



**PEACOCK**  
**INDUSTRIES LIMITED**



**ANNUAL REPORT**  
**2010-2011**

**BOARD OF DIRECTORS**

Daud Ali Managing Director  
Narendra Bhanawat Executive Director  
Magan Lal Sharma Director  
Mukesh Kumar Kothari Director

**COMMITTEE OF THE BOARD****AUDIT COMMITTEE**

Magan Lal Sharma - Chairman  
Narendra Bhanawat  
Mukesh Kumar Kothari

**SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

Magan Lal Sharma - Chairman  
Narendra Bhanawat  
Mukesh Kumar Kothari

**AUDITORS**

Sampati Lal Bohara & Co.  
Chartered Accountants

**BANKERS**

ICICI Bank Limited  
Yes Bank Limited  
IDBI Bank

**REGISTERED OFFICE & WORKS**

Kodiyat Road,  
Village : Sisarma  
District : Udaipur (Raj.)

**INVESTOR QUERIES**

email:-pilkodi@sancharnet.in  
email:-peacock\_investor@rediffmail.com

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## NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of PEACOCK INDUSTRIES LIMITED will be held at the registered office of the Company at Kodiyat Road, Village: Sisarma, District : Udaipur on Saturday 2<sup>nd</sup> day of July, 2011 at 10.00 AM to transact the following business :

### ORDINARY

- (1) To receive, consider and adopt the audited accounts of the Company for the year ended on March 31,2011 alongwith the Report of the Directors' and Auditors' thereon.
- (2) To appoint a director in place of Mr.Mukesh Kumar Kothari who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To appoint auditors and fix their remuneration.

Registered Office : By Order of the Board of Directors  
Kodiyat Road,  
Village : Sisarma Daud Ali  
Distt. : Udaipur Managing Director  
Dated : 28-05-2011

### Note :

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING

(2) The Register of Members and Share Transfer Books of the Company shall remain closed from 25.06.2011 to 02.07.2011 (both days inclusive).

(3) The Securities and Exchange Board of India has mandated compulsory trading of the Company's equity shares in demat form with effect from 28.08.2000 for all the investors.The International Securities Identification number (ISIN) code is INE 600A01019.

### (i) Re-appointment of Directors

Particulars of persons seeking re-appointment at the ensuing annual general meeting pursuant to clause 49 (IV) of the listing agreement is given below :-

|                               |  |
|-------------------------------|--|
| Name                          | : Mr.Mukesh Kumar Kothari                                      |
| Age                           | : 42 Years   |
| Qualification                 | : M.Com  |
| Experience                    | : Vast experience in Finance and other tax matters activities. |
| Director of the Company since | : January,2010   |
| Other Directorship            | : Nil  |
| Shareholding                  | : Nil  |

Registered Office : By Order of the Board of Directors  
Kodiyat Road,  
Village : Sisarma Daud Ali  
Distt. : Udaipur Managing Director  
Dated : 28-05-2011

### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants, Members who hold shares in physical form are requested to register their e-mail addresses with the company.



## DIRECTORS' REPORT

To The Members,

The Directors of your Company have pleasure in presenting their Nineteenth Annual Report and the Audited Accounts of the Company for the year ended 31.3.2011.

### FINANCIAL RESULTS

| Particulars   | (Rs. in lacs.) |           |
|---|----------------|-----------|
|   | 2010-2011      | 2009-2010 |
| Turnover  | 2307.93        | 1920.98   |
| Other Income  | 0.64           | 0         |
| Profit/(Loss)-before Tax, Interest, Depreciation and extra ordinary items | 8.96           | 98.80     |
| Interest  | 0              | 0         |
| Depreciation  | 109.62         | 243.95    |
| Profit/(Loss) before Tax and extra ordinary items                         | -100.66        | -145.15   |
| Provisions for Income Tax   | 0              | 0         |
| Extra Ordinary items  | 2911.67        | 0         |
| Profit/(Loss)after Tax and extra ordinary items                           | 2811.01        | -145.15   |
| Surplus carried from previous year  | -9560.40       | -9415.25  |
| Balance carried to Balance Sheet  | -6749.39       | -9560.40  |

### DIVIDEND

In view of the poor performance of the Company your Directors are unable to recommend any dividend for the year 2010-2011.

### OPERATIONS

During the year under review the Company recorded a turnover of Rs. 2307.93 lakhs (pr.yr. Rs. 1920.98 lakhs) and incurred a loss of Rs. 100.66 lakhs (Pr. Yr. Rs. 145.15 lakhs) before considering extra ordinary items.

The bottom line continues to be under pressure due to non availability of adequate working capital facilities leading to under utilisation of the manufacturing facilities culminating in to high cost of production. The bottom line is also under pressure due to increased competition and declining margin coupled with the rising cost of the component of the production.

### REHABILITATION AND REVIVAL

As you are aware your Company was declared a sick industrial Company by the Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 21.12.1998 In spite of all the endeavour, the BIFR recommended the winding of the Company against which an appeal has been preferred to the AAIFR and the same is pending for adjudication.

Your directors are fully confident that the Company is potentially viable and can be revived. With this zeal and happy to communicate that during the year under review your Company entered into negotiated settlements with its secured lenders and their assignees and settled their dues.

In order to discharge the settled amount the Company borrowed a sum of Rs. 516.50 lakhs on the security of its assets. Further under the settlement the Stressed assets Stabilisation Fund-assignee of Industrial Development Bank of India agreed to accept Rs. 640 lakhs including interest over a period of eight years.

The company continues to make payment as per the schedule of payment and there is no default.

### DIRECTORS

Mr.Mukesh Kumar Kothari,Director, retire by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

### FIXED DEPOSITS

The Company has not accepted any deposit from public during the year ended 31st March, 2011, under section 58-A of the Companies

Act,1956.

### HUMAN RESOURCES

Your Directors would like to place on record their appreciation of the efficient and loyal services rendered by all staff and workforce of the Company, without whose wholehearted efforts, the overall satisfactory performance would not have been possible.

There are no employees covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, it is stated that :

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to the material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgement 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 loss (without considering the non-provisions of interest, etc. as stated in the Notes to Accounts - schedule 14) of the Company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records, except Fixed Assets Register which is missing and the adequate steps have been taken to make it afresh, in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) Your Company has been declared Sick by the Board for Industrial and financial Reconstruction (BIFR) vide its order dated 21-12-1998, BIFR vide its order dated 22-02-2007 recommended winding up of the Company. However Company preferred an appeal ,AAIFR has stayed the impugned order. The management feels that result will come in to the company's favour. In view of this the Accounts had been prepared on a going concern basis.

### CONSERVATION OF ENERGY

The Company lays great emphasis on savings in the cost of energy consumption. Therefore, achieving reduction in the per unit consumption of energy is on going exercise in the Company. Effective measures have been taken to minimize the lossess of energy as far as possible.

### TECHNOLOGY IMPORT AND ABSORPTION

Constant watch is kept on market trends. New designs are developed to cater market requirements. Processes are adapted to improve product quality thus meeting requirements for use on the latest market trends. The Company does not have a sepa-rate Research and Development activity.

The Company has not imported any technology.

### FOREIGN EXCHANGE EARNINGS AND OUT GO

During the year under review there was no earnings and outgo in foreign exchange.

### AUDITORS AND AUDITORS'REPORTS

M/S Sampatilal Bohara & Co., Chartered Accountants, Udaipur retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Their remuneration for the current year is to be fixed by you.

The Auditors' observations in their report are self explanatory and hence do not call for any further clarification under section 217 (3) of the Companies Act,1956.



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#### **CORPORATE GOVERNANCE**

A separate report on the compliance with clause 49 of the Listing Agreement with the Stock Exchanges on Corporate Governance and the Auditors' Certificate on its compliance form a part of this report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis report on the operation of the Company is provided in a separate section and forms a part this Report.

#### **SAFETY**

Adequate safety measures and safe working practices have been implemented to ensure safety of workforce, plant and Machinery as well as of the environment.

#### **APPRECIATION**

Your Directors wish to place on record their appreciation of co-operation and support received from the banks, financial Institutions, Customers, Suppliers, Shareholders, Central and State Government Authorities etc. to the continued growth and prosperity of your Company. Your Directors look forward to the continued support of these partners in progress.

