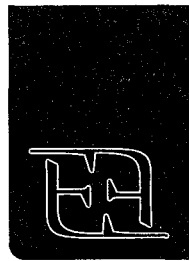


# **PUNEET RESINS LIMITED**



*Puneet*  
Resins Ltd.

**24th ANNUAL REPORT 2008-2009**

**BOARD OF DIRECTORS**

Mr. M. K. Kapoor	Chairman
Mr. Aditya A. Kapoor	Managing Director
Mr. Arvind M. Kapoor	Director
Mr. Jayesh Dadia	Director
Mr. D. P. Shah	Director
Mr. Nakul Kumar	Additional Director (w.e.f. 21/10/2008)

**COMPANY SECRETARY**

Mrs. Shubhangi Baiwar

**AUDITORS**

M/s. B. D. Jokhakar & Company  
8, Ambalal Doshi Marg, Fort,  
Mumbai- 400 023

**BANKERS**

Saraswat Co-op. Bank Ltd.  
Central Bank of India  
Kotak Mahindra Bank

**REGISTERED OFFICE**

W-75 (A) & W-76 (A),  
MIDC Industrial Area,  
Satpur, Nasik 422 007

**CORPORATE OFFICE**

84, Atlanta, Nariman Point, Mumbai- 400 021.

**PLANTS**

SATPUR	:	W-75 (A) & W-76 (A), MIDC Industrial Area, Satpur, Nasik - 422 007.
WADIVARE	:	Nasik Highway, Village Wadivare, Taluka Igatpuri, Nasik.

**REGISTRAR AND SHARE TRANSFER AGENT**

Link Intime Spectrum Registry Limited  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup (West),  
Mumbai- 400 078.  
Tel. No.: 022-25946970  
Fax : 022-25946969  
Email: mumbai@linkintime.co.in

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## NOTICE

Notice is hereby given that the **Twenty Fourth Annual General Meeting** of Puneet Resins Ltd. will be held on Monday, 24<sup>th</sup> August, 2009, at 10.00 a.m., at the Registered Office of the Company at W-75 (A) & W-76 (A), MIDC Industrial Area, Satpur, Nasik 422 007 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account for the year ended on that date together with Schedules annexed thereto as well as the Directors' and Auditors' Reports attached therewith.
2. To appoint a Director in place of Mr. M.K. Kapoor, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. Jayesh Dadia, who retires by rotation and is eligible for reappointment.
4. To appoint Messrs. B.D. Jokhakar & Co. Chartered Accountants, the retiring Auditors of the Company, as Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.
5. **APPOINTMENT OF MR. NAKUL KUMAR AS A DIRECTOR**

To appoint a Director in place of Mr. Nakul Kumar, who was appointed as an Additional Director of the Company, by the Board of Directors, with effect from 21<sup>st</sup> October, 2008, and who holds office upto the date of the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 ("the Act") but who is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 257 of the Act from a member proposing his candidature for the office of Director. The Board has considered and recommended in its meeting held on 29-06-2009 that the following resolution be passed as an Ordinary Resolution at the Annual General Meeting :

**"RESOLVED THAT** Mr. Nakul Kumar, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 21<sup>st</sup> October, 2008, and whose term expires at the ensuing Annual General Meeting of the Company, and for the appointment of whom the Company has received a notice under section 257 of the Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation."

### SPECIAL BUSINESS:

#### 6. **APPOINTMENT OF MR. ADITYA KAPOOR AS A MANAGING DIRECTOR OF THE COMPANY**

To consider and if thought fit to pass with or without modifications, the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 and Schedule XIII thereto, approval be and is hereby given to the appointment of Mr. Aditya Kapoor as Managing Director of the Company for a period of five years commencing from 1<sup>st</sup> October, 2008 on the remuneration set out in the Annexure relating to this resolution, with liberty to the Board of Directors to alter or vary the terms and conditions and remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Mr. Aditya Kapoor.

**RESOLVED FURTHER** that in the event of any statutory amendment or modification to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase or modify the remuneration including salary, commission, perquisites, allowances, etc.

**RESOLVED FURTHER THAT** Mr. Arvind Kapoor, Director, be and is hereby authorized to file with the Registrar of Companies Form 25C and other necessary documents to give effect to the said appointment."

**For and on behalf of the Board of Directors**

Place: Mumbai  
Date: 29<sup>th</sup> June, 2009

**M. K. Kapoor**  
Chairman

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Business under Item No. 5 & 6 set out above is annexed hereto. The relevant details in respect of Item Nos.2, 3 and 4 as required by Clause 49 of the Listing Agreement entered into with Stock Exchanges are also annexed.
3. Shareholders are requested to bring their copy of Annual Report to the Meeting.
4. Members/proxies should fill the Attendance Slip for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
7. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at Registered Office of the Company on all working days, except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
8. The Register of Members and Share Transfer Books of the Company will be closed from 10<sup>th</sup> August, 2009 to 18<sup>th</sup> August, 2009 (both days inclusive).
9. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
10. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s. Linkintime Spectrum Registry Ltd.
11. The Equity Shares of the Company are listed on The Stock Exchange, Mumbai. The listing fee has been paid up to date.
12. A member desirous of getting any information on the accounts or operations of the Company is required to forward his/her queries to the Company at least seven days prior to the meeting so that the required information can be made available at the Meeting.

**Appointment/Re-appointment of Directors:**

At this Annual General Meeting, Mr. M.K.Kapoor, retires by rotation and being eligible offer himself for reappointment. Mr. Jayesh Dadia, retires by rotation and being eligible offer himself for reappointment. Mr. Nakul Kumar was appointed as an Additional Director of the Company by the Board of Directors with effect from 21-10-2008 to hold office till the conclusion of the forthcoming Annual General Meeting. The Company has received a Notice in writing under Section 257 of the Act from a member proposing his candidature for the office of Director.

The information or details pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the statement on Corporate Governance published in this Annual Report.

**The following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 5 and 6 of the accompanying Notice dated 29<sup>th</sup> June, 2009.**

**Item No. 5**

Mr. Nakul Kumar was appointed as an Additional Director by the Board of Directors of the Company, with effect from October 21<sup>st</sup>, 2008. In accordance with the provisions of Section 260 of the Companies Act, 1956 ("the Act"), Mr. Nakul Kumar will hold office as a Director upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing under Section 257 of the Act from a member proposing his candidature for the office of the Director.

Mr. Nakul Kumar is a B.Com graduate and is an Associate Financial Planner. He is engaged in rendering of Financial & Investment Consultancy Services & Realty Services since last 8 years. He is a Managing Director in Wealthkraft Investment Services Pvt. Ltd. and a Director in S. N. Shares & Stock Brokers Pvt. Ltd.

Your Directors are of the view that the Company would be immensely benefited by expert guidance of Mr. Nakul Kumar and therefore recommend for approval, the Resolution contained in Item No. 5 of the Notice convening the Annual General Meeting.

Except Mr. Nakul Kumar, none of the Directors of the Company are concerned and interested in Item No. 5 of the Notice.

**Item No. 6**

Mr. Aditya Kapoor is well qualified to discharge the duties of Managing Director of the Company and possesses 3 years of experience in Rubber, Polymers and Resins Manufacturing Industry. He is a BS Computer Engineer from Rose Hulman Institute of Technologies, USA. Mr. Aditya Kapoor is a Director in two other Companies also, namely, Rishiroop Polymers Pvt. Ltd. and Rishiroop Holding Pvt. Ltd.

The Board of Directors approved the appointment of Mr. Aditya Kapoor as a Managing Director of the Company for a period of five years from 1<sup>st</sup> October, 2008 on the remuneration recommended by the Remuneration Committee of Directors.

The remuneration of Mr. Aditya Kapoor with effect from 1<sup>st</sup> October, 2008 and Memorandum of Interest are given below:

**Salary:** Salary of Rs. 60,000/- per month with such increments at such time, as may be decided by the Board of Directors.

- a) **Allowances & Perquisites:** Allowances and perquisites shall comprise of :
- i) House Rent Allowance at 50% of salary.
  - ii) Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
  - iii) Gratuity as per the rules of the company but shall not exceed half a month's salary for each completed year of service.
  - iv) Earned Leave of 25 days for every twelve months of service on full pay and allowance as per the rules of the company. Leave accumulated but not availed of, can be encashed as per the rules of the Company.
  - v) Provision of a car with driver for Company's business or Conveyance Allowance of Rs.20,000/- per month.
  - vi) Reimbursement of Medical expenses incurred for self and family subject to a ceiling of Rs. 15,000 in a year.
  - vii) Charges for telephone at residence and mobile phone will be reimbursed by the Company.
  - viii) Reimbursement of leave travel for self and family once in a year in accordance with the rules of the Company but shall not exceed one month salary.
  - viii) Personal Accident and Medical Insurance in accordance with the rules of the Company for the senior management staff.
  - ix) Reimbursement of club fees subject to a maximum of two clubs. This will not include admission and life membership fees.
- b) **Notice Period** : 3 months on either side or gross salary in lieu thereof.
- c) **Minimum remuneration** : In accordance with paragraph 1(B) of Section II of Part II in the event of loss or inadequacy of profits of Schedule XIII of the Companies Act, 1956.
- d) **Commission** : As determined by the Board from year to year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956.

In addition to the above, Mr. Aditya Kapoor shall be entitled to Reimbursement of entertainment, travelling, communication and other expenses incurred in the course of legitimate business of the Company which will not be considered as perquisites.

Mr. Aditya Kapoor holds 46,505 shares in the Company as on 30<sup>th</sup> September, 2008.

**Memorandum Of Interest**

The following Directors of the Company are deemed to be concerned or interested:

Sr. No.	Name of Director	Nature of Interest and Relationship
1.	Mr. Aditya Kapoor, Managing Director	Interested in the proposal as it relates to appointment of self.
2.	Mr. M. K. Kapoor, Chairman	Interested in the proposal as Mr. Aditya Kapoor's Father's father.
3.	Mr. Arvind M. Kapoor, Director	Interested in the proposal as Father of Mr. Aditya Kapoor.

Your Directors are of the view that the Company would be immensely benefited by expert guidance of Mr. Aditya Kapoor and therefore recommend for approval, the Special Resolution contained in Item No. 6 of the Notice convening the Annual General Meeting.

