

BOARD OF DIRECTORS

Mr. Chand Seth	-	Chairman & Managing Director
Mr. Harish Seth	-	Vice-Chairman & Managing Director
Mr. Varun Seth	-	Whole-Time Director
Dr. Sai Ramachandran	-	Director
Mr. Naresh Khanna	-	Director
Mr. Ramesh Mehra	-	Director
Mr. R.K. Gupta	-	Nominee Director (HSI IDC)

COMPANY SECRETARY **CS. Naresh Kapoor**

AUDITORS **J.C Bhalia & Co.**
Chartered Accountants
B-5, Sector-6, Noida-201301(U.P.)

BANKERS Bank of Baroda
Allahabad Bank
IDBI Bank

REGISTERED OFFICE 204, Rohit House 3, Tolstoy Marg
New Delhi-110 001

SHARE DEPARTMENT 703-704 Rohit House 3, Tolstoy Marg
New Delhi-110 001
Ph. : 43517917-21, Fax : 43517596

REGISTRAR & SHARE TRANSFER AGENT **MAS Services Ltd.**
T-34, IInd Floor, Okhla Industrial Area,
Phase-II, New Delhi-110020
Ph : 011-26387281/82/83
Fax:011-26387384
E-mail:mas_serv@yahoo.com**WORKS:****Mahad**
B-3/2, MIDC Distt. Raigad, Mahad,
Maharashtra - 403302**Jigani**
13-A, Part-I Jigani Industrial Area
Distt. Anekal Bangalore, Karnataka**Gurgaon**
2-A, Sector-18, HSI IDC, Near Bijlee Board,
Gurgaon-122001, Haryana**Baddi**
Khasra No. 512-513, Village-Sandholi (Baddi),
Tehsil-Nalagarh Distt- Solan (H.P)**Pant Nagar**
Plot No. 45, Sector-3, Village Kalyanpur, Tehsil Kichha,
Distt. U.S. Nagar, IIE, Pantnagar, Uttaranchal.

NOTICE

Notice is hereby given that the 39th Annual General Meeting of the members of Pearl Polymers Limited will be held as under:

Day : **Tuesday**
Date : **September 28th, 2010**
Time : **11.15 A.M**
Venue : **MPCU, Shah Auditorium,
Shree Delhi Gujrati Samaj Marg,
Civil Lines, Delhi-110054**

to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To confirm payment of dividend on Preference Shares.
3. To appoint a Director in place of Shri Harish Seth, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Sai Ramachandran, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider the appointment of Statutory Auditors, fix their remuneration and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. J.C.Bhalla & Co., Chartered Accountants (Firm Registration No. 001111N), be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration (including terms of payment) to be fixed by the Board of Directors based on recommendations of the Audit Committee, plus service tax and such other tax(es), as may be applicable, and reimbursement of all out of pocket expenses if any, incurred in connection with the Company's audit for the financial year 2010-2011.

6. To consider the appointment of Branch Auditors and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors be and is hereby authorised to appoint any person(s) qualified to act as Branch Auditors within the provisions of the said Act, as the Branch Auditors of any Branch of the Company, whether existing or which may be opened/ acquired hereafter, in consultation with the Statutory Auditors of the Company, and to fix their remuneration."

By the order of the Board
For **PEARL POLYMERS LIMITED**

CS. NARESH KAPOOR
DGM – Corporate Affairs
& Company Secretary

Place: New Delhi
Date : August 12, 2010

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
The instrument appointing the proxy should be deposited at the Registered Office of the company not less than forty eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **21st September, 2010 to 28th September, 2010** (both days inclusive)
3. Members are requested to bring their attendance slips along with their copy of Annual Report to the Meeting. As a measure of economy, copies of Annual Report will not be distributed at the Meeting.
4. Members holding shares in electronic form are requested to intimate any change in their address immediately to Depository Participants with whom they are maintaining their Demat Accounts.
5. Members holding shares in physical form either in multiple folios with identical names or joint holdings in the same order are requested to send their Share Certificates to the Company's



PEARL Polymers Limited

Registrar and Share Transfer Agent for consolidation of their holding into a single folio at the following address:

M/s. MAS Services Limited
T-34, IInd Floor,
Okhla Industrial Area, Phase- II,
New Delhi : 110 020
Phone No. : 011- 26387281, 7282, 7283
Fax : 011 - 26387384
E-mail : mas_serv@yahoo.com

