)

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 1-4-2008	Addition	Deduction	As on 31-3-2009	As on 1-4-2008	For the year	Deduct- ion	As on 31-3-2009	As on 31-3-2009	As on 31-3-2008
Air Condition	354,185	0	0	354,185	163,895	16,824	0	180,719	173,466	190,290
Computer	673,822	0	0	673,822	522,344	32,007	0	554,351	119,471	151,478
Electrical Installations	4,002,575	0	0	4,002,575	1,754,086	190,122	0	1,944,208	2,058,367	2,248,489
Equipment	237,633	0	0	237,633	104,824	11,288	0	116,112	121,521	132,809
Factory Building	19,269,104	0	0	19,269,104	5,797,378	643,588	0	6,440,966	12,828,138	13,471,726
Flats	804,818	0	0	804,818	109,468	13,119	0	122,587	682,231	695,350
Furniture and fixture	1,547,943	0	0	1,547,943	827,090	96,437	0	923,527	624,416	720,853
Mobile	22,475	0	0	22,475	10,680	1,068	0	11,748	10,727	11,795
Plant and machinery	117,342,101	0	0	117,342,101	55,788,433	5,053,314	0	60,841,747	56,500,354	61,553,668
Vehicles	835,951	0	0	835,951	759,618	76,333	0	835,951	0	76,333
Leasehold land	1,860,258	0	0	1,860,258	0	0	0	0	1,860,258	1,860,258
TOTAL	146,950,865	0	0	146,950,865	66,837,816	6,134,100	0	71,971,916	74,978,949	81,113,049
Previous Year	150,749,486	4,871,146	8669767	146,950,865	66,821,058	5,393,352	6,376,594	65,837,816	81,113,049	83,928,428

Particulars	(Amount in Rs.)	
	As at 31-03-2009	As at 31-03-2008

SCHEDULE - G : INVESTMENTS

Investment in Shares

Quoted

Dena Bank (3686 shares, Market value as on 31.3.2009 of Rs. 52/ share)

104922
104922
Unquoted

Amarnath Co.op. Bank Ltd.

73505
73505

Mehsana Urban Bank

1750500
908500

The Co.Op. Bank of Mehsana Ltd.

1025
1025
1929952
1087952
SCHEDULE - H : CURRENT ASSETS
INVENTORIES (as taken, valued and certified by management)

Stock of Raw Materials

5686978
1840751

Stores and Spares

2035870
1032458

Stock of Finished Goods and WIP

12299212
15207350

Total

20022060
18080559
SUNDRY DEBOTRS (UNSECURED AND CONSIDERED GOOD)

More than Six months

42208761
39682798

Others

19377286
25186351

Total

61586047
64869149
CASH & BANK BALANCES
Cash on hand
5724
257664

Balance With Scheduled Banks

In Current Accounts

49833
335799

Total

55557
593463
LOANS & ADVANCES

Sundry Loans and Deposits

7142990
10431071

Advance Receivable in Cash or in Kind or For Value to be Received

749884
2070744

(Unsecured and Considered Good)