Your Directors also wish to place on record their deep sense of appreciation for the devoted services of the executives, Staff and Workers of the Company for its success.

Place : Udaipur                      for and on behalf of the Board of Directors  
Dated : 28-05-2011

|                   |                          |
|-------------------|--------------------------|
| <b>DAUD ALI</b>   | <b>NARENDRA BHANAWAT</b> |
| Managing Director | Executive Director       |



## **ANNEXURE "A" TO THE DIRECTORS REPORT MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Directors have the pleasure of presenting the Management Discussion and Analysis Report for the year ended 31-03-2011.

### **A. INDUSTRIAL STRUCTURE AND DEVELOPMENT**

Your company is leading producer of plastic moulded furniture and other injection moulded articles and has a major share in the market. Your Company has seven injection moulding machines, out of it four are indigeneous and three are imported and has many moulds/dyes to manufacture plastic moulded furnitures.

Your Company has a total capacity of 9452.000 m.t. per annum. The company is facing sever liquidity crisis and presently capacity utilization is very lower. The capacity utilization of company will increase as soon as funds for working capital will be available. Due to shortage of funds machines and number of moulds remain idle. The company can utilise these only after availability of funds.

Total production during the period from 01.04.2010 to 31.03.2011 is 2416.82 m.t. against the production of 2326.37 m.t. in the preceeding year registering a growth of 3.89%. The excess availability as compared to demand has led to severe competition in the market, which has led to the falling price of moulded furnitures.

### **B. OPPORTUNITIES AND THREATS.**

Plastic moulded furniture is replacing wooden and iron furniture day by day due to its low cost hence demand and scope of plastic moulded furniture is also increasing drastically.

The capacity utilization of your company is presently lower due to shortage of working capital, capacity utilization can be increased immediately after availability of funds. Company has to contend with the threat of increased competition from other plastic moulded furniture manufacturers also.

### **C. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.**

Your Company is manufacturing plastic moulded furnitures and storage bins. Plastic moulded furniture includes chairs, tables, sunlounger, trollies, etc.

The production of chairs, other articles and house hold articles for the period ended on 31.03.2011 is 2416.82 m.t.

### **D. OUTLOOK**

Margin in plastic moulded furniture are expected to go down on account of increase in supply and possible increase in raw material prices. Your Company is trying to increase its production as soon as working capital is available and is also trying to launch new model of chairs and other

articles. Your Company will endeavour to maintain, and enhance its position in the furniture market.

### **E. RISKS AND CONCERNS**

Hike in raw material price, reduction in selling prices and power cost are major issues requiring immediate attentions.

The company faces a threat from competitors, which can, with their new low cost machinery, make a dent in the specially market share of the Company.

Higher labour cost and distance from consumption centers put pressure on the Company financials.

### **F. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY.**

There exists a proper and adequate internal control system in the Company for all its activities including safeguarding and protecting its assets against any loss from its unauthorized use or disposition. All transactions are properly documented, authorized, recorded and reported correctly. All the transaction in the Company ensures that all the systems procedures are followed, authorized and recorded properly in the computer media. The system is continuously improved and its effectiveness is enhanced based on feedback from the field.

The above control is further supplemented by exhaustive scope of internal audit, which is carried out by ISO auditors. The policies, procedures and internal control are further reviewed by management on periodical basis.

### **G. FINANCIAL PERFORMANCES.**

Your company achived a turnover of Rs.2307.93 lakhs during the year 2010-2011. The net loss after Tax etc. for the year amounted to Rs.100.66 lakhs before extra ordinary items, subject to provision for interest.

### **H. HUMAN RESOURCES.**

The Industrial relation situation was cordial and harmonious and continues to be so at present. The Company has conducted computer training programme primarily to enhance the skill of the workforce. Your Company has the strength of 37 staffs and 49 workers.

### **Cautionary Statement :**

*The Statement in the "Management Discussion and Analysis Report" Section describes the Company's objectives, projections, estimates, expectations and predictions which may be "forward looking statements" within the meaning of the applicable securities laws and regulations and actual results might differ materially from those expressed or implied, depending on the economic and climatic conditions, Government policies and other incidental factors.*



**CORPORATE GOVERNANCE REPORT FOR THE PERIOD  
APRIL 1, 2010 TO MARCH 31, 2011**

**ANNEXURE "B" TO THE DIRECTORS REPORT**

**A. COMPANY'S PHILOSOPHY**

Your Company firmly believes in philosophy of **SERVING SOCIETY THROUGH INDUSTRY**, with the PEACOCK culture being 'We live every moment of life in harmony with nature to create value for ourselves, our stakeholders and the society'.

We also believe in adopting the best global practices in the area of corporate governance and follows the principles of full transparency, accountability, responsibility and fairness, thereby protecting the interests of all its stakeholders.

**B. BOARD OF DIRECTORS :**

**(i) Composition of Board**

The Board of Directors consists of Four members, Two executive and two are non executive. Out of Four Directors two are Independent which is 50% of the total strength of the board. The Company has no Chairman.

(ii) During the period April 2010 to March 2011, Six Board meetings were held, with atleast one meeting in every quarter and the maximum time gap between any two meetings was not more than four months at the following dates :-

(a) May 08,2010 (b) May 26,2010 (c) July 28,2010 (d) October 27, 2010 (e) January 28,2011 (f) March 11, 2011.

The composition and other details are as under :-

| Name of Director         | Category of Director      | No.of the other directorship held | Member-ship in committee of other Comp.-held | No.of Board meetings attended | Attendance in last AGM held Yes/No |
|--------------------------|---------------------------|-----------------------------------|--|-------------------------------|------------------------------------|
| Mr. Daud Ali             | Promoter                  | 4                                 | 00   | 4                             | No                                 |
| Mr. Narendra Bhanawat    | Independent Executive     | 01                                | 00   | 6                             | Yes                                |
| Mr. Magan Lal Sharma     | Independent Non Executive | 00                                | 00   | 6                             | Yes                                |
| Mr. Mukesh Kumar Kothari | Independent Non Executive | 00                                | 00   | 6                             | Yes                                |

**(iii) Details of sitting fees etc. paid to Directors.**

No sitting fee was paid during 2010-2011 for attending meetings of the Board and/or committee thereof.

**(iv) Pecuniary Relationship**

Independent Non Executive Directors do not have any Pecuniary Relationship with the Company.

**C. AUDIT COMMITTEE**

The details of the composition, category of members etc. of Audit Committee are as under :-

| Name                            | Category                  | No.of Meetings held | No.of Meetings attended |
|---------------------------------|---------------------------|---------------------|-------------------------|
| Mr. Magan Lal Sharma (Chairman) | Independent Non Executive | 04                  | 04                      |
| Mr.Narendra Bhanawat            | Independent Executive     | 04                  | 04                      |
| Mr. Mukesh Kumar Kothari        | Independent Non Executive | 04                  | 04                      |

Mr.M.L.Sharma, Mr. Narendra Bhanawat, and Mr.Mukesh Kumar Kothari have expert knowledge of finance and accounting. The role,

powers and functions of the Audit Committee are as stated in clause 49 of the Listing Agreement and Section 292 A of the Companies Act,1956.The committee reviews the financial statements and other important issues before they are recommended to the Board.

Minutes of each Audit Committee are placed before and discussed in the Board.

The Audit Committee meetings were held on 26<sup>th</sup> May, 2010, 28<sup>th</sup> July, 2010, 27<sup>th</sup> October, 2010 and 28<sup>th</sup> January, 2011. The necessary quorum was present at all the meetings and all the members attended all the meetings.

**D. REMUNERATION OF DIRECTORS :**

**(i) Remuneration to Non Executive Directors**

The remuneration, if any, of non-executive Directors shall be recommended by remuneration committee and decided by the Board of Directors.

**(ii) Remuneration of Directors**

| Name Director         | Salary | Benefits | Bonus | Stock option | Performance linked incentives | Service Contract /Notice period/severance fee |
|-----------------------|--------|----------|-------|--------------|-------------------------------|---|
| Mr. Daud Ali          | 888000 | 106560   | Nil   | Nil          | Nil                           | *   |
| Mr. Narendra Bhanawat | 42000  | 17400    | Nil   | Nil          | Nil                           | *   |

\*N.A. / Notice period 3 months / N.A.