For and on behalf of the Board of Directors

### Resumes of Directors proposed to be appointed/re-appointed

#### Details Of the Directors Seeking Appointment/Reappointment At The Forthcoming Annual General Meeting (In pursuance Of Clause 49 Of The Listing Agreement)

1	<b>Name of Director</b>	Mr.Jayesh Dadia	Mr.M.K.Kapoor	Mr. Aditya Kapoor	Mr. Nakul Kumar
2	<b>Date of Birth</b>	23/07/1956	03/04/1924	11/12/1982	22/03/1976
3	<b>Date of Appointment</b>	24/09/1993	24/09/1984	21/06/2008	21/10/2008
4	<b>Nature of expertise in specific functional areas</b>	He has a rich experience in the field of taxation, corporate planning and restructuring.	He has 59 years of industrial & managerial experience. He has pioneered the technology for manufacture of Chlorinated Rubber.	He has 3 years of experience in rubber, polymers and resins manufacturing industry.	He is Engaged in Rendering of Financial & Investment Consultancy Services & Realty Services since last 8 years.
5	<b>Qualifications</b>	CA	B.Sc. in Industrial Chemistry	BS Computer Engineer from Rose Hulman Institute of Technologies, USA	B.Com Associate Financial Planner
6	<b>Directorships held in other companies (excluding foreign companies)</b>	-	1. Rishiroop Rubber (International Ltd.) 2. Rishiroop Polymers Pvt. Ltd. 3. Rishiroop Investments & Trading Co. Pvt. Ltd. 4. Rubtrade.com (India) Pvt. Ltd. 5. Devi Organics Pvt. Ltd.	1 Rishiroop Polymers Pvt. Ltd. 2. Rishiroop Holding Pvt. Ltd.	1) Managing Director in Wealthkraft Investment Services Pvt. Ltd.  2) Director in S. N. Shares & Stock Brokers Pvt. Ltd.
7	<b>Committee position held in companies</b>	1. Audit Committee Chairman (Puneet Resins Ltd.) 2. Remuneration Committee-Chairman (Puneet Resins Ltd.)	1. Chairman- Shareholder's / Investor's Grievance Committee (in Puneet Resins Ltd.) 2. Member -Audit Committee (in Rishiroop Rubber (I) Ltd.) 3. Chairman-Shareholder's/ Investor's Grievance Committee (in Rishiroop Rubber (I) Ltd.) 4. Chairman-Remuneration Committee-(in Rishiroop Rubber (I) Ltd.)	-	1. Member in Remuneration Committee of Puneet Resins Ltd.
8	<b>No. of shares held: (As on 31.03.2009)</b>  a) Own b) for other persons on a beneficial basis	50000  -	88200  -	68500  -	NIL  -

## **DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report, together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2009.

### **FINANCIAL RESULTS**

	<b>2008-2009</b>	2007-2008
	<b>Rs. in Lacs</b>	Rs. in Lacs
Gross Sales	2495.18	1312.85
Less: Excise Duty	50.34	71.53
Sales	2444.84	1241.32
Other Income	11.24	2.79
Profit/(Loss) before interest & Depreciation	312.39	161.17
Interest	41.74	38.14
Profit/(Loss) before Depreciation	270.64	123.03
Depreciation	25.32	26.27
Impairment of Fixed Assets	-	11.29
Profit/ (Loss) before taxation	245.33	85.47
Current Taxation	25.41	9.80
Provision for Deferred Tax	75.96	35.62
Provision for Fringe Benefit Tax	0.60	0.51
Short Provision of Tax for previous year	0.82	3.20
Net Profit/ (Loss) for the year	142.53	36.34
Profit/(Loss) brought forward	(174.79)	(211.12)
Transitional adjustment for employee benefit due to revised AS- 15	0	(0.02)
Profit/(Loss) transferred to Balance Sheet	(32.26)	(174.79)

### **REVIEW OF OPERATIONS**

During the period under review Company's turnover was Rs.2495.18 Lacs as against Rs. 1312.85 Lacs in the previous year, showing an increase of 90.16% and the profits before tax for the period under review has increased to Rs.245.33 Lacs from Rs. 85.47 Lacs in previous year.

The second half of the last financial year witnessed volatile demand due to fluctuations in the prices of most of the commodities including Synthetic Rubber, due to effects of Global credit crisis. But for this crisis which also affected Rubber industry the performance of the Company would have been better.

The Company's Wadivare plant was non-operational during the year.

### **DIVIDEND**

In view of carried forward loss, your Directors do not recommend the payment of dividend.

### **DIRECTORS**

In accordance with Section 260 of the Companies Act, 1956, the Board of Directors of the Company appointed Mr. Nakul Kumar as an Additional Director of the Company with effect from 21-10-2008 to hold office till the conclusion of the forthcoming Annual General Meeting.

Mr. M.K.Kapoor retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.  
Mr. Jayesh Dadia retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

The relevant details of the above Directors are given in the Notice of Annual General Meeting and in the Corporate Governance Report attached herewith.

### **DIRECTORS' RESPONSIBILITY STATEMENT U/S 217 (2AA) OF THE COMPANIES ACT, 1956**

As stipulated in Section 217 (2AA) of Companies Act, 1956, your Directors subscribe to the "Directors' Responsibility Statement" and confirm that:

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) The Directors have prepared the annual accounts on a going concern basis.

### **DEPOSITS**

During the year the Company has not accepted deposits from the public. The Company has complied with the provisions of section 58A of the Companies Act, 1956 and the rules made thereunder.

### **AUDITORS**

M/s. B. D. Johkakar & Co., Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Company has received confirmation from them to the effect that their appointment if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act 1956.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the particulars relating to conservation of energy, technology, absorption and foreign exchange earnings and outgo are given in Annexure 'A' to this report.

### **EMPLOYEES**

The relations between the Company and its employees continue to be cordial.

There were no employees during the year drawing remuneration more than prescribed under Section 217 (2A) of the Companies Act, 1956.

### **CORPORATE GOVERNANCE REPORT**

A report on the Corporate Governance along with the Certificate from the Statutory Auditors is separately given in the Annual Report.

### **ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation of the efforts put in by all the employees of the Company. The Directors also take this opportunity to thank the Company's Bankers for their valuable advice, guidance and support extended to the Company. Finally, the Directors express their gratitude to all shareholders for their confidence and continued support to the Company.

**For & on behalf of the Board of Directors**

**Corporate Office :**  
84, Atlanta, Nariman Point,  
Mumbai- 400 021  
Dated: 29/06/2009

**Mahendra Kumar Kapoor**  
Chairman



## ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2009.

### A. CONSERVATION OF ENERGY

The use of energy is being optimized through improved operational methods. Continuous efforts are being made to optimize and conserve energy by improvement in production process.

### B. TECHNOLOGY ABSORPTION

#### a) Research and Development

##### 1. Specific areas in which R&D carried out by the Company:

The Company does not have a separate R&D Department; however, it uses quality Control Laboratory for developmental work. Company has been developing new grades to meet customer's specific requirements.

##### 2. Benefits derived as a result of above R&D:

The Company has successfully developed new grades, for different end use applications.

##### 3. Future plans of action:

Focus is on development of new grades and to meet stringent quality standards of international market.

##### 4. Expenditure on R&D:

No system of separate maintenance of accounts has been developed yet. The expenditure is merged with various other heads of expenses.

#### b) Technology absorption, adaptation and innovation

##### 1. The efforts in brief towards technology absorption, adaptation and innovation.

The Company has developed in house technologies for the manufacture of its products.

##### 2. Benefits derived as a result of above efforts e.g. output improvement, cost reduction, product development.

The Company has introduced new grades for exports market.

##### 3. Details of imported technology:

There was no import of technology during the year.

### C. Details of Power and Fuel Consumption:

	2008-2009	2007-2008
<b>1. Electricity</b>		
a) Purchased Unit (KWH)	155528	147970
Total amount (Rs.)	790310	836409
Rate/Unit (Rs.)	5.08	5.65
b) Own generation	NIL	NIL
<b>2. Consumption per kg. of finished goods produced</b>	0.25 KWH	0.27 KWH

### D. Foreign Exchange Earnings and Outgo:

	2008-2009	2007-2008
	(Rs. in Lacs)	
<b>1. FOREIGN EXCHANGE EARNINGS</b>		
Foreign Exchange earnings during the year were	567.44	210.23
<b>2. FOREIGN EXCHANGE OUTGO</b>		
Value of Imports calculated on CIF basis		
Sales Commission	1.51	-
Raw Material	349.02	265.84
Trading Goods	1117.63	451.21

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The main business of the company is to make Polymer blends containing high quality of Nitrile rubber and PVC. These are mainly used in manufacture of Petrol hose, LPG tubing, O rings, seals and gaskets, printing and textile rollers, cable sheathing, Automobile Components etc. Besides growing local demand there is a good potential for export of Company's products.

### INDUSTRY STRUCTURE

The Rubber industry is dominated by large number of medium and small units. The small scale sector accounts for over 50% of production of rubber goods in non-tyre industrial products.

There are several producers of polymer blends in small scale sector. Due to fragmented structure of the user industry the market is highly price competitive.

### OPPORTUNITIES AND THREATS

The Company is continuing to customize its new grades to meet the requirements of domestic and International Customers. It has also installed a new line to meet the quality standards of export market.

However, there is always threat from cheaper substitute products.

### OUTLOOK

The growth of the non-tyre sector of rubber industry is expected to be between 10-12% per annum.

In short term, price volatility and fierce competition may affect the profit margins. However in the long term the market is expected to stabilize and grow steadily.

### RISKS AND CONCERNS

There is a risk of foreign exchange fluctuation impacting the import cost of raw materials if Rupee depreciates further. This will lead to all round increase in prices of rubber chemicals and finished products impacting demand for rubber products in the long run.

### INTERNAL CONTROL SYSTEM

The Company maintains adequate internal control systems, which provide among other things adequate support to all its operations and effectively handle the demands of the Company's financial management system.

### FINANCIAL PERFORMANCE

1. The financial statements have been prepared in compliance with the requirements to the Companies Act, 1956 and generally accepted Accounting Principles in India.
2. **Fixed Assets**  
During the year the Company has increased Fixed Assets amounting to Rs. .26 Lacs.
3. **Inventories**  
During the year total inventories have been decreased from Rs.437.78 Lacs in last year to Rs. 383.83 Lacs in the current year.
4. **Sundry Debtors**  
The Sundry Debtors are at 6.84 % of sales as at 31<sup>st</sup> March, 2009.
5. **Financial performance**  
The profit before taxation is Rs. 245.32Lacs as compared to profit for the previous year Rs. 85.47Lacs.

### MATERIAL DEVELOPMENT IN HUMAN RESOURCES OR INDUSTRIAL RELATION FRONT

The Company is maintaining good relations with its employees and currently employs about 23 employees in all categories.

### CORPORATE GOVERNANCE REPORT

#### I) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Transparency in all dealings, effective control and management of organization, investor friendly attitude towards shareholders has been the basic objective of the corporate governance of the Company.

#### II) BOARD OF DIRECTORS

The Board of Directors has 6 members comprising of 5 Non Executive Directors and 1 Executive Director. Five Board Meetings were held during the period 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009 on the following dates June 30, 2008, July 25, 2008, September 8, 2008, October 21, 2008, October 27, 2008 and January 22, 2009.