6. The Company's shares are admitted in both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for custody and dematerialization of securities. Members can avail of the depository facilities by approaching any of the Depository Participants (DPs) of NSDL or CDSL or by approaching the RTA of the Company.
7. **Members desirous of seeking any information from the Company are requested to send their queries to the Company Registered Office well in advance so that the same may reach at least ten days before the date of the meeting to enable the Company to keep the information readily available at the Meeting.**
8. Pursuant to the provisions of Clause 49 of the Listing Agreement, the relevant details of the directors retiring by rotation and seeking re-appointment under Item no. 2 and 3 respectively, are given below:

NAME : SHRI HARISH SETH
AGE : 64 years
DATE OF APPOINTMENT : 12th February, 1971
QUALIFICATIONS :

B-Tech in Chemical Engineering, IIT Madras & M-Tech in Chemical Engineering, USA

EXPERTISE IN SPECIFIC FUNCTIONAL AREA :

Mr. Harish Seth is one of the promoters of the Company and has over 40 years of experience in the field of polymers. He is renowned personality in the field of polymers and has immensely contributed in developing quality plastic products. The Company won "Johnson & Johnson Worldwide Sustainability Award" for the year 2007 for the initiative taken in implementing the change in bulk packaging process by the Company at its new unit at Baddi.

DIRECTORSHIP HELD IN OTHER COMPANIES

- Pearl Engineering Polymers Ltd
- Pearl Flats (I) Ltd.

MEMBERSHIPS/CHAIRMANSHIPS OF COMMITTEES ACROSS ALL PUBLIC COMPANIES

- Pearl Engineering Polymers Ltd.- Audit Committee (Member)

NAME : DR. SAI RAMACHANDRAN

DATE OF APPOINTMENT : 23rd June, 2001

AGE : 64 years

QUALIFICATIONS :

Master of Science in Chemistry from Madras University, MBA in Marketing from University of Minnesota, USA & PhD. From M.D. University, Rohtak

EXPERTISE IN SPECIFIC FUNCTIONAL AREA :

Dr. Sai Ramachandran has an experience of more than 37 years and has held Sr. Sales & Marketing positions in Companies like DCM, Amul, Ranbaxy and Procter & Gamble. He joined as the Marketing Manager in Dabur group and rose to the position of General Manager (Marketing). During this period, he was credited with the growth of sales in Dabur from 27 crores to 175 crores. He has also been the Managing Director of Emami Foods Ltd and Director on the Board of Emami Cosmetics. He has been involved in Academics and has been teaching Management in most of the Management Institutes for the last 31 years being a visiting faculty to FMS, Delhi University.

DIRECTORSHIP HELD IN OTHER COMPANIES

- Indo Asian Fusegear Ltd.

MEMBERSHIPS/CHAIRMANSHIPS OF COMMITTEES ACROSS ALL PUBLIC COMPANIES

- Pearl Polymers Ltd.- Chairman- Audit Committee, Shareholder's/Investors' Grievances Committee

By the order of the Board
For **PEARL POLYMERS LIMITED**

CS. NARESH KAPOOR
DGM – Corporate Affairs
& Company Secretary

Place: New Delh
Date : August 12, 2010

Regd. Office :
204, Rohit House,
3, Tolstoy Marg,
New Delhi-110001

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 39th Annual Report alongwith Audited Annual Accounts for the year ended 31st March, 2010.

1. FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended March 31, 2010 as compared with the previous year's performance is envisaged below:

(Amount in Rs./Lacs)

PARTICULARS	For the Year Ended 31 st March, 2010	For the Year Ended 31 st March, 2009
Gross Sales	18049.80	16656.88
Less: Excise Duty	880.39	1277.15
Net Sales	17169.41	15379.73
Other Income	138.01	122.52
Total Income	17307.42	15502.25
Total Expenditure	15484.80	13750.35
Profit/(Loss) before Depreciation, Interest & Tax	1822.62	1751.90
Less : Interest	712.95	706.51
Depreciation	753.47	715.13
Profit / (Loss) before Tax & Prior Period Adjustment	356.20	330.26
Exceptional Item	-	-
Prior Period Adjustments	(.82)	-
Provision for Taxes	(125.57)	(147.40)
Profit/ (Loss) after Tax	229.81	182.86
Appropriations:-		
Proposed Dividend (incl tax)	0.08	0.02
Transfer to Capital Redemption Reserve	105.00	-
Transfer from Debenture Redemption Reserve	(125.00)	(100.00)
Balance carried to Balance Sheet	249.73	282.84

2. DIVIDEND

In order to strengthen the financial condition of the Company, the Directors consider it prudent to retain the profits of the Company for the year ended 31st March, 2010. Accordingly, the Directors have decided not to recommend dividend on Equity shares of the Company for the financial year ended 31st March, 2010.

