



# PROMACT PLASTICS LIMITED

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SIXTEENTH  
A N N U A L  
R E P O R T  
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## PROMACT PLASTICS LIMITED

### SIXTEENTH ANNUAL REPORT 1999-2000

|                           |                                  |   |
|---------------------------|----------------------------------|---|
| <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<br>Mehsana |
|--------------------------|----------------------------------|

|                 |   |
|-----------------|---|
| <b>AUDITORS</b> | : <b>Shri Pulin Purohit,</b><br><i>Chartered Accountants,</i><br>Ahmedabad. |
|-----------------|---|

|                               |  |
|-------------------------------|--|
| <b>COMPANY LAW CONSULTANT</b> | : <b>Shri Kashyap R. Mehta</b><br><i>Company Secretary</i><br>Ahmedabad. |
|-------------------------------|--|

|                          |   |
|--------------------------|---|
| <b>REGISTERED OFFICE</b> | : 106, Harikrupa Chambers,<br>Behind National Chambers,<br>Ashram Road,<br>Ahmedabad-380 009. |
|--------------------------|---|

|                |   |
|----------------|---|
| <b>FACTORY</b> | : <b>Unit No.1:</b><br>125, GIDC Estate, Nagarpur,<br>Mehsana-384 002.                  |
|                | <b>Unit No.2:</b><br>391 to 404, GIDC Estate, Phase-II,<br>Dediyasan, Mehshana-384 002. |

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## NOTICE

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

Date : 20th September, 2000  
 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, 2000 and the Balance Sheet as on that date alongwith the Directors' Report and Auditors' Report thereon.
2. To consider declaration of interim dividend by the Company, as recommended by the Board of Directors as final dividend for the year ended on 31st March, 2000.
3. To appoint a Director in place of Shri Jayantibhai N. Patel, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Kirankumar A. Patel, who retires by rotation and, being eligible, offers himself for reappointment.
5. 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.  
 Date : 29th June, 2000.

By the Order of the Board,

**Rameshbhai S. Patel**  
 Wholtime Director

### 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 Tuesday, the 5th September, 2000 to Wednesday, the 20th September, 2000 (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.

**SIXTEENTH ANNUAL REPORT 1999-2000****DIRECTORS' REPORT TO THE SHAREHOLDERS**

Dear Shareholders,

Your Directors have pleasure in presenting the SIXTEENTH ANNUAL REPORT together with the Audited Statement of Accounts for the financial year 1999-2000 ended 31st March, 2000.

**1. FINANCIAL RESULTS**

|   | For the Year<br>1999-2000 | (Rs.in Lacs)<br>Previous Year<br>1998-99 |
|---|---------------------------|--|
| Operating Profit (before interest & Depreciation) | 169.58                    | 96.94                                    |
| Less : Interest                                   | 75.54                     | 70.82                                    |
| Profit before Depreciation                        | 94.04                     | 26.12                                    |
| Less : Depreciation                               | 35.41                     | 23.56                                    |
| Profit before tax                                 | 58.63                     | 2.56                                     |
| Less : Provision for tax                          | 8.10                      | 0.30                                     |
| Profit after tax                                  | 50.53                     | 2.26                                     |
| Balance brought forward from Previous year        | 38.01                     | 35.74                                    |
| Surplus available for appropriation               | 88.54                     | 38.01                                    |
| <b>APPROPRIATIONS :</b>                           |                           |  |
| 1. Dividend (Interim)                             | 44.11                     | ---                                      |
| 2. Corporate Tax on Dividend                      | 4.41                      | ---                                      |
| 3. Balance carried to Balance Sheet               | 40.02                     | 38.01                                    |
|   | 88.54                     | 38.01                                    |

**2. DIVIDEND**

The Directors of your Company recommended and paid an Interim Dividend at the rate of Re. 1/- on 39,76,500 Equity Shares and Re. 0.30 on 14,50,000 Equity Shares during the year and now they recommend it as Final Dividend for the year ended on 31st March, 2000. The total amount paid by way of dividend is Rs. 44.11 lacs as against Nil in the previous year.

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

The production of HDPE/PP Woven Sacks and Fabrics during the year under review was 224.68 lacs pcs. compared to 179.24 lacs pcs. during 1998-99 showing an increase of 25 %. The sales during the year under review for HDPE/PP Sacks was 225.49 lacs pcs. compared to 178.05 lacs pcs. during 1998-99 showing an increase of 27 %. The turnover of the Company was Rs. 2321 lacs against Rs. 1528 lacs for the year 1998-99 showing an increase of 52 %.

The Operating Profit of the Company was increased to Rs. 169.58 lacs during the year under review compared to Rs. 96.94 lacs during 1998-99. The Profit before Depreciation was Rs. 94.04 lacs during the year under review compared to Rs. 26.12 lacs during 1998-99. The Company had to absorb Depreciation of Rs. 35.41 lacs and the Profit before Tax during the year under review was Rs. 58.63 lacs compared to Rs. 2.56 lacs during 1998-99. After making necessary provisions for Taxation of Rs. 8.10 lacs, the Profit after tax during the year under review stood at Rs. 50.53 lacs compared to Rs. 2.26 lacs during 1998-99.

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

Your Directors are pleased to report that the Company has initiated all-front activities to increase present production capacity of 3,200 M. T. per annum of HDPE/PP Woven Sacks/Bags to 4,700 M. T. per annum at a project cost of Rs. 445 lacs. The Company made Preferential Issue of 14,50,000 Equity Shares of Rs. 10/- each aggregating to Rs. 145 lacs to part finance the modernisation-cum-expansion project. The Company has already tied up Term Loan of Rs. 300 lacs to meet the balance Project Cost. The Company has already placed orders for major plant & machinery and the Modernisation-cum-Expansion Project will become fully operational during November-December, 2000, meaning thereby that the benefit of the Project will be available for a period of 4 months in the year 2000-01.

The Company is in the process of getting ISO 9002 Certification within 3-4 months.

**PPL PROMACT PLASTICS LIMITED****5. FINANCE**

- 5.1 During the year under review, the Company allotted 14,50,000 Equity Shares of Rs. 10/- each fully paid up aggregating to Rs. 145 lacs on Preferential basis after complying necessary formalities.
- 5.2 During the year under review, the Company regularly paid Principal and Interest to the Financial Institutions/Banks.
- 5.3 The Company is at present enjoying Working Capital facilities 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 1995-96 respectively.

**6. DIRECTORS**

Two of your Directors viz. Shri Jayantibhai N. Patel and Shri Kirankumar 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. 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 2000-01.

**8. GENERAL****8.1 INSURANCE**

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

**8.2 AUDITORS**

The present Auditors of the Company M/s. Pulin R. Purohit, Chartered Accountants, will retire at the ensuing Annual General Meeting of the Company. They have submitted Certificate for their eligibility for re-appointment under Section 224 (1-B) of the Companies Act, 1956.

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

**8.3 PARTICULARS OF EMPLOYEES**

There is no employee drawing remuneration for which information is required to be submitted under Section 217(2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**8.4 DONATION**

During the year under report, the Company donated Rs. 19,000/- for religious/charitable purposes.

**8.5 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.

**9. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 IS AT ANNEXURE - I.****10. 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 : 29th June, 2000.

**Rameshbhai S. Patel**  
Wholtime Director

**Babubhai A. Patel**  
Director