The Composition of the Board of Directors and their attendance at the Board Meetings during the period and at last Annual General Meeting as also the number of other directorships and committee memberships are given below:

Sr. No.	Name of the Director	Category of Director	No. of Board Meeting Attended	Attendance at last AGM	No. of Directorships held**	Committee membership +	Committee Chairmanship +
1	Mr. M. K. Kapoor	Non-executive Promoter Director	6	No	2	4	3
2	Mr. Arvind M. Kapoor	Non- Executive Promoter Director	6	Yes	2	3	-
3	Mr. Jayesh Dadia	Non-executive Independent Director	6	No	1	2	2
4	Mr. S. K. Bhatia#	Executive Director	-	No	-	-	-
5	Mr. H. L. Ohri#	Non-executive-Independent Director	-	No	1	1	1
6	Mr. Dilip P. Shah	Non-executive-Independent Director	4	No	1	2	-
7	Mr. Nakul Kumar	Non-executive-Independent Director	3	No	1	1	-
8	Mr. Aditya A. Kapoor	Executive Director	5	Yes	1	-	-

\*\* including Directorship in Puneet Resins Ltd. & excluding directorships of Private Companies.

+ Committees considered are Audit Committee, Shareholders'/Investors' Grievance Committee, Remuneration Committee, including in Puneet Resins Ltd.

# Mr. S.K.Bhatia retired as a Whole-time Director of the Company w.e.f. 31<sup>st</sup> May, 2008 and Mr. H.L.Ohri resigned as a Director of the Company w.e.f. 30<sup>th</sup> June, 2008.

### Code of Conduct

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All Board members and senior management have affirmed their compliance with the code of conduct. A declaration to this effect, signed by Whole-time Director is contained in the Annual Report.

### III) COMMITTEES OF THE BOARD

#### a. Audit Committee

The Audit Committee was constituted by the Board of Directors at its Meeting held on 22<sup>nd</sup> June, 2001 and last reconstituted on December 30, 2005. Members of the Committee are Mr. Jayesh Dadia (Chairman), Mr. Arvind Kapoor and Mr. Dilip P. Shah. Mrs. Shubhangi Baiwar, Company Secretary, is the Secretary to the Committee. Mr. H.L.Ohri ceased to be member of the Audit Committee w.e.f. 30<sup>th</sup> June, 2008.

The Committee held four meetings during the year 2008-2009. Four Audit Committee Meetings were held during the period 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009 on the following dates June 30, 2008, July 25, 2008, October 21, 2008 and January 22, 2009. The Statutory Auditors, internal auditor and Company Secretary also attended the meeting of Audit Committee. The attendance of members was as under:

Members	Meetings Attended	Sitting Fees Paid	Date of Meeting Attended
Mr. Jayesh Dadia	4	Rs. 4000/-	All Meetings of Audit committee held during the year 2008-2009.
Mr. Arvind M. Kapoor	4	Rs. 4000/-	All Meetings of Audit committee held during the year 2008-2009.
Mr. Harkishanlal Ohri	Nil	Nil	-
Mr. Dilip P. Shah	3	Rs. 3000/-	30 <sup>th</sup> June,2008; 25 <sup>th</sup> July,2008; 22 <sup>nd</sup> January,2009

The Committee oversees Company's financial process, internal control system; scope of audit includes the observations of the auditors, reviewing quarterly, half yearly and yearly statements. Committee is authorised to select and recommend accounting policies, review reports of the Statutory and Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The terms of reference of the audit committee are in accordance with the items as specified in clause 49 (II)(D) of the Listing Agreement, which *inter alia* includes the following:

- a) Review of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  2. Changes, if any, in accounting policies and practices and reasons for the same
  3. Major accounting entries involving estimates based on the exercise of judgment by management
  4. Significant adjustments made in the financial statements arising out of audit findings
  5. Compliance with listing and other legal requirements relating to financial statements
  6. Disclosure of any related party transactions
  7. Qualifications in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval

- f) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h) Discussion with internal auditors any significant findings and follow up there on.
- i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- j) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as may be assigned by the Board of Directors.
- m) Review of following information
  1. Management discussion and analysis of financial condition and results of operations;
  2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses; and
  5. The appointment, removal and terms of remuneration of the Chief internal auditor/ Internal Audit Firm shall be subject to review by the Audit Committee.

#### b. Remuneration Committee

The Committee is constituted with the powers to determine and fixing the remuneration of the Executive Directors.

During the year three meetings of the remuneration committee were held on June 30, 2008, October 21, 2008, and October 27, 2008. Mr. Nakul Kumar was appointed as the member of the Remuneration Committee on 21<sup>st</sup> October, 2008. Mr. H.L. Ohri ceased to be member of the Remuneration Committee w.e.f. 30<sup>th</sup> June, 2008.

The Committee comprises of following Members:

Shri Jayesh Dadia	<b>Chairman</b>
Shri Nakul Kumar	<b>Member</b>
Shri Dilip P. Shah	<b>Member</b>

Name of Member	Sitting Fees	Date of Meetings Attended
Mr. H. L. Ohri	Nil	Nil
Mr. Jayesh Dadia	3,000/-	30-06-2008, 21-10-2008 & 27-10-2008.
Mr. Dilip P. Shah	2,000/-	30-06-2008 & 27-10-2008.
Mr. Nakul Kumar	2,000/-	21-10-2008 & 27-10-2008.

#### Remuneration Policy

Payment of remuneration to the Executive Director is governed by the terms of appointment approved by the Board of Directors and the Members in terms of Schedule XIII to the Companies Act, 1956. His remuneration structure comprises of salary, perquisites, allowances and contribution to provident fund. The non-executive directors are not entitled to any remuneration from the company other than the sitting fees.

### Remuneration paid to Directors during 2008-2009

#### Remuneration to Executive Director

The remuneration paid to Mr. Satish Kumar Bhatia, Whole-time Director of the Company during the year ended 31<sup>st</sup> March 2009 is as under:

Name	Salary (Rs.) From 1 <sup>st</sup> April, 2008 to 31 <sup>st</sup> May, 2008.	Perquisites and allowances (Rs.) From 1 <sup>st</sup> April, 2008 to 31 <sup>st</sup> May, 2008.	Total (Rs.) From 1 <sup>st</sup> April, 2008 to 31 <sup>st</sup> May, 2008.
Mr. Satish Kumar Bhatia	68,600/-	47,106/-	115,706/-

Mr. Satish Kumar Bhatia retired as a Whole-time Director with effect from June 1, 2008. His earlier term as Whole-time Director was for one year w.e.f. June 1, 2007.

Mr. Aditya Kapoor is appointed as a Managing Director with effect from 1<sup>st</sup> October, 2008 for a period of 5 years. The remuneration paid to Mr. Aditya Kapoor, Managing Director of the Company during the year ended 31<sup>st</sup> March 2009 is as under:

Name	Salary (Rs.) From 1 <sup>st</sup> October, 2008 to 31 <sup>st</sup> March, 2009	Perquisites and allowances (Rs.) From 1 <sup>st</sup> October, 2008 to 31 <sup>st</sup> March, 2009	Total (Rs.) From 1 <sup>st</sup> October, 2008 to 31 <sup>st</sup> March, 2009
Mr. Aditya Kapoor	360,000/-	496,570/-	856,570/-

#### Remuneration to Non- Executive Directors

Non-Executive Directors are not paid remuneration in any form whether by way of commission or otherwise. They are paid only sitting fees for each meeting attended by them. The fees paid to Non- Executive Directors for the year ended 31<sup>st</sup> March, 2009 is as under:

Director's name	Sitting fees			
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Total
Mr. Mahendra K. Kapoor	Rs. 6000/-	NIL	NIL	Rs. 6000/-
Mr. Arvind M Kapoor	Rs. 6000/-	Rs. 4000/-	NIL	Rs. 10000/-
Mr. Jayesh Dadia	Rs. 6000/-	Rs. 4000/-	Rs. 3000/-	Rs. 13000/-
Mr. Harkishanlal Ohri	Nil	Nil	Nil	Nil
Mr. Dilip P. Shah	Rs. 4000/-	Rs. 3000/-	Rs. 2,000/-	Rs. 9000/-
Mr. Aditya Kapoor	Rs. 3000/-	Nil	Nil	Rs. 3000/-
Mr. Nakul Kumar	Rs. 3000/-	Nil	Rs. 2000/-	Rs. 5000/-

As on March 31, 2009 the non-executive Directors held equity shares of the Company as follows:

Name of Directors	Number of shares held
Mr. M.K. Kapoor	35,600
Mr. Arvind M. Kapoor	70,000
Mr. Harkishanlal Ohri	NIL
Mr. Jayesh Dadia	50,000
Mr. D. P. Shah	NIL
Mr. Nakul Kumar	Nil

As on March 31, 2009 the Executive Director held equity shares of the Company as follows:

Mr. Aditya Kapoor	68,500
-------------------	--------

#### c. Shareholders/ Investors Grievance Committee

The Committee comprises of following Directors.

- |                              |                 |
|------------------------------|-----------------|
| 1) Mr. Mahendra Kumar Kapoor | <b>Chairman</b> |
| 2) Mr. Arvind Kapoor         | <b>Member</b>   |

Mrs. Shubhangi Baiwar, Company Secretary, is the Compliance Officer of the Company.

The functions and powers of the Shareholders'/ Investors' Grievance Committee include review and redressal of complaints received from shareholders relating to transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transfer and transmission (with or without legal representation) of shares, non-receipt of balance sheet etc.

None of the complaints/request/letters/queries, which were received from the shareholders, is pending and all have been attended to/resolved with in prescribed period.

Number of Investor Complaints received during the year : 12  
 Number of Investor Complaints resolved during the year : 12  
 Number of pending Investor Complaints : 0

**d. Details of General Meetings**

Meeting	23 <sup>rd</sup> Annual General Meeting	22 <sup>nd</sup> Annual General Meeting	21 <sup>st</sup> Annual General Meeting
Date	29 <sup>th</sup> September, 2008	10 <sup>th</sup> September, 2007	18 <sup>th</sup> September, 2006
Time	10.00 a.m.	10.00 a.m.	10.00 a. m.
Special Resolutions	-	1	1

All the above meetings were held at W- 75 (A) & W-76 (A), MIDC Industrial Area, Satpur, Nasik 422 007.

None of the Special resolution/s passed in last three Annual General Meetings were passed by postal ballot.

No resolution requiring a Postal ballot is being proposed at the ensuing Annual General Meeting.

**IV) SUBSIDIARY COMPANIES**

The Company does not have any subsidiary company.

**V) DISCLOSURES**

**A. Disclosure of Materially significant related party transactions**

The company has not entered into any materially significant transactions with its promoters, directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large.

A summary of related party transactions is given in the Annual Report.

**B. Disclosure of Accounting Treatment**

In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India.

**C. Board Disclosures- Risk management**

The risks associated with the business have been stated in the Management Discussion and Analysis report. The risk assessment and control procedures are reviewed at periodic intervals by the top management.