**Code of Conduct**

The Board of Directors of Peacock Industries Limited has laid code of conduct for all the directors and senior management. All Directors and designated personnel in the senior management cadre of the Company have affirmed compliance with their respective codes for the year under review. The declaration to this effect signed by Mr. Daud Ali, Managing Director is annexed to this report.

**E. BOARD PROCEDURE**

As per Corporate policy, most of the Statutory and material information is placed before the Board with a view to enable it to discharge its responsibilities efficiently in formulating the strategies and policies for the growth of the Company vis a vis its various stakeholders. The agenda and other relevant papers were circulated well ahead of the scheduled dates of the meeting. All major issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions.The Managing Director briefs the Board at every meeting on the overall performance of the Company.The important matters discussed at the meetings of the Audit Committee and the Share holders'/Investors Grievance Committee are also highlighted. Opinion and advices of the independent non-executive Directors are considered valuable guidance.

During the period April 2010 to March 2011, Six Board meetings were held, The maximum time gap between any two meetings was not more than four months.

There is no Director who is a member in more than ten committees or acts as a Chairman of more than five committees.

**F. MANAGEMENT**

**(i) Management Discussion and Analysis**

Management Discussion and Analysis is a part of this Annual report.

**(ii) Disclosures**

i) For related party transactions please refer point no.14 of Schedule-14 to the accounts.



ii) There was no non-compliance of any provision of law by the Company, nor any penalty / stricture was imposed on the Company by Stock Exchange (s), SEBI or any other authority on any matter related to capital markets during the last three years.

#### G. SHAREHOLDERS

##### (i) Shareholders/Investors Grievance Committee :

The Shareholders/Investors Grievance Committee specifically looks into various issues relating to shareholders/ investor grievances relating inter alia to non-receipt of annual report, non delivery of shares after transfer/delay in transfer/demat of shares etc.

The Company has also adopted a code of conduct for Prevention of Insider Trading in the Share of the Company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 1992. The Board has designated Mr. P.C. Talesra, as a Compliance officer and authorised the committee to monitor the compliance as required under the aforesaid regulations.

The Shareholders/Investors Grievance Committee has following members, meetings and attendance of members during the financial year :-

| Name                            | Category                  | No.of Meetings held | No.of Meetings attended |
|---------------------------------|---------------------------|---------------------|-------------------------|
| Mr. Magan Lal Sharma (Chairman) | Independent Non Executive | 04                  | 04                      |
| Mr.Narendra Bhanawat            | Independent Executive     | 04                  | 04                      |
| Mr. Mukesh Kumar Kothari        | Independent Non Executive | 04                  | 04                      |

The Board has designated Mr. P.C.Talesra as a compliance Officer.

##### (ii) Share Transfer Committee :

The Company's shares are traded in the dematerialised form on stock exchanges. To expedite the transfer in physical segment, the Company has constituted a Share Transfer Committee in February, 1993. The Committee approves share transfer and transmission, issue of duplicate certificates and reviews all other matters connected with securities.

The committee presently comprises of the following persons.

|                                 |                           |
|---------------------------------|---------------------------|
| Mr. Magan Lal Sharma (Chairman) | Independent Non Executive |
| Mr. Narendra Bhanawat           | Independent Executive     |
| Mr. Mukesh Kumar Kothari        | Independent Non Executive |

Share Transfer and Complaints received and redressed during the year:-

| Complaints                |                    |         | Share Transfer |  |
|---------------------------|--------------------|---------|----------------|--|
| Received from             | Received & cleared | Pending | Particulars    | No of shares                                   |
| Direct to the Company     | 22                 | 22      | Nil            | No.of Shares received for transfer<br>10700    |
| Through SEBI/ROC          | 01                 | 01      | Nil            | No.of Shares transferred<br>10700              |
| Through Stock Exchange(s) | 04                 | 04      | Nil            | No. of Shares Pending<br>Nil                   |
| Investors Association     | Nil                | Nil     | Nil            | No. of Shares returned due to objection<br>Nil |

#### H. General Body Meetings :

(i) Location, date and time when General Body Meetings were held in the last three years :

| Year      | Date     | Time       | Type of Meeting | Location                      | No.of Special Resolution passed |
|-----------|----------|------------|-----------------|-------------------------------|---------------------------------|
| 2007-2008 | 04-07-08 | 10.00 a.m. | AGM             | Kodiyat Road, Sisarma,Udaipur | 00                              |
| 2008-2009 | 15-07-09 | 10.00 a.m. | AGM             | Kodiyat Road, Sisarma,Udaipur | 00                              |
| 2009-2010 | 21.07.10 | 10.00 a.m. | AGM             | Kodiyat Road, Sisarma,Udaipur | 00                              |

#### I. POSTAL BALLOT SYSTEM

No special resolution was put through postal ballot last year and nor is any proposed for this year.

#### J. MEANS OF COMMUNICATION

The quarterly/Half yearly/Annual un-audited/Audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors and displayed on company's website :- [www.peacockindustries.com](http://www.peacockindustries.com)

Management Discussion and Analysis Report for the year ended 31<sup>st</sup> March, 2011 is in this Annual Report.

#### K. GENERAL SHAREHOLDER INFORMATION :

##### i. Annual General Meeting :

|                    |  |
|--------------------|--|
| Day, Date and Time | Saturday, 02-07-2011 at 10.00 A.M.   |
| Venue              | Peacock Industries Limited, Kodiyat Road, Vill: Sisarma, Udaipur (Raj) - 313 001 |

##### ii. Financial Calendar : Financial Reporting for

|  |   |
|--|---|
| Financial year   | April 1 to March 31   |
| Board Meeting for consideration of accounts for the year ended March 31, 2011  | May 28, 2011  |
| Board Meeting for consideration of unaudited results for the first three quarters of the current financial year viz. April 01, 2010 to March 31,2011 | Within 45 days from the end of the relevant quarter as stipulated under the listing agreement with the Stock Exchanges.   |
| Audited results,if any, for the current year ending March 31,2011  | Within 60 days from the end financial of the last quarter as stipulated under the Listing Agreement with Stock Exchanges. |

iii. Date of Book Closure : 25-06-2011 to 02-07-2011 (both days inclusive)

iv. Dividend payment data : Not Applicable

##### v. Listing on Stock Exchanges :

| Name of Stock Exchange                      | Stock Code No. |
|---|----------------|
| The Stock Exchange, Mumbai(BSE)             | 500327         |
| National Stock Exchange of India Ltd. (NSE) | PEACOCKIND     |

The Listing Fee have been paid except in the case of Jaipur Stock Exchange Ltd, Jaipur, The Calcutta Stock Exchange Association Ltd, Calcutta and Delhi Stock Exchange Association Ltd. Delhi.

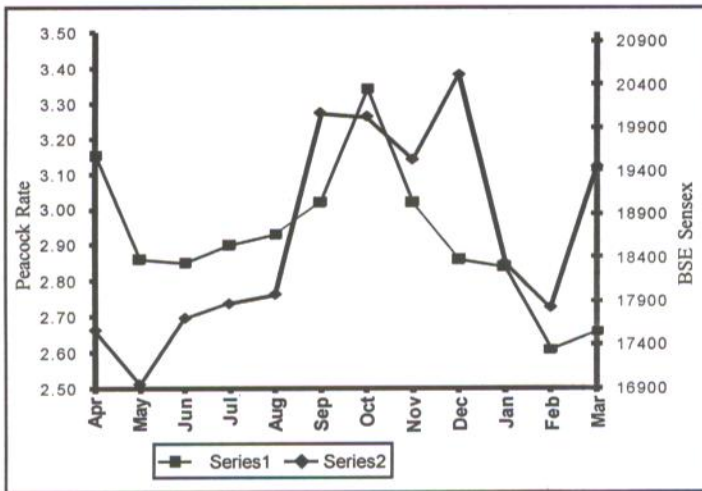




vi. Market Price Data : Mumbai Stock Exchange

| Month    | High | Low  | Month     | High | Low  |
|----------|------|------|-----------|------|------|
| April    | 3.4  | 2.8  | May       | 3.5  | 2.16 |
| June     | 3.05 | 2.3  | July      | 3.29 | 2.53 |
| August   | 3.3  | 2.69 | September | 3.19 | 2.76 |
| October  | 4.7  | 2.88 | November  | 3.54 | 2.95 |
| December | 3.24 | 2.72 | January   | 3.04 | 2.56 |
| February | 2.91 | 2.46 | March     | 3.23 | 2.45 |

vii. Performance in comparison to broad based indices as BSE Sensex.



viii. Registrar & Transfer agent :

All the physical share transfer work is done in-house at the Share Department at the registered office of the Company at Udaipur and for Demat work the Company has appointed a registrar.

