



Ecoplast Ltd.

Twenty Eighth Annual Report 2009-2010

- Board of Directors** :
- | | |
|------------------------|---|
| Mr. P. P. KHARAS | - Chairman |
| Mr. JAYMIN B. DESAI | - Managing Director |
| Mr. BANKIM B. DESAI | - Director |
| Mr. JEHANGIRA. MOOS | - Director |
| Mr. DHANANJAY T. DESAI | - Director (Alternate to Mr. Bankim B. Desai) |
| Mr. MUKUL B. DESAI | - Director |
| Mr. BHUPENDRAM. DESAI | - Director |
- Compliance Officer** : Mr. M. D. DESAI
- Bankers** : *BANK OF BARODA*
Main Branch,
Nani Khatriwad,
Valsad – 396 001,
Gujarat.
- Auditors** : M/s. AKKAD MEHTA & COMPANY
Chartered Accountants,
Vatika Bldg., Flat No. 2,
14 Baptista Rd., Opp. Ishwarlal Park,
Vile Parle (W), Mumbai – 400 056.
- Share Registrars
& Managers to the
Fixed Deposit
Scheme** : TSR DARASHAW LTD.
6-10, Haji Moosa Patrawala Ind.Est.
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai – 400 011.
- Registered Office** : National Highway No. 8,
Water Works Cross Road, Abrama,
Valsad - 396 001, Gujarat.
Email : ecoval@ecoplastindia.com
- Head Office** : 4, Magan Mahal,
215, Sir. M. V. Road,
Andheri (E), Mumbai-400 069.
Email : ecobom@ecoplastindia.com
- Web site** : <http://www.ecoplastindia.com>

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NOTICE

Notice is hereby given that the TWENTY EIGHTH Annual General Meeting of the Company will be held at the Country Club, At & P.O.Vashier, Valsad - 396 001 at 11.30 a.m. on Saturday, 18th September, 2010 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account 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, 2010.
3. To appoint a Director in place of Mr. P. P. Kharas, who retires by rotation and, being eligible, offers himself for reappointment
4. To appoint a Director in place of Mr. Mukul B. Desai, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint M/s Akkad Mehta & Co., Chartered Accountants, retiring Auditors of the Company who are eligible for reappointment, as the Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

1. To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution:
“**RESOLVED THAT** pursuant to Section 309 of the Companies Act, 1956, and article 142 (c) of the Articles of Association of the Company and within the limits stipulated in Section 309 (4) of the Companies Act, the Company be and is hereby authorised to pay to its Directors (other than the Managing Director and the Directors in the whole time employment of the company) for a period of 5 years commencing from 1st April, 2009, such commission as the Board may from time to time determine, (to be divided amongst them in such proportion as may be determined by the Board from time to time and in default of such determination, equally) but so that, such payment of commission shall not exceed 1 % of the net profits of the Company in any Financial Year (computed in the manner provided in Section 198 (1) of the Companies Act, 1956), or Rs. 5,00,000/- in aggregate whichever is lower.”

2. To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution:

“**RESOLVED THAT**, pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the concerned authorities, if required, the consent of the Company be and is hereby accorded to Mrs. N. R. Divecha, relative of a Director of the Company, to hold with effect from 1st April 2009 and continue to hold an office or place of profit in the Company on a monthly remuneration not exceeding Rs. 20,000/- (Rupees Twenty thousand) including all perquisites and amenities.”

“**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and are hereby authorised to increase the remuneration or vary the terms and conditions of the appointment from time to time subject to the condition that the total remuneration shall not exceed the maximum limit of Rs. 49,000/- per month.”

For and On Behalf of the Board of Directors

J. B. Desai

Mumbai, 30th July, 2010

Managing Director

Notes:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM SELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy form duly completed must be returned so as to reach the registered office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.
- b) The relative Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business, Items No:6 and 7, is Annexed herewith.
- c) The Register of Members and the Share Transfer books of the Company will remain closed from Friday 10th September, 2010 to Saturday 18th September, 2010 (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 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) The Companies Act, 1956 provides facility for making nominations by shareholders in respect of their holding of shares. Such nominations facilitates transmission of shares from the deceased shareholder to his / her nominee without going through the time consuming and cumbersome process of obtaining Succession Certificate / Probate or the Will. It would, therefore, be in the best interest of the shareholders holding shares in physical form as sole registered holders to make such nominations without any delay. Nominations will have to be made in the prescribed Form – 2B (see rule 5D & Form no: 2B). It may be noted that for shares held in electronic form, the concerned shareholders have to register their nominations directly with their respective depository participants.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Agenda Item No 6

At the Annual General Meeting of the Company held on 2nd September 2005, the members had through a Special Resolution approved the payment of remuneration by way of commission on net profits to non-executive Directors effective from 1st April 2004 for a period of five years. The validity of this resolution expired on 31.3.2009.

The Company has at present five non-executive Directors on its Board namely, Mr. P. P. Kharas, Mr. B. B. Desai, Mr.

Mukul B. Desai, Mr. J. A. Moos & Mr. Bhupendra M. Desai. Each of these Directors are currently being paid remuneration by way of commission on net profits apart from normal sitting fees for attending the meetings of the Board of Directors or committees thereof.

With the changes in Corporate Governance norms and the level of involvement of independent non-executive Directors in the supervision and control of the Company as members of its Board and also as Chairman/Members of the relevant committees of the Board, the role on non-executive independent Directors has undergone qualitative changes. Considering this the Board is of the view to continue to remunerate the non-executive Directors, by way of commission on net profits, apart from normal sitting fees, for a further period of five years with effect from 1st April 2009.

Mr. P. P. Kharas, Mr. B. B. Desai, Mr. Mukul B. Desai, Mr. J. A. Moos & Mr. Bhupendra M. Desai, non-executive Directors of the Company are deemed to be concerned or interested in this resolution.

The Board commends the passing of the resolution as set out as Item No. 6 of the accompanying Notice for approval by members.

Agenda Item No 7

Mrs. N. R. Divecha has been looking after the company secretarial matters and she has been paid a monthly remuneration not exceeding the maximum limit of Rs. 49,000/- per month.

As per the provisions of Section 314 of the Companies Act, 1956 consent of the members of the Company is required for the payment of aforesaid remuneration to a relative of a Director of the Company by way of a special resolution.

Accordingly, a special resolution at Item No. 7 of the accompanying notice is proposed for the approval of the members of the Company.

Mr. P. P. Kharas, Director of the Company is interested or concerned in the said resolution being a relative of Mrs. N. R. Divecha.

The Directors commend the passing of the resolution as set out as Item No. 7 of the accompanying Notice for approval by members.

For and On Behalf of the Board of Directors

J. B. Desai
Managing Director

Mumbai, 30th July, 2010.

FINANCIAL HIGHLIGHTS

(Rs.'000)

	31.3.2010	31.3.2009	31.3.2008	31.3.2007	31.3.2006	
OPERATION						
Sales (Net)	484,717	318,030	371,583	347,108	319,700	
Other Income	1,339	1,759	2,740	1,558	636	
Operating Profit	33,627	8,699	24,425	19,630	11,405	
[Before Depreciation and Investment Allowance]						
Profit before Tax	22,698	(2,246)	14,249	10,801	2,231	
Profit after Tax (including prior period items)	13,066	(287)	10,384	7,338	2,555	
Dividend and Corporate Tax thereon	6,297	0	6,318	5,265	3,421	
Retained Earnings	6,769	(287)	4,066	2,073	(866)	
Earnings per Share (Rs.)	4.36	(0.10)	3.46	2.45	0.85	
[On Face Value of Rs.10/-]						
ASSETS						
Gross Block	225,273	224,944	223,389	189,172	182,190	
Net Block	105,361	117,258	126,647	101,436	102,414	
Net Current Assets	113,783	57,487	5,963	111,830	95,308	
Total Assets	286,175	210,920	296,478	250,044	221,564	
NET WORTH						
Equity Capital	30,000	30,000	30,000	30,000	30,000	
Reserves and Surplus	99,013	92,244	92,530	87,401	85,327	
Net Worth	129,013	122,244	122,530	117,401	115,327	
Book value per share (Rs.)	43.00	40.75	40.84	39.13	38.44	
[On Face Value of Rs.10/-]						
BORROWINGS						
Long Term	12,205	17,689	24,063	5,022	7,641	
Short Term	62,499	19,345	67,693	72,201	60,912	
	74,704	37,033	91,757	77,224	68,553	
RATIOS						
Profit before Tax to Sales and other Income	%	4.67	(0.70)	3.81	3.10	0.70
Profit before Tax to Net Worth	%	17.59	(1.84)	11.63	9.20	1.93
Dividend to Equity Capital	%	18	-	18	15	10
Dividend to Net Worth	Yield	5	-	5	4	3
Return on Capital Employed	%	13	5	12	10	5
Dividend Cover	Times	2.08	-	1.64	1.39	0.75
Current Ratio	Ratio	1.45:1	1.67:1	1.29:1	1.48:1	1.69:1
Long Term Debt : Equity (Net Worth)	Ratio	0.17:1	0.21:1	0.28:1	0.09:1	0.26:1

DIRECTORS' REPORT

To

The Members,

The Directors are pleased to present their Twenty-Eighth Annual Report and Audited Accounts for the year ended 31st March 2010.

