



# PROMACT PLASTICS LIMITED

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FIFTEENTH  
ANNUAL  
REPORT  
1998 - 99

**PROMACT PLASTICS LIMITED****FIFTEENTH ANNUAL REPORT 1998-99**

<b>BOARD OF DIRECTORS</b>	:	<b>Shri Naranbhai N. Patel</b>	<i>Chairman &amp; Managing Director</i>
		<b>Shri Rameshbhai S. Patel</b>	<i>Wholetime Director</i>
		<b>Shri Kirankumar A. Patel</b>	<i>Director</i>
		<b>Shri Jayantibhai N. Patel</b>	<i>Director</i>
		<b>Shri Babubhai A. Patel</b>	<i>Director</i>
<b>PRINCIPAL BANKERS</b>	:	State Bank of India Mehsana	
		The Mehsana Urban Co-op. Bank Ltd. Mehsana	
<b>AUDITORS</b>	:	M/s. M. M. Salvi & Co., Chartered Accountants Mehsana.	
<b>COMPANY LAW CONSULTANT</b>	:	Shri Kashyap R. Mehta Company Secretary Ahmedabad.	
<b>REGISTERED OFFICE</b>	:	106, Harikrupa Chambers, Behind National Chambers, Ashram Road, Ahmedabad-380 009.	
<b>FACTORY</b>	:	<b>Unit No.1:</b> 125, GIDC Estate, Nagalpur, Mehsana-384 002.	
		<b>Unit No.2:</b> 391 to 404, GIDC Estate, Phase-II, Dediyasan, Mehsana-384 002.	

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## NOTICE

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

**Date** : 22nd September, 1999  
**Day** : Wednesday  
**Time** : 11.00 a.m.  
**Place** : Ahmedabad Textile Mills' Association Hall,  
 Ashram Road,  
 Ahmedabad-380 009.

to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Profit and Loss Account of the year ended on 31st March, 1999 and the Balance Sheet as on that date alongwith the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri Naranbhai N. Patel, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Babubhai A. Patel, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

### Registered Office:

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

By the Order of the Board,

**Rameshbhai S. Patel**  
*Wholetime Director*

Date: 25th May, 1999.

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 1st September, 1999 to Wednesday, the 22nd September, 1999 (both days inclusive).
3. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
4. Members are requested to :
  - a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
  - b) Notify immediately the change in their registered address, if any, to the Company.

**FIFTEENTH ANNUAL REPORT 1998-99****DIRECTORS' REPORT TO THE MEMBERS**

Dear Shareholders,

Your Directors have pleasure in presenting the **FIFTEENTH ANNUAL REPORT** together with the Audited Statement of Accounts for the financial year 1998-99 ended 31st March, 1999.

**1. FINANCIAL RESULTS**

	For the Year 1998-99	(Rs.in Lacs) Previous Year 1997-98
Operating Profit (before Interest & Depreciation)	96.94	134.78
Less : Interest	70.82	58.66
Profit before Depreciation	26.12	76.12
Less : Depreciation	23.56	29.67
Profit before tax	2.56	46.45
Less : Provision for tax	0.30	5.55
Profit after tax	2.26	40.98
Balance brought forward from Previous year	35.74	38.59
Surplus available for appropriation	38.01	79.49
<b>APPROPRIATIONS :</b>		
1) Proposed Dividend	---	39.77
2) Corporate Tax on Dividend	---	3.98
3) Balance carried to Balance Sheet	38.01	35.74
	<b>38.01</b>	<b>79.49</b>

**2. DIVIDEND :**

With a view to conserve resources for the working capital of the Company, the Board of Directors have not recommended dividend for the year 1998-99 (Previous year: Re. 1/- per share) on the Equity Shares of the Company.

**3. PRODUCTION, SALES & WORKING RESULTS :**

The production of HDPE/PP Woven Sacks and Fabrics during the year under review was 179.24 lacs pcs. compared to 143.66 lacs pcs. during 1997-98. The sales during the year under review for HDPE/PP Sacks and Fabrics was 178.05 lacs pcs. compared to 143.21 lacs pcs. during 1997-98. The turnover of the Company was Rs. 1526 lacs against Rs. 1299 lacs for the year 1997-98.