Address for Correspondence :

| For Demat Shares  | For Physical Shares   |
|---|---|
| Link Intime India Pvt. Ltd.,<br>C-13, Pannalal Silk Mills Compound,<br>LBS Marg, Bhandup (West)<br>MUMBAI - 400 078<br>E-mail : isrl@linkintime.co.in<br>Tel No. : 022-25963838<br>Fax No. : 022-25946969 | Peacock Industries Limited<br>Kodiyat Road, Vill: Sisarma<br>Udaipur (Rajasthan) 313 001<br>E-mail : pilkodi@sancharnet.in<br>Tel.No. : 0294-2432271-72<br>Fax No. : 0294-2430411 |

ix. Share Transfer System :

Presently, the Share transfer which are received in physical form are processed and the share certificates returned within a period of 15-20 days from the date of receipt, subject to the documents being valid and complete in all respect.

Shares held in dematerialized form are electronically traded in the depository and the registrar periodically receive from the depository the beneficiary holdings so as to enable them to update their records for sending all corporate communications and other matters.

Physically shares received for dematerialisation are processed and complete within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to depository participants under advise to the shareholders.

x. Distribution of Shareholding and Shareholding pattern as of 31-03-2011.

(a) Distribution of Shareholding

| Shareholding of Shares | No. of Share holders | % of Total    | Share Allotted  | % of Total    |
|------------------------|----------------------|---------------|-----------------|---------------|
| Upto - 500             | 6539                 | 64.61         | 1501244         | 9.69          |
| 501 - 1000             | 1684                 | 16.64         | 1539367         | 9.93          |
| 1001 - 2000            | 862                  | 8.52          | 1436420         | 9.27          |
| 2001 - 3000            | 325                  | 3.21          | 869432          | 5.61          |
| 3001 - 4000            | 160                  | 1.58          | 581225          | 3.75          |
| 4001 - 5000            | 194                  | 1.92          | 938256          | 6.05          |
| 5001 - 10000           | 223                  | 2.20          | 1712352         | 11.05         |
| 10001 - ABOVE          | 134                  | 1.32          | 6921704         | 44.65         |
| <b>TOTAL</b>           | <b>10121</b>         | <b>100.00</b> | <b>15500000</b> | <b>100.00</b> |

(b) Shareholding Pattern

| Category                     | No. of Shares   | % Share holding |
|------------------------------|-----------------|-----------------|
| <b>Promoters :</b>           |                 |                 |
| Indian Promoters             | 918540          | 5.93            |
| NRI Promoters                | 0               | 0.00            |
| <b>Indian Public</b>         | <b>9408632</b>  | <b>60.70</b>    |
| NRI                          | 103069          | 0.66            |
| Overseas Corporate Bodies    | 32400           | 0.21            |
| Bodies Corporate             | 4262047         | 27.50           |
| Financial Institutions/Banks | 749012          | 4.83            |
| Mutual Funds                 | 26300           | 0.17            |
| <b>Total</b>                 | <b>15500000</b> | <b>100.00</b>   |

xi. Dematerialisation of Shares and Liquidity :

Trading of the Company's shares is compulsorily in dematerialised form for all investors since August 28, 2000, equity shares representing 97.26% have been dematerialised with the following depositories :

| Description   | ISIN NO.     | Depositories |
|---------------|--------------|--------------|
| Equity Shares | INE600A01019 | NSDL & CDSL  |

The liquidity of shares is normal.

xii. LOCATION OF PLANT : Kodiyat Road, Village: Sisarma, Udaipur

xiii. ADDRESS FOR COMMUNICATION

Peacock Industries Limited,  
Kodiyat Road, Village : Sisarma, Dist-Udaipur (Raj.) 313 001  
Phone No. : 0294-2432271-72 Fax No. : 0294-2430411  
E-mail : pilkodi@sancharnet.in

xiv. EXCLUSIVE E-MAIL ID FOR REDRESSAL OF INVESTORS COMPLAINTS :-

In terms of Clause 47 (f) of the Listing Agreement, please use the following contacts for redressal of Investos complaints.

E-mail : peacock\_investor@rediffmail.com

xv. Website : www.peacockindustries.com



## Auditors Certificate on Compliance of Conditions of Corporate Governance.

To,  
The Board of Directors  
Peacock Industries Limited,  
Kodiyat Road, Sisarma  
Udaipur

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Peacock Industries Limited ('the company'), for the year ended March 31, 2011, as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the 'guidance note on certificate of Corporate Governance' issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us and on the basis of our examination described above, the company has complied with the condition of Corporate Governance as stipulated in 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 the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SAMPATILAL BOHARA & COMPANY  
Chartered Accountants

SUDHIR MEHTA

Partner

Membership No. 400920

PLACE : UDAIPUR  
DATE : 28.05.2011

### CODE OF CONDUCT DECLARATION

I, Daud Ali, Managing Director of Peacock Industries Limited to the best of my knowledge and belief hereby declare that all Board members and senior management personnel have affirmed compliance with the Company's code of conduct for the year ended March 31, 2011.

Place : Udaipur  
Date : 28-05-2011

DAUD ALI  
(Managing Director)

### CEO/CFO Certification

A certificate from the Managing Director and the Finance head on the financial statements of the Company was placed before the Board.

### AUDITORS' REPORT

To the members of  
Peacock Industries Limited

We have audited the attached Balance Sheet of PEACOCK INDUSTRIES LIMITED as at 31st March, 2011, The Profit and Loss Account and also the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. :

We conducted our audit in accordance with auditing standards generally accepted in India. These 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 amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that :-

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure 'A' a statement on the matters specified in the said order.
2. Further to our comments in the annexure referred to above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 those books;
  - c) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this Report are in agreement with the books of account;
  - d) Attention is invited to schedule-14 :- Note No. 5 Regarding interest on bills payable and intercorporate deposit and loans of Rs. 238.72 lakhs (Pr.Yr. Rs. 238.72 lakhs), is not provided.
  - e) 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 sub section (3C) of section 211 of the Companies Act, 1956.
  - f) On the basis of written representations received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes and accounting policies given in schedule-14, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - i) In the case of the Balance Sheet, the state of affairs of the Company as at 31st March, 2011;
    - ii) In the case of the Profit and Loss Account of the profit of the Company for the year ended on that date; and
    - iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For SAMPATILAL BOHARA & COMPANY  
CHARTERED ACCOUNTANTS

SUDHIR MEHTA

PARTNER

Membership No. 400920

PLACE : UDAIPUR  
DATE : 28.05.2011

### ANNEXURE "A" TO THE AUDITORS REPORT

- 1) (a) It has been informed to us that records showing full particulars, including quantitative details and situation of its fixed assets has been misplaced by the Company and company has not provided any details of the fixed assets to us for verification, However



management claims that they have broadly physically verified all the major assets of the Company at such intervals as considered appropriate by the management. In view of this we are unable to express opinion about the discrepancies on physical verification and its adjustment in the books of account, if any.

- b) The Company has not disposed off any substantial part of its fixed assets, which has any effect on its going concern during the year.
- 2) (a) As explained to us that the inventory has been physically verified during the year by management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business;
- (c) In our opinion the company is maintaining proper records of inventory, no material discrepancies were noticed on physical verification of the inventory.
- 3) The Company has not taken/granted loans from /to companies covered in the register maintained under section 301 of the Companies Act, 1956 (1 of 1956).
- 4) In our opinion and according to the information and explanations given to us during the course of the audit, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods.
- 5) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered into Registers maintained under section 301 of the Companies Act, 1956, and exceeding the value of Rs.5.00 lacs in respect any party.
- 6) The Company has not accepted any deposits from public within the meaning of section 58 A and hence the directives issued by Reserve Bank Of India and the provisions of section 58 A, 58 AA or any other relevant provisions of the Act and rules framed there under are not applicable.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) We are informed that the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, for any of the products of the Company
- (9) (a) The undisputed statutory dues except providend fund, sales tax and income tax have been regularly deposited with appropriate authorities.
- (b) We are informed that Rs.284.97 lacs were out standing as at 31st March, 2011 towards undisputed statutory dues in respect of income tax, sales tax, wealth tax, custom Duty, excise duty, cess for a period of more than six months from the date they become payable.
- (C) We are informed that the followings were outstanding as at 31st March 2011 towards disputed statutory dues :-
- | Particulars                              | amount | Remarks  |
|--|--------|--|
| Excise Duty                              | 108.22 | Pending at<br>Commissionarate,<br>Jaipur -II Rajasthan |
| Penalty by<br>Enforcement<br>Directorate | 200.00 | Pending at Rajasthan<br>High Court, Jaipur             |
- 10) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered under our audit and during the immediately preceding financial year.