Advances to Suppliers

4372825
4044661

Total

12265699
16546476

ANNUAL REPORT 2008-2009

Particulars	(Amount in Rs.)	
	As at 31-03-2009	As at 31-03-2008
SCHEDULE : I - CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Creditors for Goods	8123334	3439116
Creditors for Services	1411045	1436992
Advances from Customers	<u>237447</u>	<u>12835</u>
TOTAL	<u><u>9771826</u></u>	<u><u>4888943</u></u>
PROVISIONS		
Provisions for Taxation incl. FBT	6000	1178036
Provision for Audit Fees	50000	112360
T.D.S. Payable	418320	975883
Provision for expenses	1380783	837933
CST/VAT Payable	<u>476598</u>	<u>---</u>
TOTAL	<u><u>2331701</u></u>	<u><u>3104212</u></u>
SCHEDULE : J - MISCELLANEOUS EXPENSES (to the extent not written off)		
A. Preliminary Expenses		
Opening Balance	26308	59731
Less : Written off during the year	<u>26308</u>	<u>33423</u>
TOTAL (A)	---	26308
B. Preoperative Expenses		
Opening Balance	374147	546322
Less : Written off during the year	<u>172175</u>	<u>172175</u>
TOTAL (B)	<u>201972</u>	<u>374147</u>
TOTAL	<u><u>201972</u></u>	<u><u>400455</u></u>
	<u>2008-09</u>	<u>2007-08</u>
SCHEDULE : K - SALES		
Gross Sales		
Trading Sales	---	8025250
Manufacture Sales	128342943	126582582
Total Gross Sales	128342943	134607832
Less: Excise Duty	<u>13925396</u>	<u>18262142</u>
Net Sales	<u>114417547</u>	<u>116345690</u>
Job Work Income	326801	725987
TOTAL	<u><u>114744348</u></u>	<u><u>117071677</u></u>
SCHEDULE : L - OTHER INCOME		
Dividend Received	141374	105098
Kasar/ Vatav Received	---	14068
Other Interest Received	429711	403248
Other Income Received	<u>143009</u>	<u>48944</u>
TOTAL	<u><u>714094</u></u>	<u><u>571358</u></u>
SCHEDULE : M - INCREASE / (DECREASE) IN STOCKS		
Closing Stock of Finished Goods and WIP	<u>14335082</u>	<u>16239808</u>
	<u>14335082</u>	<u>16239808</u>
Opening Stock of Finished Goods and WIP	<u>16239808</u>	<u>2959071</u>
	<u>16239808</u>	<u>2959071</u>
TOTAL	<u><u>(1904726)</u></u>	<u><u>13280737</u></u>

	2008-09 (RS.)	2007-08 (RS.)
SCHEDULE : N - MATERIALS & MANUFACTURING EXPENSES		
Opening Stock of Raw Material	1840751	2779013
	<u>1840751</u>	<u>2779013</u>
Add : Purchase of Raw Material during the year	94411021	102597161
Freight Inward	1542327	1901416
Less: Closing Stock of Raw Material	<u>5686978</u>	<u>1840751</u>
Raw Material Consumed	92107121	105436839
Manufacturing Expenses		
Water Charges	47439	55669
Electrical Expenses	9817430	6896678
Labour Charges	4850560	877127
Stores Consumed, Machine maintenance and repairs	2071756	577750
Excise duty Expenses	208350	---
Security Expenses	113885	120000
	<u>17109420</u>	<u>8527224</u>
GRAND TOTAL	<u>109216541</u>	<u>113964063</u>

SCHEDULE : O - PAYMENTS TO & FOR EMPLOYEES		
Salary	1580038	1329341
Medical and Welfare	9008	4211
Provident Fund	244037	239709
Staff Bus Expense	84973	---
TOTAL	<u>1918056</u>	<u>1573261</u>

SCHEDULE : P - ADMINISTRATIVE & SELLING EXPENSES		
Miscellaneous Expenses	1273985	1108554
Telephone Expenses	61533	99746
Bad Debt	106996	---
Insurance	11584	23508
Rates & Taxes	---	19966
Outward Freight	344697	403597
Stationery And Printing	45176	40582
Travelling Expenses	<u>35587</u>	<u>63546</u>
TOTAL	<u>1879558</u>	<u>1759499</u>

SCHEDULE : Q - INTEREST & FINANCIAL CHARGES		
Bank Commission	139233	13667
Interest Paid to bank	8947354	6204461
Other Interest	<u>1611744</u>	<u>4293063</u>
Total	<u>10698331</u>	<u>10511191</u>

SCHEDULE - R : NOTES TO ACCOUNTS**A. SIGNIFICANT ACCOUNTING POLICIES****(a) ACCOUNTING CONCEPT**

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

(b) REVENUE RECOGNITION

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

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

(c) FIXED ASSETS & DEPRECIATION

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

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

(d) IMPAIRMENT OF ASSETS

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

(e) INVENTORIES

Closing stock of Raw Materials, Stores & Spares and Packing Materials are valued at Cost. Cost includes value of material and cost up to the factory gate. Cost is determined on a first in first out basis.