52% to Rs. 4861 lacs compared to Rs.3198 lacs of the previous year. Operating Profit before depreciation increased threefold to Rs. 350 lacs. The Company has earned Net Profit after tax and prior period adjustment, of Rs.132 lacs, against net loss of Rs.2.87 lacs of the previous year.

1. FINANCIAL RESULTS

	Rs.'000	
	31-3-2010	31-3-2009
Net Sales	484,717	318,030
Other Income	1,339	1,759
Sales and Other Income	486,056	319,789
Operating Profit (before Depreciation)	33,627	8,699
Less: Depreciation	12,285	10,945
Profit before Tax	22,698	(2,246)
Less: Provision for Tax		
Current Tax	9,660	210
Deferred Tax Credit	(9)	(2,854)
Fringe Benefit Tax		275
Profit after Tax	13,029	124
Prior period adjustment		(409)
Short Provision of Tax for Prior Years	37	(2)
Net Profit after Prior period items	13,066	(287)
Add : Balance Brought Forward	27,962	28,249
Profit available for Appropriation	41,028	27,962
APPROPRIATION :		
Transfer to General Reserve	1,500	-
Dividend on Equity Shares	5,400	-
Corporate Dividend Tax	897	-
Balance Carried Forward	33,231	27,962
	41,028	27,962

2. OPERATING RESULTS

During the year under review, net sales increased by

3. DIVIDEND

The Board of Directors recommend a dividend of Rs. 1.80 per equity share (18%) for the year. (Previous year – Nil) on the equity shares for the year 2009-10 for approval at the Annual General Meeting. The dividend if approved, will result in a cash outflow of Rs. 62.97 lacs including dividend tax.

4. TRANSFER TO RESERVES

The Company proposes to transfer Rs. 15.00 lacs to the General Reserve out of the amount available for appropriations and an amount of Rs. 52.69 lacs is proposed to be retained in the Profit & Loss Account.

5. FIXED DEPOSIT

The Company continued accepting Fixed Deposits from the public during the year under review. The Company received Rs. 24,51,000/- 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 20 deposits amounting to Rs.3,75,000/- which have matured but have not been claimed. Of these, 5 Deposits, amounting to Rs.54,000/- have been renewed or repaid up to the date of this Report.

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

6. OPERATIONS

From last year's depressed levels, the business improved significantly during second half of the current year. The Capital investment made in the previous years and the significant efforts made in promoting sales of Specialty films, resulted in higher sales volumes and profitability that will be sustained in the current year.

During the year under review the export business has also improved significantly. The export sales volume and value during the year were 1360 MT and Rs. 1342.98 lacs respectively against 740 MT and Rs. 779.84 lacs of the previous year.

The volatility in the raw material prices continued as in the previous year. However, the prices fluctuated in a narrower range; with continuous monitoring and control of sales prices and all operating variables, a slide in profit margins was prevented.

7. PROSPECTS FOR THE CURRENT YEAR

The Company expects that revenues and profitability will continue to grow in the current year. This is based on the fact that :

- The Company has developed a strong product development capability.
- There is now a geographic diversity in its export markets.
- The Company has established long standing relationships with its key customers, by its ability to provide customized multilayer films. These customers funnel opportunities for growth.
- The Company has a wider range of specialty films.

- The extrusion lines have been operating at near full capacity levels. The Company will add additional capacity of 1800 MT per annum, which will be in operation in the second quarter. This plant will feature recent developments in technology, providing improved operating efficiency, with lower operating costs. The Company has already sold one of its oldest (imported in 1987) extrusion line.

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 2010 is given in the Annexure to this Report.

9. PARTICULARS OF EMPLOYEES

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

10. DIRECTORS

Mr. P. P. Kharas, Chairman, and Non-Executive Director of the Company from October 2007, liable to retire by rotation, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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

11. CORPORATE GOVERNANCE

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

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures from the applicable accounting standards.
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2010 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 28th Annual General Meeting and are eligible for re-appointment. A

Certificate to the effect that their reappointment, if made, will be in accordance with the limit specified in Sub-section (1-B) of Section 224 of the Companies Act, 1956 has been furnished.

14. SECRETARIAL AUDIT REPORT

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Secretarial 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. 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, 30th July 2010

ANNEXURE TO THE DIRECTORS' REPORT

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 :

Focus on future development will continue on:

- Films required for extending shelf-life for packaging fruits, vegetables, marine products and poultry in the domestic and export markets.
- 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)	
	31.03.10	31.03.09
a) Capital Expenditure	-	-
b) Recurring Expenditure	662.00	508.00
c) Total Expenditure	662.00	508.00
d) Total R & D Expenditure as a percentage of total turnover	0.14	0.16

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

E. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. '000)	
a) Foreign Exchange Earnings	:	127,486
b) Foreign Exchange Outgo	:	135,190
(Raw material, Spares & Plant and Machinery)		

For, and on behalf of the Board of Directors

P. P. Kharas
Chairman

Mumbai, 30th July, 2010

COMPLIANCE CERTIFICATE

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

To,
The Members
Ecoplast Limited
National Highway No.8,
Water Works Cross Road,
Abrama, Valsad
Gujarat – 396001.

We have examined the registers, records, books and papers of **ECOPLAST LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2010**. 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 and subject to comments in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and the entries therein have been duly 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 8 (Eight) times on 22.05.2009, 27.06.2009, 25.07.2009, 11.09.2009, 29.10.2009, 29.01.2010, 08.02.2010 and on 20.03.2010 in respect of which meetings notices were given and the proceedings were recorded and signed including the circular resolution dated 13.04.2009 in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 01.09.2009 to 11.09.2009 (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, 2009 was held on 11.09.2009 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 during the financial year.
9. The Company has not entered into any contracts within the purview of Section 297 of the Act.
10. The company has not made necessary entries in the register maintained under section 301 of the Act.
11. The payment of remuneration to a relative of Director is subject to compliance with Section 314 of the Act.
12. The company has not issued any duplicate share certificates during the financial year.
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 has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
(iv) The Company has transferred the amounts of unpaid dividend, 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 generally 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 Directors/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company made application under section 621A of the Companies Act, 1956 for compounding of an offence under section 297 of the Companies Act, 1956. The Regional Director, Ministry of Corporate Affairs has passed necessary order compounding the said offence.
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 during the financial year ending 31st March, 2010 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 of the provisions of the Act.
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. There were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

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

Place: Mumbai
Date: 30th July 2010

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.(updated upto the year 2005)
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
4. Attendance Register of Audit Committee Meetings
5. Attendance Register of Share Transfer / Investor Grievance Committee Meetings
6. Attendance Register of Remuneration Committee Meetings.

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

Place: Mumbai
Date: 30th July 2010

Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on March 31, 2010:

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 61	621A	Application under section 621A of the Companies Act, 1956 seeking compounding of offence under section 297 of the Companies Act, 1956	20.05.2009	-	-
2.	Form 32	303	Resignation of Mr. B. R. Tarafdar as Company Secretary w.e.f. 07.07.2009	04.08.2009	Yes	N.A.
3.	Form 62	Rule 4A of the Companies Acceptance of Deposit Rules & Sec 58A	Statement in lieu of Advertisement	14.09.2009	Yes	N.A.
4.	Form 23 AC & Form 23ACA alongwith Annual Report for the year ended 31.03.2009	220	Approved at the Annual General Meeting held on 11.09.2009	08.10.2009	Yes	N.A.
5.	Form 11NV	205C	Unpaid dividend amounting to Rs.78,795/- declared on 27.09.2002 credited to IEPF on 20.10.2009	26.10.2009	Yes	N.A.
6.	Form 20B alongwith Annual Return made as on 11.09.2009	159	Annual General Meeting held on 11.09.2009	16.11.2009	No	Yes
7.	Form 21	621A	Order of Regional Director Western Region for compounding fees u/s 621A	22.03.2010	Yes	N.A.
8.	Form 62	Rule 10 of the Companies (Acceptance of Deposits) Rules, 1975	Return of Deposits as on 31 st March, 2009	19.06.2009	Yes	N.A.

Place : Mumbai
Date : 30th July 2010

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

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Outlook

Based on several independent research studies, (the latest by the Austrian, sustainable development consultancy – Denkstatt) it is now being widely recognized that substitution of traditional materials with plastics, for comparable or better performance, would result in 50% reduction of “Green House Gases” and 46% lower energy consumption. This study was presented at the recent Copenhagen Seminar of the World Business Council of Sustainable Development. A study conducted by the “German Society for Research in the Packaging Market”, shows that if plastics packaging were replaced with traditional materials (such as : paper, tin-plate, glass, aluminum) the weight and volume of disposables, would increase by a factor of 4 and 2.5 respectively, along with twice the level of energy consumption and double the cost of packaging.