- 11) In our opinion and according to the informations and explanation given to us, the company has not defaulted in repayment of dues to a financial institution, bank.
- 12) 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(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- 13) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- 14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- 15) During the year company has not given any guarantee for loans taken by others from banks or financial institutions .
- 16) During the year company has taken term loans and term loan used for the purpose of settlement of secured creditors.
- 17) During the year neither short term funds were used for long term and nor long term funds for short term.
- 18) During the year company has not made any preferential allotment of shares.
- 19) During the year company has not issued debentures.
- 20) During the year the company has not raised money by public issues.
- 21) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For SAMPATILAL BOHARA & CO.  
Chartered Accountants

(SUDHIR MEHTA)

Partner

Membership No. 400920

Place : Udaipur  
Date : 28-05-2011

**BALANCE SHEET AS AT 31st MARCH, 2011**

|  | SCHEDULE | AS AT MARCH 31,<br>2011 |                  | AS AT MARCH 31,<br>2010 |                   |
|--|----------|-------------------------|------------------|-------------------------|-------------------|
|  |          | (Rs.)                   | (Rs.)            | (Rs.)                   | (Rs.)             |
| <b>I SOURCES OF FUNDS :</b>                      |          |                         |                  |                         |                   |
| <b>1. Shareholders' Fund :</b>                   |          |                         |                  |                         |                   |
| (a) Share Capital                                | 1        | 155000000               |                  | 155000000               |                   |
| (b) Reserves and Surplus                         | 2        | <u>56113123</u>         |                  | <u>56113123</u>         |                   |
|  |          |                         | 211113123        |                         | 211113123         |
| <b>2. Loan Funds :</b>                           |          |                         |                  |                         |                   |
| (a) Secured                                      | 3        |                         |                  |                         |                   |
| (i) Term Loan                                    |          | 110650000               |                  | 428002464               |                   |
| (ii) Working Capital Borrowings                  |          | 0                       |                  | 391884873               |                   |
| (b) Unsecured                                    | 4        | <u>113298004</u>        |                  | <u>113298004</u>        |                   |
|  |          |                         | 223948004        |                         | 933185341         |
| <b>TOTAL</b>                                     |          |                         | <u>435061127</u> |                         | <u>1144298464</u> |
| <b>II APPLICATION OF FUNDS :</b>                 |          |                         |                  |                         |                   |
| <b>1. Fixed Assets :</b>                         | 5        |                         |                  |                         |                   |
| (a) Gross Block                                  |          | 756287563               |                  | 754885420               |                   |
| (b) Less : Depreciation                          |          | <u>696159069</u>        |                  | <u>226649869</u>        |                   |
| (c) Net Block                                    |          |                         | 60128494         |                         | 528235551         |
| <b>2. Investments</b>                            | 6        |                         | 31000            |                         | 31000             |
| <b>3. Current Assets, Loans and Advances :</b>   |          |                         |                  |                         |                   |
| (a) Inventories                                  | 7        | 32076478                |                  | 24087067                |                   |
| (b) Sundry Debtors                               | 8        | 3986287                 |                  | 3913344                 |                   |
| (c) Cash and Bank Balances                       | 9        | 2272070                 |                  | 854838                  |                   |
| (d) Loans and Advances                           | 10       | 9387993                 |                  | 8398500                 |                   |
|  |          | <u>47722828</u>         |                  | <u>37253749</u>         |                   |
| <b>Less : Current Liabilities and Provisions</b> | 11       | <u>347759867</u>        |                  | <u>377261504</u>        |                   |
|  |          | <u>347759867</u>        |                  | <u>377261504</u>        |                   |
| <b>Net Current Assets</b>                        |          |                         | -300037039       |                         | -340007755        |
| <b>4. Profit and Loss Account</b>                |          |                         | 674938672        |                         | 956039668         |
| <b>TOTAL</b>                                     |          |                         | <u>435061127</u> |                         | <u>1144298464</u> |
| Accounting policies and notes to the Accounts    | 14       |                         |                  |                         |                   |

As per our report of even date

The Schedules referred to above form  
an integral part of the Balance Sheetfor SAMPATILAL BOHARA & CO.  
Chartered Accountants

for and on behalf of the Board of Directors

(SUDHIR MEHTA)  
Partner  
Membership No. 400920DAUD ALI  
Managing DirectorNARENDRA BHANAWAT  
Executive DirectorPlace : Udaipur  
Date : 28.05.2011



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

|  | AS AT MARCH 31,<br>2011 |                  | AS AT MARCH 31,<br>2010 |                  |
|--|-------------------------|------------------|-------------------------|------------------|
|  | (Rs.)                   | (Rs.)            | (Rs.)                   | (Rs.)            |
| <b>A INCOME :</b>  |                         |                  |                         |                  |
| Sales  | 230793126               | 209096051        | 192098407               | 177111556        |
| Less - Excise  | <u>21697075</u>         |                  | <u>14986851</u>         |                  |
| Other Income   | 12                      | 64485            |                         | 0                |
| <b>TOTAL A</b>   |                         | <u>209160536</u> |                         | <u>177111556</u> |
| <b>B EXPENDITURE :</b>   |                         |                  |                         |                  |
| Operating Expenses   | 13                      | 208264889        |                         | 167231267        |
| Depreciation   |                         | 10962064         |                         | 24395118         |
| <b>TOTAL B</b>   |                         | <u>219226953</u> |                         | <u>191626385</u> |
| Profit Before Tax ( A - B)   |                         | -10066417        |                         | -14514829        |
| Extra Ordinary Items Note No. 6 & 7                                |                         | 291167413        |                         | -                |
| Profit after Tax   |                         | 281100996        |                         | -14514829        |
| Profit Brought Forward   |                         | -956039668       |                         | -941524839       |
| Balance Carried to Balance Sheet                                   |                         | -674938672       |                         | -956039668       |
| Earning per per share-Basic/diluted<br>before extra ordinary items |                         | -0.65            |                         | -0.94            |
| Earning per share Basic/diluted<br>after extra ordinary items      |                         | 18.14            |                         | -0.94            |

Accounting policies and notes to the Accounts 14

As per our report of even date

The Schedules referred to above form  
an integral part of the Balance Sheet

for SAMPATILAL BOHARA & CO.  
Chartered Accountants

for and on behalf of the Board of Directors

(SUDHIR MEHTA)  
Partner  
Membership No. 400920

DAUD ALI  
Managing Director

NARENDRA BHANAWAT  
Executive Director

Place : Udaipur  
Date : 28.05.2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