Finished Goods are valued at Cost or Market Value whichever is lower. Cost includes direct materials plus labour and manufacturing overheads.

(f) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

Any contingent asset is not recognized in the Accounts.

(g) RETIREMENT BENEFITS

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

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

(h) INCOME TAX

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



B. NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES

(Rs. in Lacs)

	<u>2008-09</u>	<u>2007-08</u>
	Nil	Nil
2. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the current Assets, Loans and Advances in the ordinary course of the business will not be less than the amount stated in the Balance Sheet.		
3. The previous year figures have been regrouped / reclassified, wherever necessary, to make them comparable with the figures of current year.		
4. During the year the company has incurred cash loss of Rs 107.92 lacs and at the end of the year net worth is negative by Rs 7.34 lacs. However, the accounts are prepared with the concept of Going Concern. As per the information and explanations given to us, the company is taking positive steps to move further for survival.		
5. Company does not have information about SSI status of creditor particulars of SSI creditors. Hence, particulars of SSI creditors to whom an amount of Rs. 1 lac or more payable and was outstanding for more than 30 days is not furnished.		
6. Micro and Small Scale Business Enterprises: The management has initiated the process of identifying enterprises which have been providing goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprise Development Act, 2006. Accordingly, the disclosure requirement here under is not furnished.		
7. Balance confirmations in respect of debtors, creditors and loan granted / taken are subject to confirmation and reconciliation.		
8. Components of Net Deferred Tax Liability		

	As at <u>31-03-2009 (Rs.)</u>	As at <u>31-03-2008 (Rs.)</u>
Deferred Tax Liability		
Depreciation	22572112	21408951
Deferred Tax Assets		
Expenses allowable for tax purposes in the following years	Nil	Nil
Net Deferred Tax Liability	22572112	21408951

7. Managerial Remuneration

Paid to Managing Director

	<u>2008-09 (Rs.)</u>	<u>2007-08 (Rs.)</u>
Total	Nil	Nil

8. AUDITORS' REMUNERATION

	<u>2008-09 (Rs.)</u>	<u>2007-08 (Rs.)</u>
For Auditor Remuneration	50000	112360
For Others	Nil	Nil
TOTAL	50000	112360

9. Earnings Per Share :

	<u>2008-09 (Rs.)</u>	<u>2007-08 (Rs.)</u>
Profit attributable to the Equity Shareholders	(18096088)	53451732
Weighted average number of Equity shares of Rs. 10/- each fully paid up outstanding during the year	6511800	6511800
Basic / Diluted earning per share of Rs. 10/- each fully paid up	(2.78)	8.21

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

4. Quantitative Details as per Para - III and IV of Schedule VI of Companies Act, 1956.

Additional information in respect of quantitative details required to be given under Para - III and IV of Schedule VI of Companies Act, 1956 (as certified by Managing Director)

(A) CAPACITY & PRODUCTION

Licence Capacity	:	NA
Installed Capacity	:	6750 Mt Pa
Production	:	
(As Certify by the management)		

(B) CLOSING STOCK OF FINISHED/SEMI FINISHED GOODS PRODUCED

Product Name	Qty. - Finished Goods	Qty. (WIP)	Total Qty.	Amount (Rs.)
Sacks (Nos.)	160887	42313	203200	2591322
	(162992)	(249300)	(412292)	(3875206)
Fabrics (Kgs)	82486	12381	94867	7988050
	(58556)	(39986)	(98542)	(10120970)
Tape on Looms(Kgs.)	9762	13288	23050	1682650
	(9274)	(5984)	(15258)	(1194549)
Wastage (Kgs.)	3719	0	3719	37190
	(1015)	0	(1015)	(16626)
TOTAL				<u>12299212</u>
				<u>(15207350)</u>

(C) CLOSING STOCK OF RAW MATERIALS

Product Name	Qty - Kgs.	Amount(Rs.)
HDPE/PP/LDPE/MB/FILLER	87814	5609805
	(26542)	(1804101)
Others	1017	77173
	(733)	(36650)
TOTAL		<u>5686978</u>
		<u>(1840751)</u>