However, the Company has paid dividend at the rate of 0.01% p.a on the redeemable cumulative Preference shares of the Company in accordance with the terms of issue of the said shares.

3. CHANGE IN THE CAPITAL STRUCTURE

During the year under review, the Company redeemed 1,05,000 (One Lac Five Thousand)

0.01% Redeemable Cumulative Preference Shares, consequent to which the total issued and subscribed share capital of the Company is Rs. 22,78,49,320/- comprising of 1,68,34,932 Equity shares of Rs. 10/- each and 5,95,000 Preference shares of Rs. 100/- each.

4. MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Structure and Development

The Indian plastic Packaging Industry has a great market potential and is gradually prospering. This has provided an impetus to those in the industry to acquire technical expertise, achieve high quality standards and build capacities in various facets of industry. Phenomenal developments in petrochemical sector with a

simultaneous development in machinery required for processing plastic, have facilitated and encouraged those involved in plastic processing to build capacities and serve both domestic and overseas markets.

Your Company is involved with manufacture of PET and, PP Jars, bottles and containers with its state of the art facilities at five locations namely Baddi, Gurgaon, Pant Nagar, Mahad and Jigani. Pearl Polymers, an ISO: 9001 certified company integrates the finest quality of certified raw materials using advanced injection stretch blow molding (ISBM) technology and stringent quality control procedures at all its units. The Company ensures getting new models and designs of its product with the best and unbeatable quality at reasonable prices to cater to the requirements and preferences of its customers.

(b) Opportunities and Threat

The Indian Plastic Industry is expanding at a phenomenal pace, with plastic being significantly used in innovating new applications in industries like automobile, electronics, food processing, packing, healthcare thereby increasing the demand for plastics altogether. The industry however witnesses factors that pose a threat and restrain growth in the industry. The factors that need consideration are:

Inflation: During the year 2009-10, the global crunch pinched the economy so hard that the economy gave in to the adverse external shocks and few sectors experienced a slump. Inflation in India 2009 stands at 11.49% Y-o-Y.

The high inflation rate is partially caused by high crude oil prices. This impacts the price of plastic compounds and their usage in the industry. The key factors restraining the growth of the Indian plastic compounding market is crude oil prices. To maintain the profits at marginal level despite of fluctuations in raw material prices is challenging for the Indian plastic market.

Dumping of Products : China is seen as a threat by other developing nations for a reason that certain goods are being sold at a price far below the price prevailing in the market on account of cheap labour and significant capacities.

Un-organised sector: This sector has a significant presence in the industry with contribution of more than 70% of the industry turnover. The organised sector is facing stiff competition from the unorganised sector and

thus, poses a serious problem for them. As a result, organised sector needs to build up significant brand image to survive against the competition from the unorganised sector.

During the year, various external economic factors affected the overall industry. Accordingly, to prevent sharp fall in earnings, several cost control initiatives were adopted. However, the next two decades are expected to offer unprecedented opportunities for the industry. This will necessitate initiatives to foster investments, develop market, upgrade quality standards, enhance global participation and encourage Indian industry to adopt and become accustomed to world class technology and manufacturing practices.

The economy is expected to grow by 8.7% during the year 2010-11 with a return to a growth rate of 9% in 2011-12. It has also been anticipated that the demand for PET plastic bottles (under 5 litres) will continue to grow at over 10% p.a. for the next five years, largely driven by the growth in Food FMCG Sectors. This positive scenario makes us hopeful for a financially sound 2010-11.

(c) Segment Wise Performance

The Company has a single reportable segment i.e. Manufacture of PET bottles and jars in terms of AS-17 issued by the Institute of Chartered Accountants of India. Therefore, segment-wise reporting is not applicable.