| PARTICULARS                                     | 2010-2011       |                 | 2009-2010       |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | AMOUNT<br>(Rs.) | AMOUNT<br>(Rs.) | AMOUNT<br>(Rs.) | AMOUNT<br>(Rs.) |
| <b>A Cash Flow From Operating Activities</b>    |                 |                 |                 |                 |
| Net Profit before tax                           |                 |                 |                 |                 |
| Add - Provision for Depreciation                |                 | -10066417       |                 | -14514829       |
| Add : Provision for Gratuity                    |                 | 10962064        |                 | 24395118        |
|   |                 | 0               |                 | -348116         |
| Operating profit before working capital changes |                 | <u>895647</u>   |                 | <u>9532173</u>  |
| Adjusted for :                                  |                 |                 |                 |                 |
| Receivables                                     | 72943           |                 | -19039          |                 |
| Inventories                                     | 7989411         |                 | -12738711       |                 |
| Loans and Advances                              | 989493          |                 | -210544         |                 |
| Trade Payables                                  | <u>3674425</u>  |                 | <u>7795191</u>  |                 |
|   |                 | <u>12726272</u> |                 | <u>-5173103</u> |
| Cash Generated From Operations                  |                 | -11830625       |                 | 4359070         |
| Cash From Operating Activities                  |                 | -11830625       |                 | 4359070         |
| Fringe Benefit Tax paid                         |                 | 0               |                 | 81305           |
| Net Cash From Operating Activities              |                 | -11830625       |                 | 4277765         |
| <b>B. Cash Flow From Investing Activities</b>   |                 |                 |                 |                 |
| Purchases of Fixed Assets                       |                 | 1402143         |                 | 115196          |
| Net Cash Used in Investing Activities           |                 | 1402143         |                 | 115196          |
| <b>C. Cash Flow From Financing Activities</b>   |                 |                 |                 |                 |
| Repayment of Borrowing                          |                 | -37000000       |                 | -5500000        |
| Term Loan raised                                |                 | 51650000        |                 | 0               |
| Net Cash from Financing Activities              |                 | <u>14650000</u> |                 | <u>-5500000</u> |
| Net Increase in Cash and Cash Equivalents       |                 | <u>1417232</u>  |                 | <u>-1337431</u> |
| Cash and Cash Equivalents                       |                 |                 |                 |                 |
| Opening Balance                                 |                 | 854838          |                 | 2192269         |
| Cash and Cash Equivalents                       |                 |                 |                 |                 |
| Closing Balance                                 |                 | <u>2272070</u>  |                 | <u>854838</u>   |

As per our report of even date

The Schedules referred to above form an integral part of the Balance Sheet

for SAMPATILAL BOHARA & CO.  
Chartered Accountants

for and on behalf of the Board of Directors

(SUDHIR MEHTA)  
Partner  
Membership No. 400920DAUD ALI  
Managing DirectorNARENDRA BHANAWAT  
Executive DirectorPlace : Udaipur  
Date : 28.05.2011



## SCHEDULE TO THE ACCOUNTS

|  | AS AT MARCH 31,<br>2011<br>(Rs.) | AS AT MARCH 31,<br>2010<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| <b>SCHEDULE - 1</b>  |                                  |                                  |
| <b>SHARE CAPITAL</b>   |                                  |                                  |
| <b>AUTHORISED</b>  |                                  |                                  |
| 25000000 (Pr. Yr. 25000000) Equity Shares<br>of Rs.10 /- each                | 250000000                        | 250000000                        |
| <b>ISSUED AND SUBSCRIBED</b>   |                                  |                                  |
| 155000000 (Pr. Yr. 155000000) Equity Shares<br>of Rs.10/- each fully paid up | 155000000                        | 155000000                        |
|  | <u>155000000</u>                 | <u>155000000</u>                 |
| <b>SCHEDULE - 2</b>  |                                  |                                  |
| <b>RESERVES AND SURPLUS</b>  |                                  |                                  |
| Share Premium Account<br>As per the last Balance Sheet                       | 53600000                         | 53600000                         |
| State Investment Subsidy   | 2513123                          | 2513123                          |
|  | <u>56113123</u>                  | <u>56113123</u>                  |
| <b>SCHEDULE - 3</b>  |                                  |                                  |
| <b>SECURED LOANS</b>   |                                  |                                  |
| Working Capital from Banks   | 0                                | 391884873                        |
| <b>Term Loan</b>   |                                  |                                  |
| - from Financial Institutions  | 59000000                         | 428002464                        |
| - from Others  | <u>51650000</u>                  | <u>0</u>                         |
|  | <u>110650000</u>                 | <u>428002464</u>                 |
|  | <u>110650000</u>                 | <u>819887337</u>                 |
| <b>SCHEDULE - 4</b>  |                                  |                                  |
| <b>UNSECURED LOANS</b>   |                                  |                                  |
| From Others  | 113298004                        | 113298004                        |
|  | <u>113298004</u>                 | <u>118798004</u>                 |
| <b>SCHEDULE - 5</b>  |                                  |                                  |
| <b>FIXED ASSETS</b>  |                                  |                                  |

| NAME OF ASSETS           | GROSS BLOCK         |                                |                                 |                     | DEPRECIATION        |                                |   | NET BLOCK           |                     |                     |
|--------------------------|---------------------|--------------------------------|---------------------------------|---------------------|---------------------|--------------------------------|---|---------------------|---------------------|---------------------|
|                          | AS AT<br>01.04.2010 | ADDITION<br>DURING<br>THE YEAR | DEDUCTION<br>DURING<br>THE YEAR | UP TO<br>31.03.2011 | AS AT<br>01.04.2010 | ADDITION<br>DURING<br>THE YEAR | DEDUCTION<br>/ADJUSTMENT<br>DURING THE YEAR | AS AT<br>31.03.2011 | AS AT<br>31.03.2011 | AS AT<br>31.03.2010 |
|                          | (Rs.)               | (Rs.)                          | (Rs.)                           | (Rs.)               | (Rs.)               | (Rs.)                          | (Rs.)                                       | (Rs.)               | (Rs.)               | (Rs.)               |
| 1) FREE HOLD LAND        | 1142737             | 0                              | 0                               | 1142737             | 0                   | 0                              | 0   | 0                   | 1142737             | 1142737             |
| 2) BUILDING              | 64693056            | 0                              | 0                               | 64693056            | 12868099            | 2160831                        | 16220254                                    | 31249184            | 33443872            | 51824957            |
| 3) PLANT AND MACHINARY   | 676737081           | 1323244                        | 0                               | 678060325           | 209692955           | 8236454                        | 437683454                                   | 655612863           | 22447462            | 467044126           |
| 4) D.G.SET               | 1832000             | 0                              | 0                               | 1832000             | 715586              | 97541                          | 739428                                      | 1552555             | 279445              | 1116414             |
| 5) OFFICE EQUIPMENT      | 7448498             | 78899                          | 0                               | 7527397             | 2069211             | 381104                         | 2262104                                     | 4712419             | 2814978             | 5379287             |
| 6) FURNITURE AND FIXTURE | 2157500             | 0                              | 0                               | 2157500             | 1023694             | 86134                          | 1047672                                     | 2157500             | 0                   | 1133806             |
| 7) VEHICLES              | 874548              | 0                              | 0                               | 874548              | 280324              | 0                              | 594224                                      | 874548              | 0                   | 594224              |
| <b>TOTAL</b>             | <b>754885420</b>    | <b>1402143</b>                 | <b>0</b>                        | <b>756287563</b>    | <b>226649869</b>    | <b>10962064</b>                | <b>458547136</b>                            | <b>696159069</b>    | <b>60128494</b>     | <b>528235551</b>    |
| Previous Year            | 754770224           | 115196                         | 0                               | 754885420           | 202254751           | 24395118                       | 0   | 226649869           | 528235551           | 552515473           |

\*Deduction/Adjustment during the year is Past Depreciation provided during the year. Refer Note No. 7.



**SCHEDULE TO THE ACCOUNTS - CONTINUED**

AS AT MARCH 31,  
2011  
(Rs.)

AS AT MARCH 31,  
2010  
(Rs.)

**SCHEDULE - 6**

**INVESTMENTS**

(Long term investment)

**UNQUOTED**

Government Securities

National Savings Certificate

(pledged with Commercial Taxes Department)

31000

31000

31000

31000

**SCHEDULE - 7**

**INVENTORIES**

Stores and Spare Parts

Raw Material

Work-In-Process

Finished Goods

Packing Material

2871187

13906470

1400664

12890677

1007480

32076478

2578400

5383527

1968641

13031435

1125064

24087067

**SCHEDULE - 8**

**SUNDRY DEBTORS**

(Unsecured, Considered Good)

More than six months

Less - Provision for doubtful debts

Others

33757315

0

33757315

33757315

33757315

0

3986287

3986287

3913344

3913344

**SCHEDULE - 9**

**CASH AND BANK BALANCE**

Cash in hand

Balance With Scheduled Banks

181272

2090798

2272070

231588

623250

854838

**SCHEDULE - 10**

**LOANS AND ADVANCES**

(Unsecured but considered good)

Advances Recoverable in Cash or in Kind or  
for value to be Received

Security and Other Deposits

Prepaid Expenses

Balance in PLA

CENVAT Service Tax, CESS

Credit Receivables Account

5508436

3505469

215229

1001

157858

9387993

5557602

2508647

82712

1001

248538

8398500

**SCHEDULE - 11**

**CURRENT LIABILITIES**

Sundry Creditors for Goods, Services and Exp.