Plastics packaging lends itself to recycling into products for non-food applications at the lowest comparable energy consumption; or burns clean as a fuel or can burn clean in cement kilns with calorific value higher than coal or oil; a good example of renewable energy.

“At the Copenhagen Seminar a new term was coined – “the plastics paradox” “the more we use the more we save”. The future of plastics packaging is underlined by these facts and the public’s resolve to :

REDUCE, REUSE, RECOVER & RECYCLE

According to industry sources, Indian packaging industry is expected to achieve a substantial growth during the current financial year. Leading companies in the Indian packaging industry have shown a compound annual growth ranging from 10% to 30 %

Barring a few units, majority of multilayer film plants are in the unorganized sector, basically extruding films for printing and lamination. With a low barrier in terms of technology as well as investment , the industry over a period of time has become a region-based industry in domestic as well as in export market. However there is always scope for quality film producers in domestic as well as export market. The industry has shown positive growth in second half of the year and barring unforeseen circumstances, is expected to continue growing during current year.

Many of the large consumers of multilayer films have put up their own film plants in the past and this trend is continuing. This reduces the scope for growth in this traditional business and can no longer sustain growth over long term.

2. Opportunities and Threats

There are good opportunities in the speciality application film business - mostly industrial applications, with relatively high technology content and which are generally import substitutes. The risk of backward integration is less in these applications.

Over the last three years, the industry has encountered volatility and uncertainty on price movements of PE, attributed to limited availability of petrochemical feedstock. Dependency on imported raw material for certain critical applications is a recognised risk.

3. Segment-wise and Product-wise performance.

The Company has only one segment namely Multilayer Films.

4. Outlook

The outlook for the Company is positive, because the industrial sectors in which the Specialty films are sold, shows good growth prospects. Innovation in developing

film structures, followed by evaluation and validation of films in speciality applications is an ongoing process.

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 2010

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 :

Composition, attendance at Board meetings, Committee meetings and the last AGM, Outside Directorships; for the year April '09 to March '10.

Names	No. of Board Meetings Attended	No of Audit Committee Meetings Attended	No. of Remuneration Committee Meetings Attended	No. of Shareholders/ Investor Grievance Committee Meetings Attended	Attendance at Previous AGM held on 11.09.2010	No. of Outside Directorships held in other public Companies as on 31.03.2010	Executive/ Non-Executive/ Independent
P. P. Kharas Chairman	8	4	1	4	Present	Nil	Non-Executive
J. B. Desai Managing Director	8	N.A.	N.A.	N.A.	Present	Nil	Executive
J. A. Moos	7	4	1	3	Absent	1	Non-Executive & Independent
D. T. Desai (Alternate to Bankim B. Desai)	3	N.A.	N.A.	N.A.	Absent	2	Non-Executive & Independent
Mukul B. Desai	7	4	1	4	Present	4	Non-Executive & Independent
Bhupendra M. Desai	8	N.A.	1	N.A.	Present	Nil	Non-Executive & Independent

- i) The Board comprises of one Executive Director and five non-executive Directors. Out of five non-executive Directors four Directors are independent.
- ii) During the year 2009-10, the Board of Directors met eight times on 22nd May 2009, 27th June 2009, 25th July 2009, 11th September 2009, 29th October 2009, 29th January 2010, 8th February 2010, and 20th March 2010.

- iii) The details of attendance of each Director at the Board meetings and the last AGM held and details of number of outside Directorships held by each Director are given above.
- iv) Mr. P. P. Kharas and Mr. Mukul Desai are liable to retire by rotation and offer themselves for re-election.
- a) Mr. P. P. Kharas, age 75 years is a graduate in Chemical Engineering from the University of Technology, Loughborough, England. He held senior sales & business management positions in Union Carbide Ltd. till he took early retirement in 1978.
- Mr. P. P. Kharas was one of the 3 promoter Directors of the Company which commenced operations in Sept. 1982. When the Company went public in 1994, Mr. Kharas was appointed Chairman and Managing Director. He retired in September 2007, and continues to remain on the Board as a Non-Executive Chairman.
- Mr. P. P. Kharas, is a well known figure in the plastics processing industry, and was earlier the President of the Organization of Plastics Processors of India, an association which represents 40% of the plastics converting capacity in India.
- Mr. P. P. Kharas holds 30,770 equity shares (1.03%) in the Company as on 31st March, 2010. He is a member of the Audit Committee and the Chairman of the Shareholders/Investors Grievance Committee.
- Mr. P. P. Kharas does not hold any other Directorships.
- b) Mr. Mukul B. Desai, was appointed by the Board of Directors as a Director with effect from 25th August 2007.
- Mr. Mukul B. Desai is a Chartered Accountant by Profession and has varied experience in the field of Audit, Taxation, Corporate Law and Corporate Finance Structuring for more than 25 years.
- Mr. Mukul B. Desai holds 5551 equity shares (0.19%) in Ecoplast Ltd as on 31st March, 2010. He is the Chairman of the Audit Committee and of the Remuneration Committee.
- Mr. Mukul Desai is a Director in the following other Companies :
- Remi Process Plant & Machinery Ltd.
Shrinkhala Securities Ltd.
A. P. Marketing Pvt. Ltd.
Zicom Electronic Security Systems Ltd.
Zicom CAN Automation Ltd.
Zicom Retail Products Pvt. Ltd.
- None of the Directors of the Company are members 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.
- iv) 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 Meetings of the 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.
- III. REMUNERATION COMMITTEE :**
- The Remuneration Committee consists of Mr. Mukul B Desai, Mr. P. P. Kharas, Mr. Bhupendra M. Desai and Mr. J. A. Moos.
 - Except Mr. P. P. Kharas, all other Directors are Independent Directors.
 - Matters of remuneration of Executive and Non - Executive Directors are considered by the Remuneration Committee.
 - The remuneration policy of the Company is to remain competitive in the industry and to selectively reward personnel for their contributions.

Remuneration of Directors from April 2009 to March 2010.

A. Executive Directors :

Name	Sitting Fees	Salaries & Perqs.	Commission	Total
1. J. B. Desai	-	1,762,462	--	1,762,462
Total - A		1,762,462	--	1,762,462

B. Non -Executive Directors :

1. P. P. Kharas	65,000	-	-	65,000
2. J. A. Moos	57,500	-	-	57,500
3. D .T. Desai (waived remuneration)	-	-	-	-
4. Mukul B. Desai	57,500	-	-	57,500
5. Bhupendra M. Desai	42,500	-	-	42,500
Total - B	222,500			222,500
TOTAL (A+B)	222,500	1,762,462	-	1,984,962

IV. AUDIT COMMITTEE :

Terms of reference for Audit Committee :

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the Financial Statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee.
- Reviewing with Management the Annual Financial Statements before submission to the Board.
- Reviewing with 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.

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

The Audit committee consists of three non- executive Directors Mr. P. P. Kharas, Mr. J. A. Moos and Mr. Mukul B Desai of whom two are Independent Directors.

With effect from 3rd April 2010, Mr. Bhupendra M. Desai has also been appointed as a member of the Audit Committee. Mr. Bhupendra M. Desai is an independent Director.

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.

Meetings and Attendance during the year April 2009 – March 2010:

During the year April '09 – March '10, four Audit Committee meetings were held, on: 27th June 2009, 25th July 2009, 29th October 2009 and 29th January 2010.

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 '09 – March '10, four Shareholders / Investors Grievance Committee meetings were held, on: 22nd May 2009, 11th September 2009, 29th October 2009 and 8th February 2010.

During the year, the Company has received 43 queries and Nil complaints from the shareholders. There were Nil unresolved shareholders complaint as on 31.03.2010. Also, there were no shares pending for transfer as on 31.03.2010.

VI. GENERAL BODY MEETINGS :

1. Last 3 AGM

Date	Time	Location
11 th September,2009	11.30 A.M	The Country Club, At P.O: Vashier, Valsad, Gujarat, 396 001.
20 th September,2008	11.30 A.M	The Country Club, At P.O: Vashier, Valsad, Gujarat, 396 001.
25 th August, 2007	11.30 A.M	The Country Club, At P.O: Vashier, Valsad, Gujarat, 396 001.

EGM held on :

5 th June, 2001	11.00 A.M	Registered office of the Company
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2. Special Resolutions passed in the last three Annual General Meetings :

No special Resolution was passed in the previous three AGMs.

There were no other General Body Meetings during the last three years and no Resolution was put to vote through postal ballot.

VII. DISCLOSURES :

- 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:19 to the notes on accounts.
- 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.
- The company has complied with all the mandatory requirements of Clause -49 of the Listing Agreements, except the whistle blower policy.

VIII. MEANS OF COMMUNICATION :

The Quarterly, Half-yearly and Annual results are published by the Company in the Divya Bhaskar – Surat edition, and the Indian Express – Ahmedabad edition. Annual reports are sent to households or shareholders. The Company's results are also displayed on the web-site at : <http://www.ecoplastindia.com>.

Exclusive Email ID for redressal of investor complaints.