(d) Economic Scenario and Industry Outlook

The global economy witnessed an unprecedented turmoil in the 2009-10. It started as a sub prime crisis in the US, soon spread across the global financial system with several venerated banking institutions failing in a short span of less than 6 months. The ensuing credit crisis and liquidity trap took its toll on the global stock markets. This was followed by the crash in the commodity prices.

The Indian economy which witnessed a GDP growth of more than 8% during the previous fiscal showed signs of slow growth during the current fiscal due to steep rise in inflation and crude oil prices. While the global economic recession, had repercussions in India including the plastic industry, there was a significant control on inflation and fall in crude oil prices which will help in maintaining the GDP growth.

While, the GDP growth rate in the first three quarters of the financial year 2009-10 has been 6.7% and the sturdy growth has been noticed in

the automobiles, rubber, plastic products, and chemicals etc. In the coming years as there are good opportunities for the plastic industry, on account of increase in demand packaged goods across the nation, the Company is planning to widen its area of activities into the existing and new market areas.

(e) Risks Management

As every other business, your Company also has significant exposure to different types and levels of risk. However, the Company has a well structured risk assessment and minimization mechanism, which is periodically reviewed by the Board of Directors. With thorough market understanding, strong marketing network, diverse and flexible manufacturing and technical expertise, your company has been able to manage and withstand risks and concerns faced by the industry.

(f) Internal Control System

The Company has in place a robust internal control system with an efficient monitoring and reporting mechanism. The controls are established throughout the organization and encompasses all departments and functioning therein. The adequacy and effectiveness of the said control framework and compliance with the established policies, plans and procedures are ensured by the internal audit function. M/s Sanjeev Khanna & Associates, Chartered Accountants have been appointed as the internal auditors of the Company.

The independence of internal audit function is ensured by periodic reporting of adequacy and effectiveness of controls and status of compliance with the established standards, to the Audit Committee and the Board. The adequacy and effectiveness is further confirmed and certified by the CEO and CFO of the Company.

(g) Discussion of Financial performance with respect to Operational performance

During the year under review, your Company had a turnover of Rs.18049.80 Lacs compared to Rs.16656.88 Lacs for the previous year, registering a growth of 8.36%. However, the company had a decline in the rate of growth in its sales by 2 % on account of global economic recession which had amongst others, impacted the Indian plastic industry as well. The increase in cost of production due to high energy costs further affected the margins, However, your Company being confident about the market potential is striving to improve operations further

by expanding its manufacturing activities by replacement of old machinery and adding new Manufacturing Locations. Amidst such period of uncertainty and fluctuating feedstock prices your company reported profit before tax of Rs.356.20 Lacs compared to Rs. 330.26 Lacs during the previous year.

(h) Human Resource and Industrial Relations

The Company continued with its initiative to motivate people for higher performance and develop the available talent to the highest potential. During the year, various training and motivational programs were organized for the employees. Your Company is privileged to have the right blend of professionals and executive in the organizations. As on 31st March, 2010 the Company had employee strength of 780 employees.

7. PUBLIC DEPOSITS

As on 31st March, 2010, a sum of Rs. 62.64 Lacs relating to 209 depositors remained unclaimed. Since then, deposits amounting to Rs. 46.05 Lacs in respect of 115 depositors have been repaid/renewed. In accordance with provisions of the Companies Act, 1956, the Company has deposited the unclaimed deposits alongwith interest thereon into the Investor Education and Protection Fund (IEPF) established under the Act.

8. BOARD OF DIRECTORS

The composition of the Board of Directors is in accordance with the provisions of the Companies Act, 1956, the Articles of Association of the Company and satisfies the requirements envisaged in the Listing Agreement entered into with the Stock Exchanges.

Pursuant to Section 255 and 256 of the Companies Act, 1956 read with the Clause 110 of the Articles of Association of the Company, Mr. Harish Seth, Vice Chairman & Managing Director and Dr. Sai Ramachandran, Director are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. A brief resume of the Directors proposed to be reappointed, is included in the Notice for the ensuing Annual General Meeting.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 pertaining to the Directors' Responsibility Statement, your Directors hereby confirm:

- (i) that in preparation of annual accounts, applicable accounting standards have been followed;

- (ii) that the Accounting Policies selected in consultation with the Statutory Auditors have been applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010, and of profit of the Company for that period;
- (iii) that proper and sufficient care has been taken to the best of knowledge and ability for maintenance of adequate accounting records 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) that the annual accounts for the year have been prepared on a "going concern basis".