Other Current Liabilities

25944281

321815586

347759867

23920116

353341388

377261504

**SCHEDULE - 12**

**OTHER INCOME**

Interest

64485

64485

0

0





**SCHEDULE TO THE ACCOUNTS - CONTINUED**

|  | AS ON MARCH 31,<br>2011<br>(Rs.) | AS ON MARCH 31,<br>2010<br>(Rs.) |
|--|----------------------------------|----------------------------------|
| <b>SCHEDULE - 13</b>                           |                                  |                                  |
| <b>OPERATING EXPENSES</b>                      |                                  |                                  |
| Raw Material Consumed                          | 163214955                        | 132948438                        |
| Opening Stock of Raw Material                  | 5383527                          | 3684869                          |
| Add : Purchases and Expenses & Adjustment      | <u>170514143</u>                 | <u>144179542</u>                 |
|  | 175897670                        | 147864411                        |
| Less : Closing Stock                           | <u>13906470</u>                  | <u>5383527</u>                   |
|  | 161991200                        | 142480884                        |
| Plastic Granuals (Traded)                      | 515020                           | 466059                           |
| Add : Opening Stock                            |                                  |                                  |
| Finished Goods                                 | 13031435                         | 3976943                          |
| Work-In-Process                                | <u>1968641</u>                   | <u>1024628</u>                   |
|  | 177506296                        | 147948514                        |
| Less : Closing Stock                           |                                  |                                  |
| Finished Goods                                 | 12890677                         | 13031435                         |
| Work-In-Process                                | <u>1400664</u>                   | <u>1968641</u>                   |
|  | <u>163214955</u>                 | <u>132948438</u>                 |
| Insurance Premium                              | 137256                           | 13127                            |
| Power and Fuel Charges                         | 9835021                          | 8992453                          |
| Repairs of                                     |                                  |                                  |
| (a) Plant and Machinery                        | 1621336                          | 3728417                          |
| (b) Building                                   | <u>320327</u>                    | <u>409012</u>                    |
|  | 1941663                          | 4137429                          |
| Excise on finished goods stock                 | -46539                           | 858767                           |
| Other Manufacturing Expenses                   | 7402215                          | 1608873                          |
| Salary, Wages & Other Benefits                 | 11581059                         | 7840346                          |
| Contribution to Provident Fund                 | 680283                           | 427621                           |
| Staff & Labour Welfare Expenses                | 296706                           | 220462                           |
| Rent, Rates & Taxes                            | 0                                | 17518                            |
| Communication Expenses                         | 309731                           | 269742                           |
| Travelling Expenses                            | 861784                           | 680661                           |
| Printing & Stationery                          | 72693                            | 72953                            |
| Sales Expenses                                 | 5528594                          | 5075674                          |
| Freight & Forwarding Expenses                  | 26551                            | 35895                            |
| Advertisement & Publicity Expenses             | 4057609                          | 2063507                          |
| Conveyance & Vehicle Running & Maint. Expenses | 747352                           | 666112                           |
| Legal & Professional Expenses                  | 870320                           | 617905                           |
| Miscellaneous Expenses                         | 590358                           | 554656                           |
| Payment To Auditors :                          |                                  |                                  |
| (i) Audit Fees                                 | 30000                            | 30000                            |
| (ii) Tax Audit                                 | 5000                             | 5000                             |
| (iii) Taxation                                 | 3000                             | 3000                             |
| (iv) Certification                             | 2000                             | 2000                             |
| (v) Service Tax                                | 3605                             | 3605                             |
| Bank Charges and Commission                    | 113673                           | 85523                            |
|  | <u>208264889</u>                 | <u>167231267</u>                 |



## SCHEDULE - 14

### ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES :

##### A) Basis of Preparation of Financial Statements

- The financial statements have been prepared under the historical cost convention, in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the Company.
- Accounting policies not specifically referred to other wise are consistent with generally accepted accounting principles followed by the Company.

##### B) Fixed Assets and Depreciation

- Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. All cost, including financing costs till commencement of production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations relating to specific borrowings attributable to the fixed assets are capitalised.
- Depreciation : The Company is providing depreciation on fixed assets on the fixed straight line method in the manner laid down in schedule XIV to the Companies Act, 1956.

##### C) Inventories

- The valuation is on the basis of F I F O method.
- Raw Materials, Stores and Spare Parts, Colours and Pigments etc. and Stock in transit are valued at cost.
- Finished Goods and Work-in-Process are valued at estimated cost or net realisable value whichever is lower.
- Scrap is valued at net realisable value.
- Traded goods are valued at cost.

##### D) Excise Duty

- The excise duty payable on stock of finished goods not cleared from the excise bonded warehouse is included in expenses and in the value of such stocks.
- Credit of the 'CENVAT' availed is adjusted towards the cost of raw material and fixed assets.
- The Central Excise Duty related to finished goods cleared during the year is deducted from sales value.

##### E) Employee Retirement Benefits

- Gratuity is accounted for on actuarial valuation basis.
- Company's contribution to Provident Fund etc. during the year are charged to the Profit and Loss Account.
- Benefits in terms of accumulated leaves and gratuity are accounted for on accrual basis.

##### F) Foreign Exchange Transaction

- Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- Foreign Currency transactions remaining unsettled at the end of the year are translated at the contracted rates, when covered by foreign exchange contracts and at year end rates in all other cases.
  - Gains and losses on foreign exchange transaction/translation other than those relating to fixed assets are recognised to the respective accounts in the Profit and Loss Account. Gain or loss on transaction of the long term liabilities incurred to acquire fixed assets is related as an adjustments to the carrying cost of such fixed assets.

##### G) Sales

Sales are accounted for taking into consideration the basic price as well as Central Excise Duty but excluding Sales Tax/vat.

##### H) Expenses

Material known liabilities except interest on borrowings are provided for on the basis of available informations/estimates and liabilities not provided are given in the Balance Sheet by way of note.

#### NOTES TO THE ACCOUNTS:

##### 2. Contingent Liabilities Not Provided For :

|  | (Rs. in lakhs)         |                        |
|--|------------------------|------------------------|
|  | As at 31st March, 2011 | As at 31st March, 2010 |
| (a) Guarantee issued by the banks in respect of import of Capital Goods under EPCG | 49.75                  | 49.75                  |
| (b) Excise Duty  | 108.22                 | 108.22                 |
| (c) Penalty imposed by the Enforcement Directorate                                 | 200.00                 | 200.00                 |
| (d) Stressed Assets Stabilisation Fund (Refer Note No.8)                           | 3130.53                | -                      |

- Claims against the company on account of lease rentals, bills payable and unsecured loan of Rs.435.10 lakhs relating to the year 97-98 not acknowledged as debts.
- The balances of sundry debtors, sundry creditors, secured loans, unsecured loans, loans and advances are subject to confirmation and reconciliation.
- The Company has not provided interest in the case of inter corporate deposits, loans, bills Payable of Rs.238.72 lakhs (Pr.Yr. Rs. 238.72 lakhs) in the books of account since the same is under verification and require reconsideration consequently profit, reserves and liabilities for the current year are more/less as the case being by Rs.238.72 lakhs (Pr.Yr. Rs.238.72 Lakhs).
- The Secured lenders and their assignees under the Negotiated settlement in respect of their dues, waived a sum of Rs.5043.51 Lacs in respect of principal and sum of Rs.2453.63 Lacs in respect of interest (provided in the books). The same have been included under the head "Extra Ordinary Items" in the Profit and Loss Account.
- The amount of depreciation of the past years not provided amounting to Rs.4585.47 lakhs has been charged to profit and loss account and included under the head Extra Ordinary Item.
- The Stressed Assets Stabilisation Fund assignee of Industrial Development Bank Of India under the negotiated settlement in respect of its dues agreed to accept the payment of Rs.640.00 lacs and interest thereon over a period of 8 years. In case of any default in repayment, the original amount of dues i.e. Rs 3770.53 lacs will restore. In view of this the difference between the original amount and settled amount i.e Rs 3130.53 lacs has been shown as contingent liability.
- To settle and pay off the dues of the secured lenders, the Company borrowed a sum of Rs. 516.50 lakhs under security by way of first charge over the current assets of the Company such as stocks, receivables etc. This is also further secured by way of second charge over the entire immovable assets of the Company. It is repayable after one year from the date of execution of documents. The execution of documents, creation of security and registration of charges are yet to take place and will be completed in due course. In view of the above circumstances the amount of borrowings have been classified as "SECURED LOAN."
- The Company was declared a sick industrial company by the Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 21.12.1998 under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The BIFR vide its order dated 22.02.2007 recommended winding up of the Company. The Company preferred an appeal against the order of BIFR to AAIFR and the AAFIR has stayed the operation of the order of the BIFR. The appeal is pending for adjudication. The management feels that the results of the appeal will be in the



company's favour. In view of the forgoing the accounts have been prepared on a going concern basis.