In terms of Clause 47(f) of the Listing Agreement, Company has displayed the following information in it's website for redressal of Investor Complaints.

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

IX. CODE OF CONDUCT.

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

The Board members have affirmed compliance with the Code of Conduct for the year 2009-10.

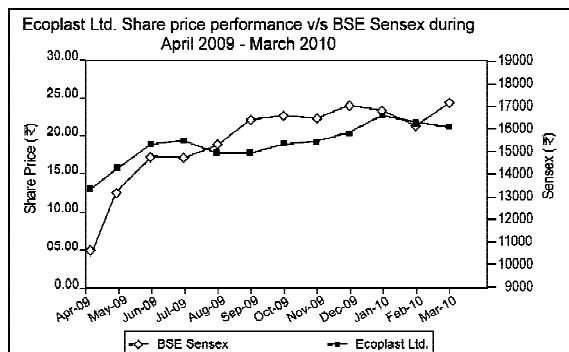
X. GENERAL SHAREHOLDER INFORMATION :

1. Annual General Meeting :
 Day, Date & Time : Saturday, 18th September, 2010, at 11.30 A.M.
 Venue : Country Club, At & P.O. Vashier, Valsad -396 001.
2. Financial Calendar : (tentative)
 From 1st April to 31st March every year.
 First Quarter Results : Last week of July, 2010.
 Second Quarter Results : Last week of October,2010.
 Third Quarter Results : Last week of January,2011.
 Fourth Quarter Results : Last week of May,2011
 Annual results : AGM for the year ended 31st March, 2011 : before the end of September, 2011
3. Date of Book Closure : Friday 10th September, 2010 to Saturday 18th September, 2010
4. Dividend Payment date : 20th September, 2010
5. Listing on Stock Exchanges : Stock Exchange, Mumbai. The Company has paid Listing Fees for the period 1st April, 2010 to 31st March, 2011.
6. Stock Code : 526703
7. Market Price Data : The performance of the Company's scrip on the BSE as compared to the sensex is as under :

Ecoplast Ltd

Month	High (Rs.)	Low (Rs.)
Apr- 2009	14.90	12.45
May-2009	18.19	13.56
Jun -2009	20.10	15.80
Jul - 2009	21.00	15.40
Aug-2009	18.60	15.75
Sep-2009	18.30	16.30
Oct-2009	21.00	16.40
Nov-2009	20.26	17.25
Dec-2009	23.10	17.55
Jan-2010	25.85	19.85
Feb-2010	24.60	19.00
Mar-2010	24.00	19.35

8. Performance : Ecoplast share price performance vs. BSE Sensex during April 2009 - March 2010.



9. Registrars and Share Transfer Agents : TSR DARASHAW 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 31.03.2010

Category	Number of Shareholders	Shareholders % to Total	No. of Shares	Shares % to Total
1 TO 500	2,409	86.16	3,75,356	12.51
501 TO 1000	183	6.55	1,48,541	4.95
1001 TO 2000	80	2.86	1,21,200	4.04
2001 TO 3000	32	1.14	80,782	2.69
3001 TO 4000	16	0.57	55,992	1.87
4001 TO 5000	13	0.47	64,027	2.13
5001 TO 10000	32	1.14	2,45,262	8.18
Over 10000	31	1.11	19,08,840	63.63
TOTAL	2,796	100.00	30,00,000	100.00

12. Dematerialization of shares and liquidity : 92.70 % of the equity shares of the Company have been dematerialized as on 31st March, 2010 and the balance 7.30% 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.

15. Disclosures by Management to the Board :

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.

For and on behalf of the Board of Directors

J. B. Desai
Managing Director

Mumbai, 30th July, 2010.

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, 2010 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 except as disclosed in the note No:19 to the notes on accounts.
- 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, 30th July, 2010.

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, 2010, received from the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Mumbai, 30th July,2010

J.B.Desai
Managing Director

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

To,

The Members of Ecoplast Ltd.,

We have reviewed the implementation of Corporate Governance procedures by Ecoplast Ltd., during the year ended March 31,2010 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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 the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement(s).

As required by the Guidance Note on Certification on Corporate Governance issued by the Institute of Chartered Accountants of India, we state that there is one investor grievance pending for a period exceeding one month as at 31st March, 2010, against the Company as per the certificate received from the Registrar and the share transfer agents and taken on record by the Share Transfer – cum – Shareholders Grievance Committee of the Company.

For **AKKAD MEHTA & CO**
Chartered Accountants
Firm ICAI Registration No. 100256W

SANJAY MEHTA
Partner
Membership No. 16859

Mumbai, 30th July, 2010

AUDITORS' REPORT

To
The Members of
Ecoplast Ltd

1. We have audited the attached Balance Sheet of **Ecoplast Ltd** as at 31st March, 2010 the Profit and Loss Account and also 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.
 2. We conducted our audit in accordance with 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 misstatement. 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.
 3. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of these books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and Profit and 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 the Companies Act, 1956;
 - (e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we do hereby certify that none of the directors of the company, as on 31st March, 2010 is disqualified for appointment as a director in the aforementioned company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 on the said date.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) in so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2010
 - ii) in so far as it relates to the Profit and Loss Account, of the **Profit** of the company for the year ended on that date.

and
 - iii) in so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

For **AKKAD MEHTA & CO**
Chartered Accountants
Firm ICAI Registration No. 100256W

SANJAY MEHTA
Partner
Membership No. 16859

Mumbai, 30th July, 2010

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 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. Accordingly, clauses (iii) (f) to (iii) (g) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (b) All the assets have not been physically verified by the management during the year but there are procedures of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The fixed assets disposed off during the year do not constitute a substantial part and therefore, in our opinion, the disposal does not affect the going concern assumption.
- ii) (a) The inventory has been physically verified by the management at reasonable intervals during the current year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (e) According to the information and explanations given to us, the Company has not taken any loan from companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- 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) According to the information and explanation provided by the management, there have been no contracts or arrangements during the year that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause (v) (a) and (b) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable.
- 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 Company has an internal audit system commensurate with the size and nature of its business.
- viii) In our opinion, the Company is not required to maintain cost records under section 209 (1)(d) of the Companies Act, 1956.
- 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, 2010 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.4 Crores to North Eastern Development Finance Corp. Ltd., Assam on behalf of Synergy Films Pvt. Ltd., a Joint Venture Company as a collateral security for Term Loan and Working Capital Facility availed by the Joint Venture Company. In our opinion based on the information and explanations received, the terms and conditions of this guarantee 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 cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short-term basis have not, *prima facie*, been used during the year for long-term investment except permanent working capital.
- (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) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **AKKAD MEHTA & CO**
Chartered Accountants
Firm ICAI Registration No. 100256W

SANJAY MEHTA
Partner
Membership No. 16859

Mumbai, 30th July, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	31.3.2010 Rs.	31.3.2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	30,000,000	30,000,000
Reserves and Surplus	2	99,012,930	92,243,602
		<u>129,012,930</u>	<u>122,243,602</u>
LOAN FUNDS			
Secured Loans	3	65,755,102	28,427,902
Unsecured Loans	4	8,948,765	8,605,385
		<u>74,703,867</u>	<u>37,033,287</u>
DEFERRED TAX LIABILITY			
		<u>19,001,684</u>	<u>18,992,978</u>
		<u>222,718,482</u>	<u>178,269,868</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	225,273,018	224,944,495
Less: Depreciation		119,912,275	107,686,573
NET BLOCK		<u>105,360,743</u>	<u>117,257,922</u>
INVESTMENTS			
	6	3,575,000	3,524,600
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	45,630,625	33,422,774
Sundry Debtors	8	104,834,620	39,038,901
Cash & Bank Balances	9	11,656,621	6,876,996
Loans and Advances	10	15,117,043	10,798,624
		<u>177,238,909</u>	<u>90,137,295</u>
Less: Current Liabilities & Provisions	11	63,456,170	32,649,949
NET CURRENT ASSETS		<u>113,782,739</u>	<u>57,487,346</u>
NOTES TO THE ACCOUNTS	16	<u>222,718,482</u>	<u>178,269,868</u>

Note: Schedules 1 to 16 referred to herein form an integral part of the Financial Statements.

As per our Report of even date.
FOAKKAD MEHTA & CO.
Chartered Accountants
Firm ICAI Registration No. 100256W

SANJAY MEHTA
Partner
Membership No. 16859
Mumbai, 30th July, 2010.