10. AUDITORS AND AUDITORS' REPORT

M/s J.C.Bhalla & Co., Chartered Accountants, Statutory Auditors of the Company hold office until conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have expressed their willingness to continue as the Statutory Auditors, if re-appointed at the Annual General Meeting to hold office until the conclusion of the next Annual General Meeting.

The Company has received from the auditors, a Certificate stating that their appointment, if made, would be within the prescribed limit under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act. Further, a peer review certificate has also been received from the Statutory Auditors in conformance with the requirements of the amended Listing Agreement.

The notes to accounts referred to in the Auditors' Report, are self-explanatory and therefore do not require any further comments.

10. CORPORATE SOCIAL RESPONSIBILITY

As a socially responsive organization, your Company is committed to ensuring well being of the communities around it while recognizing interest of all its shareholders, consumers, employees, and suppliers at all times. During the year, following initiatives were taken:

Training & Safety: During the year, various training programs were organized at the plant. Fire fighting & rescue drills were conducted for the staff and workers at the plants. Special training on First Aid was also imparted during the period.

Environment: The Company promotes and encourages clean and healthy environment.

Maintaining and upholding with the thought and to create awareness amongst the staff and workers, various trees were planted during the year at the plants.

11. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement on details pertaining to Energy Conservation, Technology absorption and Foreign Exchange Earnings and Outgo, required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988, forms part of this Directors' Report as **Annexure-I**.

12. PARTICULARS OF EMPLOYEES

A statement of particulars of employees required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 forms part of this report as **Annexure-II**.

13. CORPORATE GOVERNANCE

Your Company continues with its unwavering commitment and attempts to maintain highest standards of corporate governance. All major stipulations laid down under clause 49 of the Listing Agreement relating to good corporate governance are duly adhered to and are reflected in all its attempts to attain business objective while enhancing stakeholders value.

A report on such Corporate Governance practices adopted in the Company along with the Certificate from the Statutory Auditors of the Company certifying due compliance with the said requirements forms part of this report.

14. ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the assistance and co-operation received from Financial institutions, Banks and Governmental & Non- Governmental authorities and thank all members for their continued support and confidence reposed in the management. Your Directors also wish to express deep sense of appreciation for the commitment and dedication shown by the entire work team at Pearl.

On behalf of the Board of Directors of
PEARL POLYMERS LIMITED

CHAND SETH
Chairman & Managing Director

Place : New Delhi
Date : 12th August, 2010

ANNEXURE – I

DISCLOSURE OF PARTICULARS AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

The Company has taken the following energy conservation measures during the year under review

A. CONSERVATION OF ENERGY

1. New Generation energy efficient PET Resin dryers are introduced in all the units — which consumes less energy as compared to the old dryers.
2. In our Gurgaon Unit the old water cooled screw compressor has been replaced by new more efficient air cooled version. The said compressor not only produces more compressed air at the same energy input than that of the older one but also conserves on precious natural commodity like water.
3. Soft Starter has been installed in our Gurgaon Unit to optimize the size of the DG set, so that the bigger size electrical motor can be started on relatively smaller DG set. This has resulted into considerable saving in terms of Diesel.
4. “ON / OFF” type thermocontrollers are being replaced with more technologically advanced PID controllers. These controllers control the ON - OFF sequence of the heaters more precisely.
5. The average Power Factor of all the units are being maintained at 0.99 — it reduces current consumption for a given load and put less stress on electrical equipments & cables.
6. .To improve the working environment of the machine shop floor, 40 nos. hot air operated roof heat extractor, are installed in our Mahad unit. These heat extractors works on the principle of hot-air turbine effect and consumes NO-Electrical energy.
7. Efforts are ‘on’ to replace CFL with LED lights, in non critical areas like passage ways/ toilets etc.
8. The idea of replacing 125 watt Sodium vapour lights with 85 watt CFL in street light pole, is being experimented with and expected to be put on practice in our various plants by year-end.

B. Additional Investments/proposals Being Implemented for Reduction in Consumption of Energy:-

Energy Conservation is one of the main agenda for discussion and we are continuously monitoring the same to improve our performance and profit margins.

C. Impact of measures at (a) and (b) above for reduction in consumption of energy and on the cost of production of goods :-

1. By installation of ‘Soft Starter’ on some selective machines, now we are able to run our plant more efficiently on DG set at the time of non-availability of Grid Power.
2. Over-all quality of our PET bottles & jars has improved significantly by installing new efficient Material Dryer.
3. Replacement of Sodium Vapour Bulbs with CFL resulted into considerable saving of electrical energy.

B. EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM B GIVEN BELOW:-
I. RESEARCH AND DEVELOPMENT (R & D)
a) Specific areas in which the Research and Development (R&D) is being carried out.

By installing high productivity energy efficient machines, we have reduced our rejection percentage to a greater extent.

b) Benefits derived as a result of R & D efforts

We have developed spares indigenously for our Japanese make machines and reduced the expenditure on spares.

c) Future plan of action

We are exploring the possibility of introducing energy efficient central loading and blending of raw material at our various plants.

The proposal of providing UPS (uninterrupted power supply) for some of our machines, is being worked upon, so that the production loss due to power change-over could be minimized.

II. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**a) Efforts made towards technology absorption, adoption and innovation**

The new process in PET are being worked out for diversification, which will promote the usage of PET packing in various products for which presently Glass / Metal or other materials are used.

b) Benefits derived as a result of the above efforts

With all the above efforts, we have been able to run our machines efficiently and also to perform technical & commercial activities in a stream line manner. Moreover, we have been successful in penetrating into new areas where PET can be used as a packing solution.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO**1. Activities relating to export, initiative to increase exports, development of new export markets for products and services and export plan**

The Company is exploring the possibility of exporting PET products to various countries

2. Total Foreign Exchange earned and used

	(Rs./ Lacs)
Foreign Exchange Earnings (FOB)	68.89
Foreign Exchange Outgo (on CIF basis)	
(I) On Imports	
a) Raw Material	1.84
b) Capital Goods	11.53
c) Components	NIL
(II) Travelling & Others	32.22

ANNEXURE-II

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

A. Employed throughout the Financial Year under Review and were in Receipt of Remuneration for the Financial Year in the Aggregate of not less than Rs. 24.00, 000/-

Name	Remuneration received (in Rs.)	Designation / Nature of Duty	Qualifications & Experience	Date of Commencement of employment	Age (Years)	Last employment held	% of equity shares held
Mr. Chand Seth	16,62,000	CMD/overall supervision of day to day management of the Company	B.Tech, MS (Mech)	12-02-1971	66	None	1.28%
Mr. Harish Seth	42,48,000	VCMD/ management of the affairs of the Company	Chemical Engineering and M.Tech	12-02-1971	64	None	1.94%
Mr. Varun Seth	21,30,000	WTD/handling production, marketing and business operations	Engineering in Industrial Production	01-07-2006	37	None	1.51%

Remuneration to Mr. Chand Seth, Chairman & Managing Director has been paid till June 30, 2009.

- B. Employed for a part of the financial year under review and were in receipt of remuneration for that period in the aggregate of not less than Rs. 2,00,000/- per month: NIL**
- C. Employed throughout the financial year under review or part thereof and were in receipt of remuneration for that period at the rate in excess drawn by the Managing Director / Whole Time Director/ Manager and holds by himself or alongwith his children not less than 2% of the equity shares of the Company: NIL**

NOTES:

1. Remuneration includes : Salary, Allowances, Perquisites and contribution to provident fund and superannuation fund.
2. Nature of Employment: Contractual
3. Other Terms & Conditions: As per service rules of the Company
4. Mr. Chand Seth, Chairman & Managing Director, Mr. Harish Seth, Vice Chairman & Managing Director and Mr. Varun Seth, Whole time Director are related to each other.

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of Pearl Polymers Limited

We have examined the compliance of conditions of Corporate Governance by Pearl Polymers Limited for the year ended on March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in 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.

Place : New Delhi
Date : 2nd August, 2010

Akhil Bhalla
Partner
Membership No. 505002
For and on Behalf of
J.C.Bhalla & Co.
Chartered Accountants
(FRN: 001111N)

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

The Company is fully committed to and continues to practice good corporate governance. The Board lays emphasis on basic principles of transparency, accountability, integrity, trusteeship, professionalism and commitment to values which forms the essential character and guiding principle for all our decision-making and monitoring process. The Company endeavors to inculcate supreme standards of corporate governance in order to ensure sustainable returns to all its stakeholders and increase the Company's overall value by efficiently and effectively meeting its financial, social, environmental, legal and statutory obligations. Besides adherence to the statutory requirements; effective governance systems, improved disclosure practices, effective internal control systems and ethical business conduct have been institutionalized in the organization at all levels.