(D) SALES OF MANUFACTURED GOODS

	2008-2009		2007-2008	
	Qty.	Amount (Rs.)	Qty.	Amount(Rs.)
SACKS (NOS.)	17700677	105664758	13503883	86959696
Wastage (kgs.)	65149	789755	89781	1125848
Fabrics (Kgs.)	1200198	7963034	255070	19408712
Tape Strip (Kgs.)	Nil	Nil	12542	826184
TOTAL		<u>114417547</u>		<u>108320440</u>

(E) SALES OF TRADING GOODS

	Kgs.	Nil	Nil	125000	8025250
HDPE/LDPE Granuals					
Total		<u>Nil</u>	<u>Nil</u>	<u>125000</u>	<u>8025250</u>

(F) RAW MATERIAL CONSUMPTION

	Kgs.	1443868	92107121	1691070	105436839
HDPE/PP/LDPE & OTHERS					
Total		<u>1443868</u>	<u>92107121</u>	<u>1691070</u>	<u>105436839</u>

(G) CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS

	2008 - 2009		2007 - 2008	
	Amount (Rs.)	%	Amount (Rs.)	%
Indigenous	92107121	100	105436839	100
Imported		Nil		Nil

**PROMACT PLASTICS LIMITED****(H) CONSUMPTION OF IMPORTED & INDIGENEOUS STORES & SPARES**

	2008 – 2009		2007 – 2008	
	(Rs.)	%	(Rs.)	%
Indigenous	2071756	100	577750	100
Imported		Nil		Nil

(I) EARNINGS / EXPENDITURE IN FOREIGN CURRENCY

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
FOB Value of Exports	Nil	4016818
Expenditure in foreign Currency	Nil	Nil

(J) CIF Value of Imports

CIF Value of imports	Nil	Nil
-----------------------------	-----	-----

11. BALANCESHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**1. Registration Details**

Registration No.	37432	State Code	04
Balance Sheet Date	31 st March, 2009		

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

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

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

Total Liabilities	233885688	Total Assets	233885688
-------------------	-----------	--------------	-----------

Source of Funds

Paid-up Capital	65118000	Reserve & Surplus	9096527
Share Application Money		Differed Tax Provision	22572112
Secured Loans	70333122	Unsecured Loans	66765927

Application of Funds

Net Fixed Assets	74978949	Investments	1929952
Net Current Assets	81825836	Misc. Expenditure	201972
Accumulated Losses	74948979		

4. Performance of Company (Rs. in Lacs)

Total Revenue	113553716	Total Expenditure	130480643
Profit/Loss Before Tax	(16926927)	Profit After Tax	(18096088)
Earning per Share (Rs.)	(2.78)	Dividend Rate (%)	N.A.

5. Generic Name of Principal Product of Company

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

As per our Report of even date

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

Chartered Accountants

Rajesh R. Shah

Partner

Place : Ahmedabad

Date : 30th June, 2009

For and on behalf of the Board

Babubhai A. Patel Chairman**Sachin N. Patel** Director

Place : Ahmedabad

Date : 30th June, 2009

PROMACT PLASTICS LIMITED

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

25th Annual General Meeting

Wednesday, the 30th September, 2009 at 12.00 Noon.

ATTENDANCE SLIP

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

Signature of Member/ Proxy attending the meeting _____

Notes:

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

PROMACT PLASTICS LIMITED

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

FORM OF PROXY

I/We _____

of _____ in the district of _____

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

of _____ in the district of _____

or failing him _____

of _____ in the district of _____

as my/our Proxy to attend and vote for me/us on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Wednesday, the 30th September, 2009 and at any adjournment thereof.

Signed the _____ day of _____ 2009.

Signature _____

Affix
Revenue
Stamp

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

**BOOK-POST
PRINTED MATTER**

To,

If undelivered, please return to :

PROMACT PLASTICS LIMITED

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