For and on behalf of the Board of Directors

P. P. KHARAS
Chairman

M. D. DESAI
C. F. O.

JAYMIN B. DESAI
Managing Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	31.3.2010 Rs.	31.3.2009 Rs.
INCOME			
Sales	12	484,716,958	318,029,860
Other Income	13	1,338,954	1,758,962
Increase / (Decrease) in Stocks	14	5,811,207	(3,093,735)
		<u>491,827,119</u>	<u>316,695,086</u>
EXPENDITURE			
Manufacturing & Other Expenses	15	448,745,165	297,351,658
Interest and Finance Charges		8,138,547	10,644,544
Loss on Impairment of assets		1,356,076	-
Depreciation		10,929,374	10,944,644
		<u>469,169,163</u>	<u>318,940,846</u>
PROFIT/ (LOSS) BEFORE TAX		22,697,956	(2,245,760)
Provision for Tax :			
Current Tax		9,660,000	210,000
Deferred Tax		8,706	(2,854,305)
Fringe Benefit Tax		-	275,000
PROFIT / (LOSS) AFTER TAX		13,029,250	123,545
Prior period adjustments (Excess)/ Short Provision of Tax for Prior years		- 36,953	(409,075) (1,305)
NET PROFIT/ (LOSS) AFTER PRIOR PERIOD ITEMS		13,066,203	(286,835)
Balance brought forward		27,962,287	28,249,122
PROFIT AVAILABLE FOR APPROPRIATION		41,028,490	27,962,287
APPROPRIATION			
Transfer to General Reserve		1,500,000	-
Dividend on Equity Shares		5,400,000	-
Dividend Distribution Tax		896,875	-
Balance Carried Forward		33,231,615	27,962,287
		<u>41,028,490</u>	<u>27,962,287</u>
BASIC AND DILUTED EARNINGS PER SHARE	16	(4.36)	(0.10)
NOTES TO THE ACCOUNTS	16		

As per our Report of even date.
For **AKKAD MEHTA & CO.**
Chartered Accountants
Firm ICAI Registration No. 100256W
SANJAY MEHTA
Partner
Membership No. 16859
Mumbai, 30th July, 2010.

For and on behalf of the Board of Directors

P. P. KHARAS
Chairman

JAYMIN B. DESAI
Managing Director

M. D. DESAI
C. F. O.

SCHEDULES FORMING PART OF THE ACCOUNTS

	31.3.2010	31.3.2009
	Rs.	Rs.
SCHEDULE- 1		
SHARE CAPITAL		
AUTHORISED		
10,000,000 Equity Shares of Rs.10/-each	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP		
3,000,000 Equity Shares of Rs. 10/- each fully paid-up (1,500,000 Equity Shares of Rs.10 each have been 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)	<u>30,000,000</u>	<u>30,000,000</u>
	<u>30,000,000</u>	<u>30,000,000</u>
SCHEDULE- 2		
RESERVES AND SURPLUS		
SHARE PREMIUM		
Balance as per last Balance Sheet	<u>30,000,000</u>	<u>30,000,000</u>
	<u>30,000,000</u>	<u>30,000,000</u>
GENERAL RESERVE		
Balance as per last Balance Sheet	<u>34,281,315</u>	<u>34,281,315</u>
Add : Transfer from Profit and Loss Account	<u>1,500,000</u>	<u>-</u>
	<u>35,781,315</u>	<u>34,281,315</u>
Surplus in Profit and Loss Account	<u>33,231,615</u>	<u>27,962,287</u>
	<u>99,012,930</u>	<u>92,243,602</u>

	31.3.2010 Rs.	31.3.2009 Rs.
SCHEDULE - 3		
SECURED LOANS		
Rupee Term Loan from a Bank (Secured by Mortgage of all immoveable assets of the Company and hypothecation of Plant and Machineries and Equipments, both present and future and further secured by personal guarantee of Managing Director) (Due within one year Rs. 53,64,000. Previous Year Rs. 53,64,000)	12,205,000	17,569,000
Cash Credit & Export Packing Credit Loan from a Bank (Secured by hypothecation of inventories, book debts, and collaterally secured by equitable mortgage of Land and Buildings, hypothecation of Plant and Machineries and guaranteed by Managing Director)	53,550,102	10,858,902
	<u>65,755,102</u>	<u>28,427,902</u>
SCHEDULE- 4		
UNSECURED LOANS		
a) Fixed Deposits		
From Shareholders	75,000	125,000
From Others	8,430,000	6,961,000
Interest due and payable thereon	443,765	413,543
	<u>8,948,765</u>	<u>7,499,543</u>
b) Short Term Loans and Advances		
From Bank (Discounting of Export / Domestic bills, guaranteed by two Directors)	-	986,119
From Others	-	119,723
	<u>-</u>	<u>1,105,842</u>
	<u>8,948,765</u>	<u>8,605,385</u>

**SCHEDULE-5 :
FIXED ASSETS**

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 1.4.2009	Additions during the year	Deduct- ion for the year	Cost as at 31.3.2010	Upto 1.4.2009	Deduct- ion for the year	For the year	As at 31.3.2010	As on 31.3.2009
LAND	5,096,185	-	-	5,096,185	-	-	-	5,096,185	5,096,185
BUILDINGS	37,532,182	-	-	37,532,182	9,905,440	-	1,151,966	26,474,776	27,626,742
PLANT & MACHINERIES, EQUIPMENTS AND UTILITIES	159,174,885	164,694	-	159,339,579	84,360,662	-	8,007,540**	65,615,301	74,814,223
ELECTRICAL INSTALLATION	8,541,167	-	-	8,541,167	4,439,947	-	422,075	3,679,145	4,101,220
VEHICLES*	5,720,739	-	-	5,720,739	2,480,184	-	767,728	2,472,827	3,240,555
FURNITURE & FIXTURES	3,488,285	35,650	-	3,523,935	2,342,638	-	208,920	972,377	1,145,647
OFFICEEQUIPMENTS	5,391,052	196,928	68,750	5,519,230	4,157,702	59,750	371,146	1,050,132	1,233,350
GRAND TOTAL **	224,944,495	397,272	68,750	225,273,018	107,686,573	59,750	10,929,374	105,360,743	117,257,922
PREVIOUS YEAR	223,388,927	1,555,588	-	224,944,495	96,741,929	-	10,944,644	117,257,922	126,646,998

* Includes Rs. 6,80,170/- purchased on Hire-Purchase basis.

** Gross Block includes Rs. 12,561,310/- on revaluation of Fixed Assets as on 31st March, 1994 excluding Vehicles, Furniture & Fixtures and Office Equipments.

*** Includes Impairment Loss of Rs. 13,56,706/-

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	31.3.2010	31.3.2009
	Rs.	Rs.
SCHEDULE - 6		
INVESTMENTS		
In Joint Venture Company - (At Cost) (Unquoted) 2,99,340 Equity shares of Rs.10 each fully paid - up in Synergy Films Pvt. Ltd. (Previous Year - Rs. 2,93,300 Equity Shares of Rs. 10 each fully paid -up)	3,575,000	3,514,600
<u>Others</u>		
National Saving Certificates	-	10,000
	<u>3,575,000</u>	<u>3,524,600</u>
SCHEDULE - 7		
INVENTORIES		
(As taken, valued and certified by a Director)		
Raw Materials	30,823,160	23,297,376
Finished goods	8,281,158	3,965,609
Semi Finished Goods	4,029,277	2,533,619
Machinery Spares, Ink and Fuel	1,899,066	3,132,944
Packing Materials	578,464	366,021
Scrap	19,500	127,205
	<u>45,630,625</u>	<u>33,422,774</u>
SCHEDULE - 8		
SUNDRY DEBTORS (UNSECURED)		
<u>Over Six months</u>		
Considered Doubtful	2,784,349	3,046,120
Less : Provision Made	<u>2,784,349</u>	<u>3,046,120</u>
	-	-
Considered Good	<u>2,050,574</u>	<u>1,750,444</u>
	2,050,574	1,750,444
<u>Other Debts</u>		
Considered good	102,784,046	37,288,457
	<u>104,834,620</u>	<u>39,038,901</u>
SCHEDULE - 9		
CASH AND BANK BALANCES		
Cash on hand	283,860	272,204
With Scheduled Banks:		
In Current Accounts	3,749,162	3,244,633
In Deposit Accounts (includes Rs. 70,23,599 under Bank's lien for Letter of Credit facility) (Previous year Rs. 26,00,160)	7,623,599	3,360,159
	<u>11,656,621</u>	<u>6,876,996</u>

	31.3.2010	31.3.2009
	Rs.	Rs.
SCHEDULE -10		
LOANS AND ADVANCES		
(Unsecured and considered good)		
Advances recoverable in cash or kind or for value to be received	9,611,422	4,624,781
Advances to Joint Venture Company - Synergy Films Pvt. Ltd.	654,210	442,803
Advance Payment of Taxes (Net of Provision)	2,003,379	2,992,267
Deposits	1,762,798	1,762,798
Balance with Central Excise Department	1,085,234	975,975
	<u>15,117,043</u>	<u>10,798,624</u>
SCHEDULE - 11		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors	47,329,137	27,982,890
Unclaimed Dividends *	698,540	774,055
Unclaimed Matured Fixed Deposits *	380,185	349,000
Other Liabilities	8,751,433	3,544,004
	<u>57,159,295</u>	<u>32,649,949</u>
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
Provisions		
Proposed Dividend	5,400,000	-
Dividend Distribution Tax	896,875	-
	<u>6,296,875</u>	<u>-</u>
	<u>63,456,170</u>	<u>32,649,949</u>
SCHEDULE - 12		
SALES		
Gross Sales	525,554,143	357,765,028
Less : Central Excise Duty & Sales Tax	40,837,185	39,735,168
	<u>484,716,958</u>	<u>318,029,860</u>
SCHEDULE - 13		
OTHER INCOME		
Interest Received (TDS Rs.37,285/-, Previous Year Rs.1,07,511/-)	278,861	925,029
Royalty Received (TDS Rs. 73,578/-) TDS Rs. Nil, Previous Year Rs. 1,07,511/-)	-	649,411
Other Receipts	643,530	154,522
Provisions for Doubtful Debts no longer required, written back	416,563	30,000
	<u>1,338,954</u>	<u>1,758,962</u>