**D. Proceeds from public issues, rights issues, preferential issues etc.**

No money has been raised by way of public issue, rights issue or preferential issue.

**E. Details of Non-compliance and instances of penalties**

The Company has complied with the requirements of the regulatory authorities on matters related to capital markets and no strictures of whatsoever nature have been imposed against the Company by Stock Exchange or SEBI or any other statutory authority during the last three years.

**F. Details of Compliance with mandatory requirements and adoption of non-mandatory requirements**

Clause 49 of the Listing agreement requires the company shall obtain a certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in this clause and annex the certificate with the directors' report, which is sent annually to all the shareholders of the company. The Company has obtained a certificate from its auditors to this effect and the same is given as an annexure to the Directors' report.

The Clause further states that the non-mandatory requirements may be implemented as per the discretion of the Company. However, the disclosures of compliance with mandatory requirement and adoption (and compliance)/ non-adoption of the non-mandatory requirements shall be made on need basis.

**VI) MEANS OF COMMUNICATION**

**Quarterly results**

The Shares of the Company are listed on Bombay Stock Exchange Ltd. In compliance to the clause 41 of the listing agreement, the quarterly results for the first, second and third quarter have been furnished with the stock exchange

within one month of end of the Quarter. The audited results for the fourth quarter and year ended 31<sup>st</sup> March 2009 shall be furnished to stock exchange and published in newspapers within 3 months from the end of Quarter.

The Company also publishes the financial results within 48 hours of the conclusion of the Board Meeting in at least one English daily news paper circulating in the whole or substantially the whole of India and in one news paper published in the language of the region, where the registered office of the company is situated.

As required under clause 41, the company informs the Stock Exchange where its securities are listed about the date of the Board Meeting at least 7 days in advance and also issues immediately a press release in atleast one national news paper and one regional language news paper about the date of the aforesaid Board meeting.

Also, the quarterly results are timely uploaded in EDIFAR.

The financial results are not displayed on Company's website, but are sent to the Stock exchange in such form so as to enable the stock exchange, on which the company is listed, to put it on its own web-site.

No presentations are made to institutional investors till date. Display and dissemination of presentations made in future, if any, shall be made adequately.

## VII) GENERAL SHAREHOLDER INFORMATION

1. 24<sup>th</sup> Annual General Meeting : Monday, 24<sup>th</sup> August 2009, at 10.00 A.M.  
Date, Time and Venue : At W-75 (A) & W-76(A), MIDC Industrial Area, Satpur, Nasik 422 007
2. Financial Year : 1<sup>st</sup> April 2009 – 31<sup>st</sup> March 2010
3. Financial Calendar : I. Quarter ending 30<sup>th</sup> June, 2009 – End July, 2009  
Financial Reporting for : II. Half year ending 30<sup>th</sup> Sept, 2009- End Oct, 2009  
III. Quarter ending 31<sup>st</sup> Dec, 2009 – End Jan, 2010  
IV. Quarter ending 31<sup>st</sup> March, 2010 - End June, 2010  
(along with Audited Annual Results)  
*Note: The above dates are indicative.*
4. Date of Book Closure : 10<sup>th</sup> August, 2009 to 18<sup>th</sup> August, 2009  
(Both days inclusive)
5. Dividend payment date : No dividend is declared for the year 2008-2009
6. Listing on Stock Exchanges at : Bombay Stock Exchange Ltd., Mumbai
7. Stock Code : 1. The Stock Exchange, Mumbai (BSE): 526492  
2. Demat ISIN No. in CDSL & NSDL : INE582D01013
8. Registrar and Transfer Agents : Linkintime Spectrum Registry Limited  
C-13, Pannalal Silk Mills Compound,  
Bhandup (West), Mumbai- 400 080  
Phone 022-2594 6970  
Email : [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)
9. Dematerialization of shares: : 86.20% of the total equity capital is held in Dematerialized form  
with National Securities Depository Ltd. and Central Depository  
Services (India) Ltd as on 31<sup>st</sup> March, 2009.
10. Outstanding ADRs/ GDRs : The Company has not issued any ADRs/GDRs
11. Plant Location : (1) W-75 (A) & W-76 (A), MIDC Industrial Area, Satpur, Nasik 422 007  
(2) Mumbai - Nasik Highway, Village Wadivare, Taluka Igatpuri, Nasik
12. Address for correspondence : The Shareholders may send their correspondence relating to transfer/  
dematerialization and other correspondence relating to shares of the  
company to the Registrar and Transfer Agents of the Company. Shareholders  
holding shares of Company in dematerialized form should address their  
correspondence to their respective Depository Participants.  
For any other queries, correspondence be made at Company's corporate  
office address at 84, Atlanta, Nariman Point, Mumbai – 400 021  
Designated e-mail id for investor correspondence : [investor@puneet.in](mailto:investor@puneet.in)



**13. Stock Price Data**

: High, low Market Price on Mumbai Stock Exchange Ltd. during each month in the last Financial year:

Month	Rates per equity share of the face value of Rs. 10/- each	
	High (Rs.)	Low (Rs.)
April 2008	6.30	4.46
May 2008	6.73	5.52
June 2008	6.24	3.81
July 2008	4.56	3.55
Aug. 2008	10.23	4.78
Sep. 2008	9.57	7.22
Oct. 2008	7.60	5.84
Nov. 2008	8.37	4.91
Dec. 2008	6.33	4.90
Jan. 2009	6.60	5.17
Feb. 2009	5.51	4.38
Mar. 2009	4.61	3.43

**14. Distribution of Shareholding as on 31<sup>st</sup> March, 2009:**

1. Distribution of Shareholding as on quarter ended 31st March, 2009.

	Category	No. of Shares held	% of Shareholding
<b>A.</b>	<b>Promoters Holding</b>		
1	Promoters		
	- Indian Promoters	2566663	49.21
	- Foreign Promoters	-	-
2	Persons acting in concert #	-	-
	<b>Sub- Total (A)</b>	<b>2566663</b>	<b>49.21</b>
<b>B.</b>	<b>Non- Promoters Holding</b>		
1	Institutional Investors		
2	Mutual Funds and UTI	12200	0.23
3	Banks, Financial Institutions, Insurance Companies (Central /State Govt. Institutions/ Non- Government Institutions)	-	-
<b>C</b>	<b>FII's</b>	-	-
	<b>Sub- Total (B + C)</b>	<b>12200</b>	<b>0.23</b>
<b>D</b>	<b>Others</b>		
1	Private Corporate Bodies	202576	3.88
2	Indian Public	2414830	46.3
3	NRIs/OCBs	17472	0.33
4	Any Other (Please Specify)	-	-
5	Clearing member	2059	0.04
	<b>Sub- Total (D)</b>	<b>2636937</b>	<b>50.56</b>
	<b>GRAND TOTAL (A + B + C + D)</b>	<b>5215800</b>	<b>100.00</b>

2. Distribution of shares (Slab wise)	No. of shareholders	Percentage to total No. of shareholders	Share Amount (in Rs.)	Percentage to total Share Capital
1-5000	2132	76.75	5445490	10.44
5001-10000	326	11.73	2867150	5.50
10001-20000	147	5.29	2389700	4.58
20001-30000	41	1.48	1045330	2.00
30001-40000	27	0.97	954710	1.83
40001-50000	25	0.90	1181890	2.27
50001-100000	37	1.33	2877240	5.52
100001 & Above	43	1.55	35396490	67.86
<b>TOTAL</b>	<b>2778</b>	<b>100</b>	<b>52158000</b>	<b>100</b>

#### 15. Share Transfer System :

The shares sent for physical transfer are received at the Registrar & Transfer Agents Office and all valid transfer requests are processed and returned within a maximum period of 15 days from the date of lodgment, provided the transfer deeds are in order and allotment money on the shares have been paid.

#### VII) Certification

A certificate from Managing Director on the financial statements and cash flow statement was placed before the Board.

By the Order of Board of Directors

Place: Mumbai  
Date : 29<sup>th</sup> June, 2009

**M. K Kapoor**  
Chairman

#### DECLARATION – CODE OF CONDUCT

All Board members and senior management personnel have, for the year ended 31<sup>st</sup> March 2009, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchange.

For Puneet Resins Limited

Place: Mumbai  
Date: 29<sup>th</sup> June, 2009

**Aditya Kapoor**  
Managing Director

#### AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of Puneet Resins Limited

We have examined the compliance of conditions of Corporate Governance by PUNEET RESINS LIMITED (the Company) for the year ended on 31<sup>st</sup> March, 2009, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) in India.

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

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

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

**For B. D. Jokhakar & Co.**  
Chartered Accountants

**Raman Jokhakar**  
Partner  
Membership No. 103241

Place: Mumbai  
Dated: 29<sup>th</sup> June 2009

**AUDITORS' REPORT TO THE MEMBERS OF PUNEET RESINS LIMITED**

1. We have audited the attached balance sheet of Puneet Resins Limited as at 31st March, 2009, the profit & loss account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. 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 (Auditor's Report ) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of Section 227 (4A) 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 in para 3 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 appears from our examination of the books;*
  - c. The balance sheet, the profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as at 31st March 2009 from being appointed as a director of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read with the notes thereon 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:
    1. in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2009;
    2. in the case of profit and loss account, of the profit for the year ended on that date; and
    3. in the case of the cash flow statement, of the cash flows for the year ended on that date

Place: Mumbai  
Dated: 29<sup>th</sup> June 2009

**For B. D. Jokhakar & Co.**  
Chartered Accountants  
**(RAMAN JOKHAKAR)**  
Partner  
Membership No. 103241

### ANNEXURE 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.
- (b) According to the information and explanations given to us, a substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year the company has not disposed off substantial part of its fixed assets so as to affect its going concern status.
- (ii) (a) As explained to us, the inventories of the company except stocks in transit have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were 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 inventories. As explained to us, there were no material discrepancies noticed on physical verification.
- (iii) (a) We are informed that during the year, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses 4(iii)(b), 4(iii)(c), 4(iii)(d) of the Order are not applicable.
- (b) The Company has taken unsecured loans from one party covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. The maximum amount outstanding in respect of loan was Rs. 2,16,72,741/- and the year end balance of such loan is Rs. 30,00,000/-.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
- (d) In respect of unsecured loan taken the loan is repayable on demand and the payment of principal amount and interest are regular.
- (iv) In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in such internal control systems.
- (v) To the best of our knowledge and belief and as explained to us the company is not required to enter any transactions which is required to be entered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, clause 4(v)(b) of the order is not applicable.
- (vi) According to the information and explanation given to us, the Company has not accepted deposits from the public during the period covered by our audit report.
- (vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management has been commensurate with the size of the company and nature of its business.
- (viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government u/s 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
- (ix) (a) The company has generally been regular in depositing undisputed statutory dues payable in respect of provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues, as applicable, with the appropriate authorities during the year. There were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2009 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there

are no disputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty, excise duty and cess, service tax outstanding as at the year end.