The importance of Corporate Governance has always been recognized and is manifested in the Company's vision. A report in line with the requirements of the Listing Agreement for the year ended 31st March, 2010 is as under:

2. BOARD OF DIRECTORS

The Company's Board consists of enlightened and professionally qualified individuals having multidisciplinary knowledge and experience which serves and protects the overall interest of its stakeholders; provides and evaluates the strategic directions of the Company; formulates and reviews management policies and ensures its effectiveness. The Chairman & Managing Director, Vice Chairman & Managing Director and Whole Time Director manage the business of the Company under the overall supervision and guidance of the Board.

(A) Composition and Attendance

The Board represents an optimum mix of Executive and Non-Executive Directors for the effective management of the Company. As on the report date, the Board consists of seven (7) Directors, out of which three (3) are Executive Directors including the Chairman & Managing Director and other four (4) being the Non-Executive and Independent Directors. The Company immensely benefits from the professional expertise of Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchange.

The Composition of the Board of Directors, attendance of the Directors at its Meetings held during the year and at the last Annual General Meeting along with the details of the Directorships and Committee positions held by each Director as on 31st March, 2010 is as follows:

Name of Directors	Attendance at Meetings held during 2009-10		Number of Committee Memberships held (including Chairmanship, if any)	*Number of Committee Chairmanships held	@Number of outside Directorships held
	Board Meetings out of 6 meetings held	Last AGM held on 25.09.2009			
Executive Directors					
Mr. Chand Seth Chairman & Managing Director	5	No	2	NIL	3
Mr. Harish Seth Vice-Chairman & Managing Director	6	YES	1	NIL	2
Mr. Varun Seth Whole-Time Director	3	NO	NIL	NIL	NIL
Non-Executive & Independent Directors					
Dr. Sai Ramachandran	6	YES	2	2	1
Mr. Naresh Khanna	6	YES	1	NIL	3
Mr. Ramesh Mehra	1	NO	2	NIL	NIL
Mr. Rakesh Kumar Gupta-Nominee - HSIIDC	NIL	NO	NIL	NIL	NIL

Notes :

*Mr. Varun Seth, Whole Time Director has been re-appointed for a further period of 3 years w.e.f 1st July, 2009 as per the terms & conditions of his appointment.

§In accordance with Clause 49 of the Listing Agreement, membership/ chairmanship of the Audit Committee and Shareholders'/ Investors' Grievances Committee of all Public Limited Companies (including Pearl Polymers Limited) has been considered.

@Number of outside Directorships exclude alternate directorship, directorship in foreign Companies, Companies registered under section 25 of the Companies Act, 1956 and private limited Companies.

- None of the Director has membership of more than 10 committees of the Board and Chairmanship of more than 5 committees of the Board (as specified in Clause 49), across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other Companies and do not hold office of director in more than 15 Public Companies.
- Mr. Chand Seth, Chairman & Managing Director and Mr. Harish Seth, Vice Chairman & Managing Director are related to each other, being brothers. Mr. Varun Seth, Whole Time Director is related to Mr. Chand Seth.

(B) Board Meetings

During the year under review, six meetings of the Board of Directors were held and the maximum time gap between any two consecutive meetings did not exceed four months as stipulated under Clause 49 of the Listing Agreement. The meetings were held on 28th May 2009, 29th June 2009, 28th July 2009, 25th September 2009, 31st October 2009 and 30th January 2010.

All the relevant items of information, including information as specified by Annexure IA to Clause 49 of the Listing Agreement, are made available to the Board periodically.

(C) Code of Conduct

Pursuant to Clause 49 of the Listing Agreement, the Company has laid down a "Code of Conduct" for Board Members and Senior Management Personnel. The said code aims at ensuring ethical and transparent process in managing the affairs of the Company. A copy of the Code of conduct has been posted on the Company's website at www.pearlpet.net.

All Board Members and Senior Management Personnel of the Company have affirmed compliance with the said Code for the financial year ended 31st March, 2010. A declaration to this effect, duly signed by Mr. Chand Seth, Chairman & Managing Director of the Company has been placed before the Board and also forms part of this Annual Report.