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	31.3.2010	31.3.2009
	Rs.	Rs.
SCHEDULE - 14		
INCREASE/(DECREASE) IN STOCKS		
Opening Stocks		
Finished Goods	3,965,609	8,807,921
Semi Finished Goods	2,533,619	785,042
	<u>6,499,228</u>	<u>9,592,963</u>
Less: Closing Stocks		
Finished Goods	8,281,158	3,965,609
Semi Finished Goods	4,029,277	2,533,619
	<u>12,310,435</u>	<u>6,499,228</u>
Increase/(Decrease) in Stocks	<u>5,811,207</u>	<u>(3,093,735)</u>
SCHEDULE - 15		
MANUFACTURING AND OTHER EXPENSES		
RAW MATERIALS CONSUMED	<u>358,549,346</u>	<u>221,743,057</u>
PAYMENTS TO AND PROVISION FOR EMPLOYEES:		
Salaries, Wages and Allowances	20,152,134	15,832,821
Staff Welfare Expenses	522,397	476,373
Company's contribution to Provident Fund and Other Funds	1,858,154	1,648,635
	<u>22,532,685</u>	<u>17,957,829</u>
EXPENSES FOR MANUFACTURE, ADMINISTRATION AND SELLING :		
Stores and Spares consumed	2,397,205	3,215,246
Packing Material consumed	10,497,286	5,952,897
Power and Fuel	21,094,207	16,093,138
Printing Charges	950,148	683,232
Conversion Charges Paid	431,714	227,341
Freight Outward and Octroi	11,995,116	6,182,832
Foreign Exchange Fluctuation Loss/(Gain)	206,669	6,069,253
Insurance	787,803	958,955
Repairs to Machinery	3,670,384	3,506,974
Repairs to Building	233,023	222,965
Repairs to Others	382,092	307,420
Rates and Taxes	164,310	115,449
Royalty paid	2,827,050	2,166,732
Rent Paid	31,500	73,500
Other Expenses	9,598,945	10,214,401
Directors' Sitting Fees	222,500	147,500
Directors' Remuneration	1,399,998	1,258,915
Directors' Commission	246,829	-
Donation	20,000	6,201
Provision for Doubtful Debts	154,792	247,821
Bad Debts written off	351,563	-
	<u>67,663,134</u>	<u>57,650,773</u>
	<u>448,745,165</u>	<u>297,351,658</u>

SCHEDULE - 16**NOTES FORMING PART OF THE ACCOUNTS****1 Significant Accounting Policies****i) Basis of Accounting**

Financial Statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956.

ii) Use of Estimates

The presentation of Financial Statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

iii) Revenue Recognition

- a. Sales are recognised when goods are dispatched. Sales are accounted net of amount recovered towards excise duty and sales 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.

iv) Fixed Assets & Depreciation

- 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. Depreciation has been calculated on the Straight Line Method at the rates given in the Schedule XIV to the Companies Act, 1956 for the assets installed on or after 1-10-87. For the assets installed prior to 1-10-87, depreciation has been calculated on Straight Line Method at the rates applicable at the time of acquisition/ installation of the said assets in terms of Circular No. 1/86 dated 21st May, 1986 issued by the Department of Company Affairs.
- c. In respect of certain Plant & Machineries and Computers acquired after 1-4-2001 which are estimated to have a lower residual life than envisaged, depreciation has been charged based on the estimated lower residual life.
- d. In respect of Motor Cars acquired after 01-04-2006 which 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.
- e. Depreciation on exchange fluctuations capitalised to fixed assets is provided over the residual useful life of the fixed assets.
- f. Depreciation on additions / deletions to fixed assets is provided prorata from the date of addition / deletion.

v) Machinery Spares

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

vi) Foreign Currency Transactions

All transactions in foreign currency are recorded on initial recognition at the exchange prevailing at the time of the transaction.

Monetary assets and liabilities in foreign currency are reported using the closing exchange rate on each balance sheet date unless covered by forward contract

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 in financial statements are recognised as income/expense in the Profit & Loss Account of the year.

vii) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of the assets, upto the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

viii) Research and Development

Revenue expenditure, including overheads on Research and 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.

ix) 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 a 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 obligation 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 by 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 of 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

- x) 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.
- xi) 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 provision 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.
- xii) Fringe Benefit Tax**
Fringe Benefit Tax is determined at current applicable rates on expenses falling within the ambit of "Fringe Benefit" as defined under the Income Tax Act, 1961.
- xiii) Impairment of Fixed Assets**
An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account 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.
- xiv) 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 present obligation that may, but probably will not, require an 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.
- xv) Valuation of Stock**
The mode of valuing closing stock is as under:
- Raw Materials & Packing Materials - at cost.
- Finished Goods - at lower of cost or market value.
- Semi-Finished Goods - at lower of cost or market value.
The cost for the purpose of valuation of Finished and Semi - Finished goods is arrived at on weighted average basis and includes cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.
- Machinery Spares, Ink and Fuel - at cost.
- Scrap - at market value.
- xvi) 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.
- xvii) Investments**
All investments are considered as long term investments and are stated at acquisition cost. A provision is made for diminution other than temporary on an individual basis.
- xviii) Earning per share**
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.
-

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	31.3.2010 Rs.	31.3.2009 Rs.
xix) Lease		
For Premises taken on lease, lease rentals payable are charged to revenue		
2 Contingent Liabilities		
a. On account of capital commitments (net of advances)	14,630,000	-
b. Customs duty on raw materials imported under advance licensing, against which export obligation is to be fulfilled	697,074	1,281,579
c. The Company has given irrevocable and unconditional Corporate Guarantee to North Eastern Development Finance Corporation Ltd. (NEDFC). Assam on behalf of Synergy Films Pvt. Ltd., a joint venture company in which the company is holding 25% of the equity shares as a collateral security for Term Loan and Working Capital Terms Loan availed by joint venture company.	40,000,000	40,000,000
d. In respect of claims against the Company not acknowledged as debts. (Net)	224,273	224,273
3 The recurring expenditure on Research & Development charged to revenue amounts to	661,724	508,145
4 (A) Managerial Remuneration under Section 198 of the Companies Act, 1956		
Salaries and Allowances	1,300,000	1,083,945
Commission	246,829	-
Contribution to P F and Other Funds*	324,000	292,665
Other Benefits	138,462	194,201
Directors' Fees	222,500	147,500
	<u>2,231,791</u>	<u>1,718,311</u>
* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information.		
(B) Statement showing Computation of Net Profit in accordance with Section 198(1) of the Companies Act, 1956 in respect of Commission payable to Directors		
Profit before Tax as per Profit & Loss Account	22,451,127	(2,245,760)
Add : Managerial Remuneration	1,762,462	1,570,811
Directors' Fees and Commission	469,329	147,500
Net Profit as per Section 198	<u>24,682,918</u>	<u>(527,449)</u>
a) Commission payable to whole-time Director In view of inadequate profit in terms of section 198 & 309 (3) of the Companies Act, 1956, Managing Director is not entitled for commission on profits		
b) Commission payable to Non-whole-time Directors ** At 1% of Net Profit for all Non-whole-time Directors	246,829	-
OR		
At Rs.1,00,000 per Non-whole-time Director Least of the two	400,000 246,829	200,000 -
** Subject to the approval of the members in the ensuing General meeting in terms of Section 309(4) of the Companies Act, 1956		

	31.3.2010 Rs.	31.3.2009 Rs.
5 Auditors Remuneration :		
Audit Fees	160,000	160,000
Taxation Matters	30,000	30,000
Company Law Matters	30,000	30,000
Tax Audit Fees	30,000	30,000
Certification and other services	50,000	75,000
	<u>300,000</u>	<u>325,000</u>
6 Interest and finance charges include interest on loans for fixed period.	2,592,969	3,618,349
7 Net exchange Gain / (Loss) has been recognised in the Profit & Loss Account.	(206,669)	(6,069,253)
8 a) Dues to Small Scale Industrial Undertakings for more than 30 days include amounts payable to - (as identified by Management)		

NIL

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

Amount due to Micro, Small and Medium Enterprises as on 31st March 2010 are disclosed on the basis of information available with the Company regarding status of the suppliers is as follows :

Sr.No.	Particulars	Amount Rs.	
		Principal	Interest
1.	Principal Amount and Interest thereon due, remaining unpaid at the end of year	-	-
2.	Interest paid during the year	-	-
3.	Interest due and payable (on the amount which have been paid beyond the appointed date during the year)	-	-
4.	Interest remaining accrued and unpaid at the end of the year	-	4,148
5.	Interest due of the previous year	-	2,870

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.