The Operating Profit of the Company was lower during the year under review at Rs. 96.94 lacs compared to Rs. 134.78 lacs during 1997-98. The Profit before Depreciation was lower during the year under review at Rs. 26.12 lacs compared to Rs. 76.12 lacs during 1997-98. The Company had to absorb Depreciation of Rs. 23.56 lacs and the Profit before Tax during the year under review was Rs. 2.56 lacs compared to Rs. 46.45 lacs during 1997-98. After making necessary provisions for Taxation, the Profit after tax during the year under review stood at Rs. 2.26 lacs compared to Rs. 40.90 lacs during 1997-98.

In view of the general recessionary trend and economic fall-out during 1998-99, your Directors hope that you will find the working of the Company during the year under report satisfactory.

**4. MODERNISATION, EXPANSION AND FUTURE PLANS:**

Your Directors are pleased to report that the Company has initiated all-front actions to put up plant and increase the installed capacity to manufacture HDPE/PP Fabrics/Sacks by 1800 TPA.

**5. FINANCE**

5.1 During the year under review, the Company has repaid Rs. 47.04 lacs to the Financial Institutions/Banks by way of Principal loan amount.



- 5.2 During the year under review, the Company has been disbursed Term Loans of Rs. 1.40 lacs from The Mehsana Urban Co-Op. Bank Limited, Mehsana Branch.
- 5.3 The Company is at present enjoying Working Capital facilities of Rs. 310 lacs from State Bank of India, Janta Super Market Branch, Mehsana.
- 5.4 The Income-tax and Sales-tax Assessment of the Company have been completed upto Assessment Year 1996-97 and the Financial Year 1994-95 respectively.

**6. DIRECTORS**

Two of your Directors viz. Shri Naranbhai N. Patel and Shri Babubhai A. Patel retire by rotation in term of Articles 150 and 151 of the Articles of Association of the Company. They, however, being eligible, offer themselves for re-appointment.

**7. Y2K PREPAREDNESS**

The Management of the Company does not foresee any risk to the Company due to Year 2000 bug. However, the computers utilised for office services have been upgraded to be Y2K compliant without incurring any significant cost. As the computers have been upgraded to Y2K compliant, no contingency plans in the event of system breakdown/failure are necessary.

**8. LISTING**

The Equity Shares of the Company are listed on Ahmedabad and Mumbai Stock Exchanges and the Company has paid Annual Listing Fees to both the Stock Exchanges upto the year 1999-2000.

**9. GENERAL**

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

9.2 **AUDITORS** : The present Auditors of the Company M/s. M. M. Salvi & Co., Chartered Accountants, Mehsana have intimated their unwillingness/inability to be appointed as Statutory Auditors for the year 1999-2000 i.e. from the conclusion of the 15th Annual General Meeting.

The Company has received special notice under Sections 190 and 225 of the Companies Act, 1956 proposing name of Shri Pulin R. Purohit, Chartered Accountants, Chandkheda as Statutory Auditors of the Company from the conclusion of the 15th Annual General Meeting of the Company. Shri Pulin R. Purohit, Chartered Accountants, Chandkheda has submitted Certificate for his eligibility for appointment under Section 224 (1-B) of the Companies Act, 1956.

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

9.3 **PARTICULARS OF EMPLOYEES** : There is no employee drawing remuneration for which information is required to be submitted u/s. 217 (2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

9.4 **DONATION** : During the year under report, the Company donated Rs. 500/- for religious/charitable purposes.

9.5 **DEPOSITS** : The Company has not invited/accepted any Deposits from the Public within the meaning of Section 58 A of the Companies Act, 1956 and Rules made thereunder.

**10. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 IS AT ANNEXURE - I.****11. ACKNOWLEDGMENT**

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

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

By Order of the Board,

Place : Ahmedabad  
Date : 25th May, 1999.

**Rameshbhai S. Patel**  
Wholetime Director

**Kiranbhai A. Patel**  
Director