- (x) Accumulated losses of the company at the end of the financial year are not more than 50% of its Net Worth. The company has not incurred any cash losses in the current or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us the company has not defaulted in repayment of dues to banks and financial institutions.
- (xii) According to the information and explanations 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. Therefore, the provisions of clause 4(xii) of the order are not applicable to the company.
- (xiii) The company is not a chit fund or a nidhi or mutual benefit fund /society. Therefore, the provisions of clause 4(xiii) of the order are not applicable to the company.
- (xiv) In our opinion and according to information and explanations given the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the order, are not applicable to the Company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company during the year have been used for the purpose for which they are obtained.
- (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 prima facie, not been used during the year for long term investments.
- (xviii) According to the information and explanations given to us no preferential allotment of shares has been made by the company to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any secured debentures and accordingly the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The company has not raised any money through a 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 during the year.

**For B. D. Jokhakar & Co.**  
Chartered Accountants

**(RAMAN JOKHAKAR)**

Partner

Membership No. 103241

Place: Mumbai

Dated: 29<sup>th</sup> June 2009

## AUDITED BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	SCHEDULE	As at 31.03.09		As at 31.03.08	
		Rs.	Rs.	Rs.	Rs.
<b>I. SOURCES OF FUNDS</b>					
<b>1. Shareholders' Funds</b>					
a) Share Capital	1		52,158,000		52,158,000
b) Reserves & Surplus	2		10,870,860		10,870,860
<b>2. Loan Funds</b>					
a) Secured Loans	3		4,573,498		10,855,304
b) Unsecured Loans	4		3,053,975		22,114,086
<b>3. Loan Funds</b>			1,709,431		0
<b>TOTAL</b>			<u>72,365,764</u>		<u>95,998,250</u>
<b>II. APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets</b>					
a) Gross Block	5	61,480,114		61,454,266	
b) Less :- Depreciation & Impairment		<u>39,527,154</u>		<u>36,995,422</u>	
		21,952,960		24,458,844	
c) Net Block			21,952,960		24,458,844
<b>2. Investments</b>	6		25,000		25,000
<b>3. Deferred Tax Assets</b>			0		5,886,570
<b>4. Current Assets, Loans &amp; Advances</b>					
a) Inventories	7	38,382,522		43,777,580	
b) Sundry Debtors	8	16,719,750		20,521,802	
c) Cash & Bank Balances	9	10,437,471		20,334,035	
d) Loans & Advances	10	<u>7,839,136</u>		<u>4,822,434</u>	
		73,378,879		89,455,851	
Less :- Current Liabilities	11				
a) Liabilities		21,642,852		39,267,851	
b) Provisions		<u>4,573,880</u>		<u>2,039,153</u>	
		26,216,732		41,307,004	
Net Current Assets			47,162,147		48,148,847
<b>5. Profit and loss Account</b>			3,225,657		17,478,989
<b>TOTAL</b>			<u>72,365,764</u>		<u>95,998,250</u>
Notes to Accounts	20				

Schedules referred to herein form an integral part of the Balance Sheet

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For B.D. Jokhakar & Company  
Chartered Accountants

M. K. KAPOOR

Chairman

A. A. KAPOOR

Managing Director

Raman Jokhakar  
Partner

A.M. KAPOOR  
J. C. Dadia  
D. P. Shah

Directors

PLACE : Mumbai  
DATED : 29/06/2009

Shubhangi Baiwar

Company Secretary

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

Particulars	SCHEDULE	For the year ended 31.03.09		For the year ended 31.03.08	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales	12	249,518,161		131,285,471	
Less: Excise Duty Paid		5,034,475		7,152,933	
			<b>244,483,686</b>		124,132,538
Other Income	13		1,124,794		278,678
Increase/(Decrease) in stock	14		135,785		3,205,689
<b>TOTAL</b>			<b>245,744,265</b>		<b>127,616,905</b>
<b>EXPENDITURE</b>					
Cost of Materials	15	191,566,726		100,531,594	
Other Manufacturing Expenses	16	1,907,024		1,383,814	
Employment Cost	17	5,018,965		4,302,303	
Administrative, Selling & General Expenses	18	16,012,891		5,282,449	
Financial Charges	19	4,174,401		3,814,043	
			<b>218,680,007</b>		115,314,203
Profit before depreciation			27,064,258		12,302,702
Depreciation & Impairment of Fixed Assets			2,531,732		3,755,827
Profit before Tax			24,532,526		8,546,875
Provision for Taxation					
- Current Taxation			2,541,000		980,000
- Deferred Tax			7,596,001		3,561,679
- Fringe Benefit Tax			60,000		50,738
Profit For the year			14,335,525		3,954,458
- Short provision of tax for previous year			82,193		320,000
			<b>14,253,332</b>		3,634,458
Add : Profit/(Loss) Brought Forward			(17,478,989)		(21,111,764)
Transitional adjustment for employee benefit due to revised AS -15			0		(1,683)
<b>Balance Profit/(Loss) Carried to Balance Sheet</b>			<b>(3,225,657)</b>		<b>(17,478,989)</b>
Equity Shares of face value Rs. 10 each					
Basic & Diluted EPS			2.73		0.70
Significant Accounting Policies & Notes	20				

Schedules referred to herein form an integral part of Profit &amp; Loss Account

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For B.D. Jokhakar & Company  
Chartered Accountants

M. K. KAPOOR

Chairman

A. A. KAPOOR

Managing Director

Raman Jokhakar  
Partner

A.M. KAPOOR

J. C. Dadia

D. P. Shah

Directors

PLACE : Mumbai  
DATED : 29/06/2009

Shubhangi Baiwar

Company Secretary

**SCHEDULES ATTACHED TO AND FORMING PART OF THE AUDITED  
BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2009**

Particulars	As at 31.03.09 (Rs.)	As at 31.03.08 (Rs.)
<b>SCHEDULE :- 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1. 6,000,000 Equity Shares of Rs.10 each (Previous year 6,000,000)	<b>60,000,000</b>	60,000,000
2. 75,000 5% Cumulative Redeemable Preference shares of Rs. 100 each (Previous year 75,000)	<b>7,500,000</b>	7,500,000
<b>TOTAL</b>	<b><u>67,500,000</u></b>	<b><u>67,500,000</u></b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
1. 5,215,800 Equity Shares of Rs.10 each fully paid (Previous year 5,215,800)	<b>52,158,000</b>	52,158,000
<b>TOTAL</b>	<b><u>52,158,000</u></b>	<b><u>52,158,000</u></b>
<b>SCHEDULE :- 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>1. CAPITAL RESERVE</b>		
Capital Reserve	<b>10,870,860</b>	10,870,860
<b>TOTAL</b>	<b><u>10,870,860</u></b>	<b><u>10,870,860</u></b>
<b>SCHEDULE :- 3</b>		
<b>SECURED LOANS</b>		
1. From Bank (Refer Note No. 3 of Schedule 20)		
a) Cash Credit Account	<b>1,401,230</b>	3,233,831
b) Packing Credit	<b>985,000</b>	1,369,000
c) Export bills purchased	<b>0</b>	3,355,385
d) Term Loan - Sarswat Co-Op Bank Ltd.	<b>2,109,604</b>	2,752,000
2. Car Loan (Secured by hypothecation of Car)	<b>77,664</b>	145,088
<b>TOTAL</b>	<b><u>4,573,498</u></b>	<b><u>10,855,304</u></b>



**SCHEDULES ATTACHED TO AND FORMING PART OF THE AUDITED  
 BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2009**
**SCHEDULE :- 4  
 UNSECURED LOANS**

As at  
**31.03.09**  
 (Rs.)

As at  
 31.03.08  
 (Rs.)

**1. Other Loans and Advances**

a. WMDC Interest Free Sales Tax deferred Loan	<b>0</b>	32,551
b. SICOM Interest Free Sales Tax Deferred Loan	<b>53,975</b>	408,794
c. Inter Corporate Loans	<b>3,000,000</b>	21,672,741
<b>TOTAL</b>	<b>3,053,975</b>	<b>22,114,086</b>

**Schedule :- 5  
 Fixed Assets**

PARTICULARS	GROSS BLOCK				DEPRECIATION			Impairment During the Year	NET BLOCK	
	As on 1/4/2008	Addition during Year	Deletion during Year	As on 31/03/2009	As on 1/4/2008	For the Year	As on 31/03/2009		As on 31/03/2009	As on 31/03/2008
Lease Hold Land	107,894	-	-	107,894	25,559	1,136	26,695	-	81,199	82,335
Free Hold Land	508,519	-	-	508,519	-	-	-	-	508,519	508,519
Building	9,334,944	-	-	9,334,944	4,221,170	352,116	4,573,286	-	4,761,658	5,113,774
Plant & Machinery	46,514,834	-	-	46,514,834	29,055,015	1,954,791	31,009,806	-	15,505,028	17,459,819
Furniture & Fixtures	290,421	20,800	-	311,221	259,524	11,476	271,000	-	40,221	30,897
Electrical Installations	1,664,350	-	-	1,664,350	1,199,488	56,489	1,255,977	-	408,373	464,862
Office Equipments	90,392	-	-	90,392	60,525	3,856	64,381	-	26,011	29,867
Laboratory Equipments	413,738	-	-	413,738	180,311	32,142	212,453	-	201,285	233,427
Other Equipments	74,065	5,048	-	79,113	42,547	4,537	47,084	-	32,029	31,518
Computers	192,796	-	-	192,796	171,598	6,076	177,674	-	15,122	21,198
Vehicles	1,033,801	-	-	1,033,801	612,355	109,113	721,468	-	312,333	421,446
Moulds & Jigs	1,228,512	-	-	1,228,512	1,167,330	-	1,167,330	-	61,182	61,182
<b>Total</b>	<b>61,454,266</b>	<b>25,848</b>	<b>-</b>	<b>61,480,114</b>	<b>36,995,422</b>	<b>2,531,732</b>	<b>39,527,154</b>	<b>-</b>	<b>21,952,960</b>	<b>24,458,844</b>
Previous Year	58,877,652	2,576,614	-	61,454,266	33,239,595	2,626,827	35,866,422	1,129,000	24,458,844	

**SCHEDULES ATTACHED TO AND FORMING PART OF THE AUDITED  
BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2009**

<b>SCHEDULE :- 6 INVESTMENTS</b>	<b>As at 31.03.09</b>	<b>As at 31.03.08</b>
<b>Long Term Investment (At Cost)</b>	<b>(Rs.)</b>	<b>(Rs.)</b>
<b>Non- Trade Unquoted</b>		
2,500 Equity Shares of Saraswat Co-Op Bank Ltd., of Rs. 10/- each	<b>25,000</b>	25,000
<b>TOTAL</b>	<b>25,000</b>	<b>25,000</b>