9 Disclosures In Accordance with Revised AS-15 On “ Employees Benefits”

a) The Accounting Standard - 15 (Revised 2005) on Employees Benefits issued by the Institute of Chartered Accountants of India has been adopted by the Company effective from April 1, 2007.

b) Defined Contribution Plans :

31.3.2010 31.3.2009

The Company has recognised the following amounts in the Profit and Loss Account for the year

Particulars	Rs./Lacs	
	Total	Total
Employers' Contribution to Provident Fund	7.22	6.49
Employers' Contribution to Superannuation Fund	6.63	5.39
Employers' Contribution to Employee's Pension Scheme, 1995	4.00	3.53
Total	17.84	15.41

	31.3.2010	31.3.2009
	Rs.	Rs.

c) Defined Benefit Plans :

The following figures are as per the actuarial valuation, as at the Balance Sheet date, carried out by an Independent Actuary

- i) A reconciliation of opening and closing balance of the present value of the Defined Benefits Obligation (DBO)

Sr.No. Particulars	Rs/Lacs	
	Gratuity	Gratuity
Opening Balance as on 1st April, 2009	27.42	25.91
1. Current Service Cost	2.85	2.38
2. Interest Cost	2.40	2.12
3. Actuarial (Gains)/Losses	(0.30)	0.66
4. Benefits Paid	(0.38)	(3.65)
Closing DBO as on 31st March, 2010	31.99	27.42

- ii) A reconciliation of the opening and closing balances of the Fair value of Plan Assets

Sr.No. Particulars	Rs/Lacs	
	Gratuity	Gratuity
Opening Fair Value of Plan Assets	49.90	49.14
1. Expected Returns on Plan Assets	3.97	3.79
2. Actuarial Gain/(Losses)	0.64	0.62
3. Contribution by the Employer	-	-
4. Benefits Paid	(0.38)	(3.65)
Closing Fair Value of Plan Assets	54.13	49.90

- iii) Amount recognised in Balance Sheet

Sr.No. Particulars	Rs/Lacs	
	Gratuity	Gratuity
1. Present value of Funded Obligations	31.98	27.41
2. Fair value of Plan Assets	54.12	49.90
3. Present Value of Unfunded Obligations	-	-
Net Liability / (Asset) recognised in Balance Sheet	(22.14)	(22.49)

- iv) The total expense recognised in the Profit and Loss Account

Sr.No. Particulars	Rs/Lacs	
	Gratuity	Gratuity
1. Current Service Cost	2.85	2.38
2. Interest Cost	2.40	2.12
3. Expected Return on Plan Assets	(3.97)	(3.79)
4. Actuarial (Gain)/Losses	(0.94)	0.04
5. Past Service Cost	-	-
Total	0.34	0.75

- v) For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the Plan

Sr.No. Particulars	Rs/Lacs			
	Gratuity 31.03.10		Gratuity 31.03.09	
	Amount	Percentage	Amount	Percentage
1. Government of India Securities	-	-	-	-
2. Corporate Bonds	-	-	-	-
3. Special Deposit Scheme	-	-	-	-
4. Equity Shares of Listed Companies	-	-	-	-
5. Property	-	-	-	-
6. Insurer Managed Funds	54.13	100%	49.90	100%
7. Others	-	-	-	-
Total	54.13	100%	49.90	100%

- vi) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

- vii) The actual Return on Plan Assets is as follows :

Sr.No. Particulars	Rs/Lacs	
	Gratuity	Gratuity
1. Expected Return on Plan Assets	3.97	3.79
2. Actuarial gain/(loss) on Plan Assets	0.64	0.62
3. Actual Return on Plan Assets	4.61	4.41

- viii) Following are the Principal Actuarial Assumptions used as at the Balance Sheet DateRate

Sr.No. Particulars	Gratuity	Gratuity
1. Discount Rate	8.25%	8.00%
2. Expected rate of return on Plan Assets	8.00%	8.00%
3. Salary Escalation Rate	5.00%	5.00%
4. Mortality Table (LIC)	1994-96 (Std)	

- ix) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors. The above information is extracted from the report obtained from the independent actuary and Auditors have placed reliance on underlying assumptions.
- x) Para 132 of AS 15 (revised 2005) does not require any specific disclosures except where expense resulting from compensated absence is of such size, nature of incidence that its disclosure is relevant under Accounting Standard 5 or Accounting Standard 18. In the opinion of the Management the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (revised 2005)

10 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.

11 Related Party Transaction :

(1) Relationships :

- (a) Where control exists :
Synergy Films Pvt. Ltd.
- (b) Key Management Personnel :
Mr. P. P. Kharas (Chairman)
Mr. J. B. Desai (Managing Director)
- (c) Relatives of key management personnel and their enterprises, where transactions have taken place.
Mrs. Naheed R. Divecha
- (d) Other Related Parties :
Propack Industries (Prop. Kunal Plastics Pvt. Ltd.)

Note : Related party relationship on the basis of the requirements of Accounting Standard 18 (AS-18) as in 1 (a) to (d) above is identified and certified by the Management and relied upon by the Auditors.

(2) Transactions with related parties :

Related Parties				
Particulars	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above
Purchases :				
Goods and Material				1,177,835
Sales :				
Goods and Material	651,930			3,803,332
Expenses :				
Printing Charges				190,805
Processing Charges				403,783
Others		1,868,572	154,374	-
Income :				
Processing Charges				128,615
Royalty Received				
Others	7,257			5,620
Outstanding :				
Payable				-
Outstanding :				
Receivable	2,245,462			770,223

12 Disclosure as required by Accounting Standard 19 (AS-19) "Leases" issued by the Institute of Chartered Accountants of India is as given below. The Company has taken residential and godown premises under leave and license arrangements on a short term basis, renewable on terms to be mutually agreed.

	31.3.2010	31.3.2009
	Rs.	Rs.
Rent paid under this arrangement	31,500	73,500

13 Earnings per share

a) Net Profit after Tax (including prior period items) available for Equity shareholders	13,066,203	(286,835)
b) Weighted average number of Equity Shares of Rs. 10 each outstanding during the year. (No. of shares)	3,000,000	3,000,000
c) Basic / Diluted earnings per share (a/b) (Rs.)	4.36	(0.10)

14 Deferred Tax :

Deferred Tax has been provided in accordance with Accounting Standard 22 (AS-22) - Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India.

The break up of deferred tax liability as on 31st March, 2010 is as under :

Deferred Tax Working:	31.3.2010	Current year change	31.3.2009
Deferred Tax Liabilities (A)			
(i) Difference between Book & Tax Depreciation	58,830,804	(5,428,557)	64,259,361
(ii) On Account of Retiring Gratuity	1,503,039	(108,979)	1,612,018
Total (A)	60,333,843	(5,537,536)	65,871,379
Deferred Tax Assets (B)			
(i) Provision for Doubtful debts	2,784,349	(261,771)	3,046,120
(ii) Other Miscellaneous items	1,645,745	286,435	1,359,310
Total (B)	4,430,094	24,664	4,405,430
Net Deferred Liability	55,903,749	(5,512,872)	61,465,949
Net Deferred Tax Liability	19,001,684	8,706	18,992,978

15 As per the requirements of Accounting Standard (AS-27) "Financial Reporting of Interest in Joint Ventures". the Company's interest in the Joint Venture Companies is as follows :

Name of Company:	Synergy Films Pvt. Ltd.
Nature:	Jointly Controlled Entity
Country of Incorporation:	India
(%) of Holding as on March 31, 2010:	25

Details of the Financial date of the Joint Venture based on the audited accounts are as follows :

Particulars	31.03.2010	31.03.2009
ASSETS		
Fixed Assets (Net Block)	29,307,569	30,676,311
Current Assets, Loans & Advances		
Inventories	6,301,133	4,045,732
Sundry Debtors	6,746,447	5,954,625
Cash and Bank Balances	23,044,684	22,589,551
Loan and Advances	2,522,911	3,807,561
Preliminary Expenses	99,376	124,220
LIABILITIES		
Current Liabilities & Provisions		
Current Liabilities	8,620,519	6,354,540
Provisions	-	-
Borrowings		
Long Term Borrowings (Term Loan & Car Loan)	20,512,163	20,894,763
Bank Borrowings (Working Capital)	33,409,427	31,896,479

INCOME		
Sales	48,412,145	29,492,253
Other Income	407,160	1,451,999
EXPENDITURE		
Materials Consumed	37,790,776	25,327,227
Operating Expenses	8,414,432	6,509,844
Interest and Finance charges	4,768,152	3,869,599
Depreciation	1,418,152	1,485,364
Profit/ (Loss) After Tax	(3,572,206)	(6,247,782)
Other Matters		
Contingent Liabilities	-	-
Capital Commitment	-	-

- 16** As at March 31, 2010, the Company has reviewed the future earnings of all its cash generating units in accordance with the Accounting Standard 28 "Impairment of Assets". On reviewing it was found that one of the Company's Plant "Line-87" has out lived its economic life requiring a provision for impairment loss of Rs. 13,56,076/- based on valuation report obtained from an independent Valuer. Accordingly impairment loss has been recognised in the Profit & Loss Account for the year

17 Disclosure of Derivatives

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at 31st March, 2010 are as follows:

Particulars	31.03.2010		31.03.2009	
	Amount in Foreign Currency (In lacs)	Amount in INR (In lacs)	Amount in Foreign Currency (In lacs)	Amount in INR (In lacs)
Assets	USD 2.06	92.79	USD 0.67	34.25
Liabilities	USD 3.87	174.88	USD 2.99	153.33

- 18** 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 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 2010 Company is not in any default under the Scheme.
- 19** 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.
- 20** Previous year's figures have been regrouped wherever necessary to conform with this year's classification.
- 21** Additional information pursuant to the provisions of paragraph (3) and (4) of Part II of Schedule VI of the Companies Act, 1956.