11. The Company has not received any informations from their suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 hence disclosures, if any relating to amounts unpaid at the year end together with interest payable as required under the said act could not be disclosed. The management is of opinion that interest, if any on such account will not be material.
12. The figures for the previous year have been regrouped/re-arranged to the extent necessary.
13. In view of the Accounting Standrad-17 Segmental Reporting issued by the Institute of Chartered Accountants of India, the operation of the company is considered as single segment hence segment reporting is considered not applicable.
14. In view of the Accounting Standrad-18 issued by the Institute of Chartered Accountants of India, The nature of transactions held with related party are as follows :-
- (I) List of related parties :-
- Key Management Personnel  
Mr. Narendra Bhanawat - Executive Director  
Mr. Daud Ali - Managing Director
- (II) Transaction with Related Parties  
details of remuneration to Key Management Personnel (Executive Director ) are disclosed at point no. 17
15. In view of the Accounting Standrad-20 issued by the Institute of Chartered Accountants of India, The details of earning per share are as under :-
- (I) Basic and diluted earnings per share is Rs. (0.65) , Pr.yr. is Rs. (0.94)

before Extra Ordinary items and after extra ordinary item is Rs.18.14 p.y. Rs.(0.94)

- (II) The loss for the year has been used as the numerator and 1, 55, 00, 000 numbers of Equity Shares (both for basic and diluted)being fully paid up has been considered as the denominator.
16. As required by Accounting Standrad No.- 22 "Accounting for Taxes on Income" issued by Institute of Chartered Accountants Of India, The Company has not recognised deferred tax as the company has heavy unabsorbed depreciation and carry forward of losses under tax law and there is no convincing evidence that sufficient future taxable income will be available against which such deferred tax can be realised.
17. Remuneration under the section 198 of the companies Act, 1956, paid / payable to the Executive Director / Managing Director :- (Rs.)

|                 | Year ended<br>31.03.2011 | Year ended<br>31.03.2010 |
|-----------------|--------------------------|--------------------------|
| (a) Salary      | 930000.00                | 40000.00                 |
| (b) Perquisites | 123600.00                | 16800.00                 |

18. Additional information pursuant to the provision of para 3, 4C & 4D of Part II Schedule VI to the Companies Act, 1956:

- A) Licenced & installed capacity and production as certified by the management as per IDBI appraisal.

|                        | Year ended<br>March 31,2011<br>(MT) | Year ended<br>March 31,2010<br>(MT) |
|------------------------|-------------------------------------|-------------------------------------|
| i) Licenced capacity   | N.A.                                | N.A.                                |
| ii) Installed capacity | 9452.00                             | 9452.00                             |
| iii) Production        | 2416.82                             | 2326.37                             |

**(B) Opening & Closing Stock of Finished Goods, Turnover of the Goods produced:**  
(As certified by the management)

(Rs. In Lakhs)

| Product | Opening Stock     |                   | Turnover             |                      | Closing Stock      |                    |
|---------|-------------------|-------------------|----------------------|----------------------|--------------------|--------------------|
|         | Qty. MT.          | Value             | Qty.MT.              | Value                | Qty.MT             | Value              |
| Moulded | 172.59<br>(56.53) | 130.31<br>(39.77) | 2439.62<br>(2210.31) | 2302.40<br>(1915.28) | 149.79<br>(172.59) | 128.91<br>(130.31) |

(Figures in brackets indicate previous year's figures).

**(C) Opening, Closing Stock, Purchase and Turnover of the Goods Traded :**  
(As certified by the management)

(Rs. In Lakhs)

| Product  | Opening Stock |         | Purchase |        | Turnover |        | Closing Stock |         |
|----------|---------------|---------|----------|--------|----------|--------|---------------|---------|
|          | Qty. MT.      | Value   | Qty. MT. | Value  | Qty.MT.  | Value  | Qty.MT        | Value   |
| Plastic  | 00.00         | 00.00   | 17.11    | 5.15   | 17.11    | 5.53   | 00.00         | 00.00   |
| Granuals | (00.00)       | (00.00) | (7.89)   | (4.66) | (7.89)   | (5.70) | (00.00)       | (00.00) |

(Figures in brackets indicate previous year's figures).



**D) (i) Raw Materials Consumed:**

(As certified by the management)

(Rs. in lakhs)

| Items  | Unit | 2010-2011     |                | 2009-2010     |                |
|--|------|---------------|----------------|---------------|----------------|
|  |      | Qty.          | Value          | Qty.          | Value          |
| Polymer Chips & Other Additives                          | M.T. | 2432.54       | 1619.91        | 2351.64       | 1424.81        |
| Whereof:   |      |               | %              |               | %              |
| Imported   |      | -             | -              | -             | -              |
| Indigenous   |      | 100.00        | 1619.91        | 100.00        | 1424.81        |
|  |      | <u>100.00</u> | <u>1619.91</u> | <u>100.00</u> | <u>1424.81</u> |
| <b>(ii) Stores and Spare Parts Consumed</b>              |      |               |                |               |                |
| Imported   |      | Nil           | Nil            | Nil           | Nil            |
| Indigenous   |      | 100.00        | 16.21          | 100.00        | 37.28          |
|  |      | <u>100.00</u> | <u>16.21</u>   | <u>100.00</u> | <u>37.28</u>   |
| E) Value of Imports on C.I.F. Basis                      |      | -             | -              | -             | -              |
| F) Remittance in foreign currency on account of Dividend |      | -             | -              | -             | -              |

**19. BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No. 6576

State Code 17

Balance Sheet date 31.03.2011

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

| Public Issue | Right Issue | Bonus Issue | Private Placement |
|--------------|-------------|-------------|-------------------|
| NIL          | NIL         | NIL         | NIL               |

III. Position of Mobilisation and Deployment of Funds

(Amount Rs. Thousands)

|                      |           |                    |          |
|----------------------|-----------|--------------------|----------|
| Total Liabilities    | : 435061  | Total Assets       | : 435061 |
| Source of Funds      |           | Reserves & Surplus | : 56113  |
| Paid-up Capital      | : 155000  | Unsecured Loans    | : 113298 |
| Secured Loans        | : 110650  | Investments        | : 31     |
| Application of Funds |           | Misc. Expenditure  | : NIL    |
| Net Fixed Assets     | : 60128   |                    |          |
| Net Current Assets   | : -300037 |                    |          |
| Accumulated Losses   | : 674939  |                    |          |

IV. Performance of the Company

(Amount in Rs. Thousands)

|  |          |  |          |
|--|----------|--|----------|
| Turnover   | : 230793 | Total Expenditure                              | : 219227 |
| Profit/Loss Before Tax                               | : -10066 | Profit/Loss after extra ordinary items and tax | : 281101 |
| Earning per share in Rs. before extra ordinary itmes | : -0.64  | Dividend @                                     | : NIL    |

V. Generic Names of Two Principal Products/Services of Company (as per the monetary terms)

|                          |                              |
|--------------------------|------------------------------|
| Item Code No. (ITC Code) | : 9403.70                    |
| Product Description      | : Furniture of Plastics      |
| Item Code No.(ITC Code)  | : 3926.90                    |
| Product Description      | : Other Articles of Plastics |

Signature to Schedule 1 to 14  
for SAMPATILAL BOHARA & CO.  
Chartered Accountants

for and on behalf of the Board of Directors

(SUDHIR MEHTA)  
Partner  
Membership No. 400920  
Place : Udaipur  
Date : 28.05.2011

DAUD ALI  
Managing Director

NARENDRA BHANAWAT  
Executive Director