<b>SCHEDULE :- 7 INVENTORIES</b>		
<b>(Refer Schedule 20 Note No VII)</b>		
1. Raw Materials	<b>6,993,625</b>	8,073,288
2. Work In Progress	<b>54,064</b>	14,420
3. Finished Goods	<b>6,061,843</b>	780,988
4. Packing Materials	<b>48,347</b>	42,881
5. Trading Goods	<b>11,082,708</b>	16,267,423
6. Goods in transit Raw Materials	<b>4,788,508</b>	5,390,311
7. Goods in transit Trading Materials	<b>9,353,427</b>	13,208,269
<b>TOTAL</b>	<b>38,382,522</b>	<b>43,777,580</b>

<b>SCHEDULE :- 8 SUNDRY DEBTORS</b>		
<b>(Unsecured, considered good)</b>		
1. Debts Outstanding for a period exceeding six months	<b>797,715</b>	146,727
2. Other Debtors	<b>15,922,035</b>	20,375,075
<b>TOTAL</b>	<b>16,719,750</b>	<b>20,375,075</b>
	<b>16,719,750</b>	<b>20,521,802</b>

<b>SCHEDULE :- 9 CASH &amp; BANK BALANCES</b>		
1. Cash balance on hand	<b>40,680</b>	38,387
2. Balances with Scheduled Banks		
In Current Accounts	<b>1,798,913</b>	688,123
In Letter of Credit Margin Deposit	<b>8,229,389</b>	19,261,000
In Fixed Deposit Account (Pledged with Bank)	<b>368,489</b>	346,525
<b>TOTAL</b>	<b>10,396,791</b>	<b>20,295,648</b>
	<b>10,437,471</b>	<b>20,334,035</b>

**SCHEDULES ATTACHED TO AND FORMING PART OF THE AUDITED  
BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2009**

<b>SCHEDULE :- 10</b>	<b>As at</b>	<b>As at</b>
<b>LOANS &amp; ADVANCES</b>	<b>31.03.09</b>	<b>31.03.08</b>
<b>(Unsecured, considered good)</b>	<b>(Rs.)</b>	<b>(Rs.)</b>
1. Advances recoverable in Cash or in kind or for value to be received	<b>1,137,554</b>	2,522,193
2. Advance Income Tax	<b>3,574,902</b>	84,733
3. Deposit with Excise Authorities	<b>2,302,751</b>	2,089,685
4. Other Deposits	<b>823,929</b>	125,823
<b>TOTAL</b>	<b><u>7,839,136</u></b>	<b><u>4,822,434</u></b>

**SCHEDULE :- 11**  
**CURRENT LIABILITIES & PROVISIONS**
**a) CURRENT LIABILITIES**

1. Sundry Creditors			
a) Micro, Small & Medium Enterprises	<b>316,895</b>	—	
(Refer Note No2 of Schedule 20)			
b) Other Sundry creditors	<b>19,992,359</b>	38,033,282	
2. Other Liabilities	<b>1,317,319</b>	1,135,180	
3. Advances From Customers	<b>16,279</b>	99,390	
	<b><u>21,642,852</u></b>		<b><u>39,267,851</u></b>

**b) PROVISIONS**

1. For Fringe benefit Tax	<b>62,009</b>		2,009
2. For MAT	<b>3,841,000</b>		1,300,000
3. For Staff Benefit	<b>670,871</b>		737,144
<b>TOTAL</b>	<b><u>4,573,880</u></b>		<b><u>2,039,153</u></b>

**SCHEDULE :- 12**  
**SALES**

Manufacturing Sales			
- Local	<b>42,262,262</b>	50,997,767	
- Less Excise duty paid	<b>5,034,475</b>	7,152,933	
	<b><u>37,227,787</u></b>		<b>43,844,834</b>
- Export	<b>41,648,725</b>		22,333,306
Trading Sales			
- Local	<b>149,067,354</b>	57,954,398	
	<b><u>149,067,354</u></b>		<b>57,954,398</b>
- Export	<b>16,539,820</b>		0
<b>TOTAL</b>	<b><u>244,483,686</u></b>		<b><u>124,132,538</u></b>

**SCHEDULES ATTACHED TO AND FORMING PART OF THE AUDITED  
BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2009**

	For the year ended 31.03.09 (Rs.)	For the year ended 31.03.08 (Rs.)
<b>SCHEDULE :- 13</b>		
<b>OTHER INCOME</b>		
1. Interest received		
a) On Bank Deposits	989,498	42,844
b) Others	124,890	35,676
2. Sundry Balance Written back	5,406	3,864
3. Foreign Exchange Fluctuation	0	191,794
4. Dividend	5,000	4,500
<b>TOTAL</b>	<u>1,124,794</u>	<u>278,678</u>
<b>SCHEDULE :- 14</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
<b>Closing Stock</b>		
1. Finished Goods	6,061,843	780,988
2. Trading Goods	11,082,708	16,267,423
3. Work in Progress	54,064	14,419
	<u>17,198,615</u>	<u>17,062,831</u>
<b>Opening Stock</b>		
1. Finished Goods	780,988	2,297,714
2. Trading Goods	16,267,423	11,485,953
3. Work in Progress	14,419	73,475
	<u>17,062,830</u>	<u>13,857,142</u>
<b>Increase / (Decrease) in Stock</b>	<u>135,785</u>	<u>3,205,689</u>
<b>SCHEDULE :- 15</b>		
<b>COST OF MATERIALS</b>		
a) Raw Materials	60,273,962	46,601,189
b) Packing Materials	569,500	501,545
c) Trading Goods	130,723,264	53,428,860
	<u>191,566,726</u>	<u>100,531,594</u>
<b>SCHEDULE :- 16</b>		
<b>OTHER MANUFACTURING EXPENSES</b>		
1. Repairs & Maintenance to		
a. Building	555,379	83,545
b. Plant & Machinery	398,128	349,872
c. Others	53,969	20,670
	<u>1,007,476</u>	<u>454,087</u>
2. Power & Fuel	790,310	836,408
3. Consumable Stores	31,926	31,576
4. Water Charges	43,868	38,462
5. Laboratory Expenses	4,628	23,280
6. Fuel	28,816	0
<b>TOTAL</b>	<u>1,907,024</u>	<u>1,383,814</u>

**SCHEDULES ATTACHED TO AND FORMING PART OF THE AUDITED  
BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2009**

	For the year ended 31.03.09 Rs.	For the year ended 31.03.08 Rs.
<b>SCHEDULE :- 17</b>		
<b>EMPLOYMENT COST</b>		
1. Salaries, Wages, Bonus & Benefits	4,423,495	3,759,776
2. Contribution to Provident Fund, Gratuity and other Funds	403,310	383,109
3. Staff Welfare	192,160	159,418
<b>TOTAL</b>	<u><u>5,018,965</u></u>	<u><u>4,302,303</u></u>

**SCHEDULE :- 18**  
**ADMINISTRATIVE, SELLING & GENERAL EXPENSES**

1. Insurance Charges	192,649	139,635
2. Rates & Taxes	512,883	71,992
3. Directors Sittings Fees	46,000	39,000
4. Managerial Remuneration	972,276	756,419
5. Payment to Auditors	159,361	119,202
6. Share Transfer Expenses	72,000	72,000
7. Vehicle Expenses	159,455	121,951
8. Legal & Professional Charges	659,285	453,411
9. Printing & Stationery	105,852	82,954
10. Conveyance & travelling	371,518	267,464
11. Advertisement expenses	62,497	22,349
12. Postage & Courier	92,718	73,852
13. Telephone Expenses	97,115	114,730
14. Security Charges	335,319	300,929
15. Miscellaneous Expenses	1,106,616	336,847
16. Export charges	2,300,103	1,829,896
17. Foreign Exchange Fluctuation	6,945,979	-
18. Rent Office Premises	789,666	-
19. Warehousing Charges	610,810	359,329
20. Commission & Discount	420,789	120,488
<b>TOTAL</b>	<u><u>16,012,891</u></u>	<u><u>5,282,449</u></u>

**SCHEDULE :- 19**  
**FINANCE CHARGES**

1. Interest Paid		
- On Cash Credit	560,348	748,069
- On Packing Credit	706,535	332,889
- On Inter Corporate Loan	1,468,353	1,817,239
- On Car Loan	16,348	24,123
- On Others	13,633	18
2. Bank Commission & Charges	1,409,184	891,705
<b>TOTAL</b>	<u><u>4,174,401</u></u>	<u><u>3,814,043</u></u>

## SCHEDULE :- 20

### SIGNIFICANT ACCOUNTING POLICIES :

**(i) Basis of Accounting :**

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

**(ii) Use of Estimates :**

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumption that affects the reported amounts of assets and liabilities and disclosure of contingent liability on the date of financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is reorgnized prospectively in current and future periods.

**(iii) Revenue Recognition :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(a) Revenue from sale of goods is recognized on transfer of all significant risk and rewards of ownership of the goods on to the customer. The sale value is exclusive of excise duty, sales tax, trade discounts and liquidated damages if any.

(b) Dividend income is recognized when the right to receive dividend is established.

(c) Interest income is recognized on the time proporation basis.

**(iv) Fixed Assets :**

Fixed Assets are shown at cost of acquisition or construction less accumulated depreciation. Cost includes the *construction/ purchase/ acquisition cost and other directly attributable cost to bring the assets to its present working condition reduced by duties subsequently recoverable*. Direct costs are capitalized until fixed assets are ready to use.

**(v) Depreciation :**

Depreciation on Fixed Assets has been provided on the following basis. On Straight Line Method basis for Vadivare unit and on Written Down Value basis for Satpur Unit at rate prescribed under Schedule XIV of Companies Act, 1956. Lease hold Land is being amortized over the period of lease.

**(vi) Impairment of Assets :**

The Management periodically assesses, using external and internal sources, whether there is an indiation that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higer of an asset's net selling price and value in use.

In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Reversal of impairment loss is recognized immediately as income in the profit and loss account.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**(vii) Investment :**

Long term investments are carried at cost less diminution in the value, if any. Provisions are recognized for any decline, other than temporary, in the carrying value of long term investment as determined by management.

**(viii) Inventories :**

Stock of Raw Materials is valued at lower of cost or net realizable value, cost of which include duties and taxes except those subsequently recoverable from the government authorities. However materials and other items held

for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Stock of Packing Materials is valued at cost.

Work in Process and Finished goods including traded goods are valued at lower of cost and net realisable value. Finished goods and work in progress include costs of conversion and other costs incurred in bringing the inventories to its present location and condition.

Cost of inventories are computed on a weighted-average basis.

**(ix) Foreign Currency Transactions :-**

Transaction in foreign currency are recorded in rupees by applying the exchange rate on the date of transaction. The exchange differences arising on actual settlement of the transactions are recognized in the profit and loss account during the year.