A Details regarding Licensed Capacity, Installed Capacity, Production etc.

Product	31.3.2010		31.3.2009	
	Qty. MT	Value Rs. '000	Qty. MT	Value Rs. '000
Co-Extruded Film				
Licensed Capacity	N. A.		N. A.	
Installed Capacity*	7,300		8,030	
Opening Stock	31	3,966	64	7,771
Production	4,174		2,883	
Turnover	4,127	483,897	2,916	317,920
Closing Stock	78	8,281	31	3,966

* As certified by a Director on which Auditors have placed reliance, this being a technical matter.

Notes :

- 1) Production and Turnover includes 77 MT of film converted from raw materials supplied by customers and which were invoiced at Rs.10,14,923/- (Previous year 404 MT invoiced at Rs. 5,658,760/-)
- 2) The Turnover does not include Sale of Scrap for Rs.819,548/- (Previous year Rs.109,418/-).
- 3) The Turnover includes Sale of Polyethylene Granules of Rs.6,080,313/- (Previous year Rs.3,639,785/-).

B Consumption of raw materials :

	31.3.2010		31.3.2009	
	Qty. MT	Value Rs. '000	Qty. MT	Value Rs. '000
Polyethylene Granules	4,155	358,549	2,500	221,743
C Value of Imports on CIF Basis				
Raw Materials		131,182		92,695
Components and Spare Parts		237		1,862
D Expenditure in Foreign Currency				
Travelling Expenses		357		335

E Value of Raw Materials, Stores and Spares Consumed

	31.3.2010		31.3.2009	
	%	Value Rs. '000	%	Value Rs. '000
Raw Materials :				
Imported	37	134,285	49	108,558
Indigenous	63	224,265	51	113,185
	100	358,549	100	221,743
Stores & Spares :				
Imported	38	905	63	2,033
Indigenous	62	1,492	37	1,182
	100	2,397	100	3,215

F Earnings in Foreign Exchange on F.O.B. Basis.

31.3.2010	127,486	31.3.2009	78,182
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21 Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and General Business Profile

a. Registration Details	
Registration No. : L25200GJ1981PLC004375	State Code : 04
Balance Sheet Date :	31.03.2010
b. Capital Raised during the Year [Amount in Rs.]	
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
c. Position of Mobilisation and Deployment of Funds [Amount in Rs.]	
Total Liabilities	286,174,652
Total Assets	286,174,652
Sources of Funds	
Paid-up Capital	30,000,000
Reserves and Surplus	99,012,930
Secured Loan	65,755,102
Unsecured Loan	8,948,765
Deferred Tax Liability	19,001,684
Application of Funds	
Net Fixed Assets	105,360,743
Investments	3,575,000
Net Current Assets	113,782,739
Miscellaneous Expenditure	Nil
Accumulated Losses	Nil
d. Performance of the Company [Amount in Rs.]	
Turnover [including Other income]	486,055,912
Total Expenditure	463,357,956
Profit Before Tax	22,697,956
Profit After Prior Period Items	13,066,203
Earning per share in Rs.	4.36
Dividend Rate %	18
e. Generic Names of Principal Products of the Company	
Item Code No. (ITC Code)	3920.10.99
Product Description	Plastic Films

22 Cash Flow Statement for the year ended 31st March, 2010 is disclosed in the statement annexed to these Accounts as Annexure I.

Signature to Schedules 1 to 16

As per our Report of even date
For AKKAD MEHTA & CO.
Chartered Accountants
 Firm ICAI Registration No. 100256W

For and on behalf of the Board of Directors

SANJAY MEHTA
Partner
 Membership No : 16859

P. P . KHARAS
Chairman

JAYMIN B. DESAI
Managing Director

M. D. DESAI
C.F.O.

Mumbai, 30th July, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	31.3.2010	31.3.2009
A. Cash Flow from Operating activities		
Net Profit before tax and extraordinary items	(22,697,956)	(2,245,760)
ADJUSTMENTS FOR:		
Depreciation	10,929,374	10,944,644
Interest expenses	6,829,804	9,454,321
Interest income	(278,861)	(925,029)
Loss on assets sold / discarded	1,356,076	-
Other finance charges	<u>1,308,743</u>	<u>1,190,223</u>
	20,145,136	20,664,159
Operating Profit before Working Capital changes	42,843,092	18,418,400
ADJUSTMENTS FOR:		
Trade & other Receivables	(70,114,138)	43,464,783
Inventories	(12,207,851)	18,849,306
Trade Payables	<u>24,509,346</u>	<u>(21,375,284)</u>
	(57,812,643)	40,938,805
Cash generated from operations	(14,969,551)	59,357,204
Taxes paid (Net)	9,660,000	485,000
	(9,660,000)	(485,000)
Cash flow before extraordinary items	(24,629,551)	58,872,204
Extraordinary items	<u>36,953</u>	<u>(410,380)</u>
Net Cash from Operating Activities A	<u>(24,592,598)</u>	<u>58,461,824</u>
B. Cash Flow from Investing activities		
Purchase of Fixed Assets	(397,272)	(1,555,568)
Sale of Fixed Assets	9,000	-
Investments in Joint Venture Company	(50,400)	-
Interest received	<u>278,861</u>	<u>925,029</u>
Net Cash used in Investing Activities B	<u>(159,811)</u>	<u>(630,539)</u>
C. Cash Flow from Financing activities		
Proceeds from borrowings (Net)	37,670,580	(55,192,291)
Other Finance Charges	(1,308,743)	(1,190,223)
Interest paid	(6,829,804)	(9,454,321)
Dividend paid	-	(5,400,000)
Income tax on dividend paid	-	(918,000)
Net Cash used in Financing Activities C	<u>29,532,034</u>	<u>(72,154,834)</u>
Net increase in Cash and Cash Equivalents A+B+C	4,779,625	(14,323,550)
Cash and Cash equivalents - Opening Balance	6,876,996	21,200,546
Cash and Cash equivalents - Closing Balance	11,656,621	6,876,996

Notes to the Cash Flow Statement for the year ended 31st March, 2010 :

1. The cash flow statement has been prepared in accordance with the requirements of Accounting Standard - 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

3. Cash and Cash Flow Equivalents include Cash and Bank Balances.

2. The previous year's figures have been regrouped / restated wherever necessary to conform to this year's classification.

For and on behalf of the Board of Directors

Mumbai, 30th July, 2010

AUDITORS' CERTIFICATE

We have verified the above cash flow statement of Ecoplast Limited derived from the audited annual financial statements for the years ended March 31, 2010 and March 31, 2009 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreements with Stock Exchanges.

J. B. DESAI
Managing Director

For AKKAD MEHTA & CO.
Chartered Accountants
Firm ICAI Registration No. 100256W

Mumbai, 30th July, 2010

SANJAY MEHTA
Partner
Membership No. : 16859

Ecoplast Limited

Regd. Office : National Highway No. 8, Water Works Cross Road, Abrama - Valsad, 396 001.

Attendance Slip

I hereby record my presence at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company at Country Club, P.O. Vashier, Valsad, 396 001 at 11.30 a.m. on Saturday the 18th September, 2010.

SIGNATURE OF THE ATTENDING MEMBER / PROXY

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

Ecoplast Limited

Regd. Office : National Highway No. 8, Water Works Cross Road, Abrama - Valsad, 396 001

Proxy

I/We.....
of..... in the district of being
a Member/Members of the above named Company, hereby appoint
.....ofin the district of,or failing him
..... of in the district of
..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the Twenty Eighth
Annual General Meeting of the Company, to be held on Saturday, the 18th September 2010 and at any adjournment thereof.
Signed this day of 2010.

Reference Folio

Signature _____

Affix
1 Rupee
Revenue
Stamp

No. of Shares

This form is to be used _____ * in favour of _____ the resolution. Unless otherwise instructed, the
Proxy will act as he thinks fit. * against _____

* Strike out whichever is not desired

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