Monetary assets and liabilities in foreign exchange, which are outstanding as at the year end, are translated at the closing rate and the resulting exchange differences are recognized in profit and loss account.

**(x) Employees' Benefits :**

**Short Term Employee Benefits**

Short Term employee benefits are recognized in the Profit and Loss Account as expenses at their undiscounted amount.

**Long Term Employee Benefits**

**(a) Defined Contribution Plans**

Employee benefits in the form of employee's provident fund scheme and employee state insurance scheme employee are recognized in the Profit and Loss Account on accrual basis.

**(b) Defined Benefit Plan**

Defined Benefit Plans in form of Gratuity and Compensated Absences are provided on the basis of actuarial valuations, as at the balance sheet date, carried out by an independent actuary using Projected Unit Credit Method.

Actuarial gain or loss is charged in Profit and Loss Account for the year.

**(xi) Taxes on Income :**

Current tax is measured at an amount payable for the period in accordance with the Income Tax Act 1961.

Deferred tax expenses or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets. At each Balance Sheet date, the carrying value amount of deferred tax assets reviewed to reassure realization.

Fringe Benefit Tax is calculated in accordance with the provisions of the Income Tax Act, 1961 and Guidance Note on Fringe Benefit Tax issued by the Institute of Chartered Accountants of India.

**(xii) Provisions :**

Provisions are recognized when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not; require an out flow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements.

Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect correct management estimate.

**NOTES TO ACCOUNTS :**

1. Previous year's figures have been regrouped, recast and restated wherever necessary.
2. The below information regarding Micro, Small and Medium Enterprises 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.

**Micro, Small and Medium Enterprises disclosure :**

	2008-09	2007-08
1. Amount payable to "suppliers" under MSMED Act as on 31/03/2009		
Principal	316895	0
Interest	24579	0
2. Amount paid to "suppliers" under MSMED Act during F. Y. 2008-09		
Principal	1641221	0
Interest	0	0
3. Amount of interest due/payable on delayed Principal which has already been paid during current year (Without interest or with part interest)	0	0
4. Amount accrued and remaining unpaid at the end of Accounting year	24579	0
5. Amount of interest which is due and payable which is carried forward from previous year.	0	0

**3. Secured loan**

Cash credit and packing credit Rs. 23,86,230/- (previous year Rs. 46,02,831/-) from The Sarswat Co-Op Bank Ltd are secured against hypothecation of inventories &, book debts.

Term Loan Rs. 21,09,604/- (previous year Rs. 27,52,000/-) from The Sarswat Co-Op Bank Ltd, are secured against equitable mortgage of immovable property and guaranteed by two directors.

**4. Managerial Remuneration :**

- a) Managerial Remuneration under section 198 of the Companies Act, 1956 to Managing Director

	2008-2009 Rs.	2007-2008 Rs.
(a) Salary	428,600	407,600
(b) Contribution to PF & Other Funds	51,432	48,912
(c) Allowances	492,244	299,907
	972,276	756,419

- b) Computation of net profit for salary payable to the Directors:-

The Company has been advised that the Computation of Net Profit for the purpose of Director's remuneration under section 349 of the Companies Act, 1956, need not be enumerated since no commission has been paid to Directors, Minimum remuneration has been paid to the Directors as per Schedule XIII to the Companies Act, 1956.

**5. Payment to Auditors includes :**

	2008-2009 Rs.	2007-2008 Rs.
(a) Audit Fees	70,000	55,000
(b) Tax Audit Fees	25,000	10,000
(c) Certification & Review	25,000	25,000
(d) Expenses Reimbursed	39,361	29,202
	159,361 *	119,202

\* Net of Service Tax

**6. Employee Benefits**

The Company has a defined benefit plan. Every employee who has completed five year or more of service gets a gratuity on departure at 15 days salary ( last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has a defined unfunded obligation for leave encashment. Generally the leave encashment is paid to employees as and when claimed.



The following tables summarise :

**The amounts Recognised in the balance Sheet :**

Present value of funded obligations  
Fair value of plan assets  
Present value of unfunded obligations  
Unrecognised past service cost  
Net Liability  
Amounts in the balance sheet  
Liabilities  
Assets  
Net Liability

2008-09		2007-08	
Rs.	Rs.	Rs.	Rs.
Leave Encashment	Gratuity	Leave Encashment	Gratuity
Nil	433,576	Nil	397,776
Nil	433,576	Nil	397,776
344282	122,437	317284	220,722
Nil	Nil	Nil	Nil
344282	122,437	317284	220,722
344282	556,013	317284	618,498
Nil	433,576	Nil	397,776
344282	122,437	317284	220,722

**Amounts Recognised in the statement of Profit & Loss Account:**

Current service cost  
Interest on obligation  
Expected return on plan assets  
Net actuarial losses (gains) recognised in the year  
Past service cost  
Losses (gains) on curtailments and settlement  
Total included in employee benefit expenses

59,470	77,399	33,983	62,093
25,383	49,480	23,889	41,571
Nil	(35,800)	Nil	(30,464)
133,972	(11,268)	157,566	(3,179)
Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil
218,825	79,811	215,438	70,022

**Changes in the present value of the defined benefit obligation representing reconciliation of opening closing balances thereof :**

Opening defined obligation as on 01-04/2008  
Service cost for the year  
Interest cost  
Actuarial losses (gains)  
Losses (gains) on curtailments Benefit paid  
Closing defined benefit obligation as on 31-03/2009

317,284	618,498	298,609	519,639
59,470	77,399	33,983	62,093
25,383	49,480	23,889	41,571
133,972	(11,268)	157,566	(4,805)
(191,827)	178,096	(196,763)	Nil
344,282	556,013	317,284	618,498

**Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof :**

Opening fair value of plan assets  
Expected return  
Actuarial gains and (losses)  
Assets distributed on settlements  
Contribution by employer  
Closing balance of Fund

Nil	397,776	Nil	308,029
Nil	35,800	Nil	30,464
Nil	-	Nil	(1,627)
Nil	Nil	Nil	Nil
Nil	-	Nil	60,910
Nil	433,576	Nil	397,776

**Principal actuarial assumptions at the balance sheet date :**

(Expressed as weighted averages)

Discount rate ( p.a.)  
Expected return on plan assets (p.a.)  
Proportion of employee opting early retirement  
Annual increase in salary costs

8%	8%	8%	8%
-	9%	-	9%
-	-	-	-
6%	6%	6%	6%

**Amount for the current and previous four periods :**

Defined benefit obligation  
Plan assets  
Surplus/(deficit)

344,282	556,013	317,284	618,498
-	433,576	-	397,776
(344,282)	(122,437)	(317,284)	(220,722)

**Transitional Liability :**

**Transitional Liability as on the date of adoption**

Defined Benefit Obligation  
Less Fair Value of Plan Assets  
Less any unrecognised Past service cost  
Gross Transitional Liability  
Less amount already provided in the books of Accounts  
Net Transitional Liability/(Assets)

Nil	Nil	298,609.00	519,639
Nil	Nil	Nil	(308,029.00)
Nil	Nil	298,609.00	211,610
Nil	Nil	508,536.00	Nil
Nil	Nil	209,927.00	211,610

**7. Related Party Information :**

As per AS-18 issued by the Institute of Chartered Accountants of India, the Company's related parties are as under

- 1 (a) **Key Management personnel and their relatives**
  - 1 Aditya Arvind Kapoor Managing Director
  - 2 Shri S. K. Bhatia Wholetime Director
- (b) **Enterprises under significant influence of key management personnel**
  - 1 Rishiroop Polymers Pvt Ltd.,
  - 2 Rishiroop Rubber (Int.) Ltd.,

**2 Transactions with related parties**

Particulars	2008-09		2007-08	
	Referred in 1(a) above	Referred in 1 (b) above	Referred in 1(a) above	Referred in 1 (b) above
<b>Managerial Remuneration</b>				
Shri Aditya Arvind Kapoor, M.D.	856,570		-	
Shri S.K. Bhatia , Wholetime Director	115,706	-	756,419	
<b>Interest on Loan</b>				
Rishiroop Polymers Pvt Ltd.,		1,104,274		1,817,239
<b>Outstanding Loan</b>				
Rishiroop Polymers Pvt Ltd.,		3,000,000		21,672,741
<b>Purchases</b>				
Rishiroop Rubber (Int) Ltd.,		2,399,536		-

**8. Leases- AS 19**

Operating Lease :

Premises is obtained on operating lease and is non cancellable for a period of two years at mutual consent. There are no restrictions imposed by lease arrangements. The lease term is based on individual agreements. There are no sub-lease.

The aggregate lease rentals payable are charged as rent (refer Schedule 18 ) in the Profit & Loss Account.

Future commitments in respect of minimum lease payments payable for non cancellable operating leases entered in to by the Company

	2008-09	2007-08
a. payable not later than one year	1,380,000	-
b. payable later than one year but not later than five years	590,334	-
Future commitments in respect of assets acquired under Finance Schemes		
Minimum lease payments"		
a. payable not later than one year	N A	N A
b. payable later than one year but not later than five years		
Present value of Minimum lease payments		
a. payable not later than one year	N A	N A
b. payable later than one year but not later than five years		
Finance charges		
a. payable not later than one year	N A	N A
b. payable later than one year but not later than five years		

**9. Earning per share :**

The basic earning per share ("EPS") is calculated by dividing the Profit/(Loss) after Tax by the weighted average number of Equity Shares outstanding.

	As on 31/03/2009 (Rs. In Lacs)	As on 3/31/2008 (Rs. In Lacs)
Profit after tax as per Profit & Loss Account (A)	14,253,332	3,634,458
Weighted Average No. of Equity Shares (B)	5,215,800	5,215,800
Basic and diluted Earning Per Share (A/B)	2.73	0.70

**10. Deferred Tax Assets / Liabilities :**

	As at 31/03/2008	Charge for the year	As at 31/03/2009
<b>(A) Deferred Tax Liability</b>			
Difference between net block as per book and Income Tax			
(A)	5,122,629	452,317	4,670,312
<b>(B) Deferred Tax Assets</b>			
Unabsorbed Depreciation & Carried forward Losses			
(B)	11,009,199	8,048,318	2,960,881
<b>Deferred Tax Asset Net (A-B)</b>	<u>5,886,570</u>	<u>7,596,001</u>	<u>(1,709,431)</u>

**11. Additional Information required under para 3,4C & 4D of Part II of Schedule VI to the Companies Act, 1956 is as under :****A. Licenced & Installed capacity & Production :**  
(As certified by Management)

	Rubber & PVC Compound		Rubber Products	
	2008-2009	2007-2008	2008-2009	2007-2008
	Quantity	Quantity	Quantity	Quantity
	M.T.	M.T.	M.T.	M.T.
Licenced Capacity	N.A.	N.A.	N.A.	N.A.
Installed Capacity	- *	- *	150	150
Production	622	544	0	0

\* Installed Capacity in not given as the unit is producing multiproduct/multigrade PVC Compounds.

**B. Details of Cost of Raw Materials**

	2008-2009		2007-2008	
	Quantity	Value	Quantity	Value
	M.T.	Rs.in Lacs	M.T.	Rs.in Lacs
1. PVC	181.14	95.39	149.21	71.12
2. Synthetic Rubber	348.56	409.32	336.66	307.21
3. Other Chemicals	116.79	98.02	111.43	87.68
<b>TOTAL</b>	<u>646.49</u>	<u>602.73</u>	<u>597.30</u>	<u>466.01</u>

**C. Trading Purchases :**

1. Synthetic Rubber	934.36	1,211.71	414.25	378.30
2. Others	116.90	95.52	310.40	155.49
	<u>1,051.26</u>	<u>1,307.23</u>	<u>724.65</u>	<u>534.29</u>

**D. Details of Sales :****Mfg Sales**

1. Rubber & PVC Compound	574.68	788.77	558.41	661.78
2. Rubber Product	-	-	-	-
(A)	<u>574.68</u>	<u>788.77</u>	<u>558.41</u>	<u>661.78</u>

**Trading Sales**

1. Synthetic Rubber	946.86	1,454.92	393.55	416.91
2. Others	228.65	201.15	237.06	162.63
(B)	<u>1,171.51</u>	<u>1,656.07</u>	<u>630.61</u>	<u>579.54</u>
(A + B)	<u>1,750.19</u>	<u>2,444.84</u>	<u>1,189.02</u>	<u>1,241.32</u>

**E. Opening and Closing Stock of Goods Produced :**  
**Opening Stock**

1. Rubber & PVC Compound	10.21	7.77	24.18	22.94
2. Rubber Product	0.64	0.04	0.64	0.04
	<u>10.85</u>	<u>7.81</u>	<u>24.82</u>	<u>22.98</u>

**Closing Stock**

1. Rubber & PVC Compound	57.84	60.59	10.21	7.77
2. Rubber Product	0.64	0.03	0.64	0.04
	<u>58.48</u>	<u>60.62</u>	<u>10.85</u>	<u>7.81</u>

F. Opening and Closing Stock of Trading Goods :	2008-2009		2007-2008	
	Quantity M.T.	Value Rs.in Lacs	Quantity M.T.	Value Rs.in Lacs
<b>Opening Stock</b>				
1. Synthetic Rubber	74.38	82.15	53.69	57.25
2. Others	155.30	80.52	81.96	57.61
	<b>229.68</b>	<b>162.67</b>	<b>135.65</b>	<b>114.86</b>
<b>Closing Stock</b>				
1. Synthetic Rubber	61.82	80.60	74.38	82.15
2. Others	43.62	30.23	155.30	80.52
	<b>105.44</b>	<b>110.83</b>	<b>229.68</b>	<b>162.67</b>
<b>G. CIF Value of Imports :</b>	<b>2008-2009</b>		<b>2007-2008</b>	
	Value Rs. in Lacs		Value Rs. in Lacs	
On account of Raw Material	349.02		265.84	
On account of Trading Goods	1,117.63		451.21	
<b>H. Value of imported and indigenous raw materials, stores &amp; spares</b>	<b>2008-2009</b>		<b>2007-2008</b>	
	%	Rs. in Lacs	%	Rs. in Lacs
a) Imported Raw Material	77	462.74	69	321.96
b) Indigenous Raw Material	23	139.99	31	144.05
	<b>100</b>	<b>602.73</b>	<b>100</b>	<b>466.01</b>
c) Indigenous Stores	<b>100</b>	<b>0.32</b>	<b>100</b>	<b>0.32</b>
<b>I. Expenditure in Foreign currency :</b>	<b>Rs. in Lacs</b>		<b>Rs. in Lacs</b>	
Sales Commission	1.51		Nil	
<b>J. Earning in Foreign currency on account of Export :</b>	<b>2008-2009</b>		<b>2007-2008</b>	
	Rs. in Lacs		Rs. in Lacs	
F O B Value of Export	567.44		210.23	

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For B.D. Jokhakar & Company  
Chartered Accountants

**M. K. KAPOOR**

Chairman

**A. A. KAPOOR**

Managing Director

Raman Jokhakar  
Partner

**A.M. KAPOOR**  
**J. C. Dadia**  
**D. P. Shah**

Directors

PLACE : Mumbai  
DATED : 29/06/2009

**Shubhangi Baiwar**

Company Secretary

## 12. ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

## I. Registration details

Registration No.	34093
Balance Sheet Date	31   03   2009

II. Capital raised during the year  
(Amount in Rupees Thousands)

Public issue	NIL	Rights Issue	NIL
Bonus issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds  
(Amount in Rupees Thousands)

Total liabilities	72366	Total Assets	72366
<b>Sources of funds</b>			
Paid-up capital	52158	Reserves & Surplus	10871
Secured loans	4574	Unsecured Loans	3054
Deferred Tax Liability	1709		
<b>Application of funds</b>			
Net fixed assets	21953	Investments	25
Net current assets	47162	Misc. Expenditure	0
Deferred Tax Assets	0	Accumulated losses	3226

IV. Performance of the Company  
(Amount in Rupees Thousands)

Turnover	244483	Total Expenditure	219951
Profit/(Loss) before tax	24532	Profit/(Loss) after tax	14253
(Please tick appropriate box + for Profit - for Loss)			
Earning per share (Rs.)	2.73	Dividend Rate %	NIL

## V. Generic Names of two Principal Products/ Services of the Company (As per monetary terms)

Item Code (ITC Code)	400591.09
Product Description	RUBBER COMPOUNDS
Item Code (ITC Code)	390422.09
Product Description	PLASTIC COMPOUNDS

M. K. KAPOOR	Chairman
A. A. KAPOOR	Managing Director
A.M. KAPOOR J. C. Dadia D. P. Shah	Directors
Shubhangi Baiwar	Company Secretary

PLACE : Mumbai  
DATED : 29/06/2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**  
**(PURSUANT TO AMENDMENT TO CLAUSE 32 OF THE LISTING AGREEMENT)**

	2008-2009		2007-2008	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) Before taxes :		<b>24,532,526</b>		8,546,875
Adjusted for				
- Depreciation	2,531,732		2,626,827	
- Interest Charged	4,174,401		3,814,043	
- Dividend received	(5,000)		(4,500)	
- Interest received	(1,114,388)		(78,520)	
- Impairment of fixed Assets	—		1,129,000	
- Unrealised foreign Exchange (gain)/Loss	(217,173)		(38,423)	
		<b>5,369,572</b>		7,448,427
<b>Operating Profit before Working Capital Changes</b>		<b>29,902,098</b>		15,995,302
Adjustments for				
(Increase) / Decrease in Inventory	5,395,058		(13,424,253)	
(Increase) / Decrease in Receivables	4,587,836		(2,802,703)	
Increase / (Decrease) in Trade Payables & other Liabilities	(17,786,416)		19,461,219	
		<b>(7,803,522)</b>		3,234,263
Cash Generated From Operations	22,098,576		19,229,565	
- Less :- Taxes Paid	3,572,362		69,008	
Net Cash from Operating Activities (A)		<b>18,526,214</b>		19,160,557
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
- Purchase of Fixed Assets	(25,848)		(2,481,924)	
- Interest Received	1,114,388		78,520	
- Dividend received	5,000		4,500	
Net Cash (used in) from Investing Activities (B)		<b>1,093,540</b>		(2,398,904)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
- (Repayment) & acceptance of Long Term & Other Borrowings	(25,341,917)		3,251,720	
- Interest paid	(4,174,401)		(3,814,043)	
Net Cash Flow (used in) /from Financing Activities (C)		<b>(29,516,318)</b>		(562,323)
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		<b>(9,896,564)</b>		16,199,330
Cash & Cash Equivalents as at the beginning of the year		<b>20,334,035</b>		4,134,705
Cash & Cash Equivalents as at the end of the year		<b>10,437,471</b>		20,334,035
		<b>(9,896,564)</b>		16,199,330

AS PER OUR REPORT ATTACHED OF EVEN DATE  
For B.D. Jokhakar & Company  
Chartered Accountants

**M. K. KAPOOR**

Chairman

**A. A. KAPOOR**

Managing Director

Raman Jokhakar  
Partner

**A.M. KAPOOR**

**J. C. Dadia**

**D. P. Shah**

Directors

PLACE : Mumbai  
DATED : 29/06/2009

**Shubhangi Baiwar**

Company Secretary

**PUNEET RESINS LIMITED**

Registered Office: W-75(A) & W-76(A), MIDC Industrial Area, Satpur, Nasik 422 007.

**24TH ANNUAL GENERAL MEETING TO BE HELD ON MONDAY, 24TH AUGUST, 2009 AT 10.00 A. M  
AT REGISTERED OFFICE OF THE COMPANY AT  
W-75(A) & W-76(A), MIDC INDUSTRIAL AREA, SATPUR, NASIK 422 007**

**ADMISSION SLIP**

Name & Address of Member	Regd. Folio No.

I Certify that I am the registered Shareholder of the Company and hold ..... equity shares, or that I am Proxy of the registered shareholder of the Company holding ..... equity Shares.  
(Please indicate whether Member / Proxy)

Member's / Proxy's Signature

- NOTE:** 1. Shareholder / Proxy holder wishing to attend the meeting must bring the Admission Slip to the meeting and hand over at the entrance duly signed.  
2. Shareholders are requested to advise their change in addresses if any, immediately.

**PUNEET RESINS LIMITED**

Registered Office: W-75(A) & W-76(A), MIDC Industrial Area, Satpur, Nasik 422 007.

**24TH ANNUAL GENERAL MEETING TO BE HELD ON MONDAY, 24TH AUGUST, 2009 AT 10.00 A. M  
AT REGISTERED OFFICE OF THE COMPANY AT  
W-75(A) & W-76(A), MIDC INDUSTRIAL AREA, SATPUR, NASIK 422 007**

**PROXY FORM**

I/We .....  
..... being a Member/Members of **PUNEET RESINS LIMITED**  
hereby appoint ..... of .....  
or, failing him ..... of .....  
or, failing him ..... of .....  
as my/our proxy to attend and vote for me/us on my/our behalf at the Twenty Fourth Annual General Meeting of the Company to be held on Monday, 24th August, 2009 and at any adjournment thereof.

As witness my/our hand(s) this ..... day of ..... 2009

Regd. Folio No. : .....

No. of Shares Held : .....

<p>Please Affix Re. 1 Revenue Stamp</p>
---

**NOTE:** The proxy Form duly signed across the stamp should reach the Company's Registered Office at least 48 hours before the meeting.

**BOOK-POST**

*If Undelivered, please return to :*

**Link Intime Spectrum Registry Limited**  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup (West),  
Mumbai - 400 078.