3. BOARD COMMITTEES

To focus effectively on the issues and to ensure expedient resolution of diverse matters, the Board has constituted four committees i.e., Finance Committee of Directors, Audit Committee, Remuneration Committee and Shareholders'/ Investors' Grievances Committee with specific terms of reference/scope. The Committees operate as empowered agents of the Board as per their charter/terms of reference. The details of the Board committees are given as under:

3.1) AUDIT COMMITTEE**(A) Composition**

The Audit Committee of the Board has been constituted in line with the requirements of Clause 49 of the Listing Agreement read with section 292A of the Companies Act, 1956. The Audit Committee comprises of 3 Non- Executive & Independent Directors i.e. Dr. Sai Ramachandran (Chairman), Mr. Ramesh Mehra (Member) and Mr. Naresh Khanna (Member), all of whom are financially literate and have relevant finance and /or audit exposure. Mr. Naresh Kapoor, DGM Corporate Affairs & Company Secretary acts as the Secretary to the Audit Committee.

Dr. Sai Ramachandran, Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 25th September, 2009.

(B) Terms of Reference

The terms of reference of the Audit Committee is as set out in the Listing Agreement read with Section 292A of the Companies Act, 1956. These broadly include reviewing financial reporting process, recommending appointment, re-appointment, replacement/ removal of the Statutory Auditor to the Board, reviewing performance of Statutory and Internal auditors, adequacy of internal control systems, approving appointment of CFO and such other functions as may be prescribed by the Companies Act, Listing Agreement, other applicable laws or as may be delegated by the Board from time to time.

The recommendation of the Audit Committee on any matter relating to financial management including the audit report is binding on the Board.

(C) Meetings and Attendance

During the year 2009-10, Five meetings of the Audit Committee were held on 28th May 2009, 29th June 2009, 28th July 2009, 31st October 2009 and 30th January 2010. The requisite quorum was present at every meeting of the Audit Committee. The details of the meetings attended by the members are as under:

S. No.	Name of the Members	Designation	Number of Meetings Attended (Out of 5 Meetings held)
1.	Dr. Sai Ramachandran	Chairman	5
2.	Mr. Naresh Khanna	Member	5
3.	Mr. Ramesh Mehra	Member	1

Minutes of the meetings of the Audit Committee are approved by the Chairman of the committee and are noted by the Board in its next meeting.

The executives of the Finance Department and representatives of the Statutory Auditors and Internal Auditors are also invited to attend and participate in the Audit Committee meetings.

3.2) REMUNERATION COMMITTEE**(A) Composition**

The Board of Directors of the Company has constituted a Remuneration Committee comprising of three Non-Executive and Independent Directors as members i.e. Dr. Sai Ramachandran (Chairman), Mr. Ramesh Mehra (Member) and Mr. Rakesh Kumar Gupta (Member), as per the recommendation (**Non-Mandatory**) of Clause 49 of the Listing Agreement.

(B) Terms of Reference

The Remuneration Committee is empowered to recommend and review the remuneration packages of the Executive Directors including pension rights and compensation payment. The recommendations of the Remuneration Committee are based on the following:

- Overall financial performance and profitability of the Company.
- Appointee's qualification, experience, past remuneration and performance.
- Prevailing general economic conditions and emoluments being offered by other Companies in industry.

The aim of remuneration policy is to ensure that Executive Directors of the Company are rewarded in fair and responsible manner, for their individual contributions to the success of the Company and are provided with appropriate incentives to encourage enhanced performance.

(C) Meetings and Attendance

During the year under review, the Remuneration Committee met once on 29th June, 2009. Dr. Sai Ramachandran and Mr. Ramesh Mehra were present at the meeting.

(D) Remuneration of Directors for the year 2009-10

The aggregate amount of salary, perquisites and sitting fees paid/ payable for the year ended 31st March, 2010 is as follows:

(Amount in Rs.)

Name & Designation	Salary	Allowances	Perquisites	P.F. Contribution & Superannuation	Sitting Fees*	Total
**Mr. Chand Seth Chairman & Managing Director	6,00,000	3,00,000	6,00,000	1,62,000	0	16,62,000
Mr. Harish Seth (Vice-Chairman & Managing Director)	24,00,000	12,00,000	0	6,48,000	0	42,48,000
Mr. Varun Seth (Whole Time Director)	15,00,000	0	2,25,000	4,05,000	0	21,30,000
Dr. Sai Ramachandran	0	0	0	0	6,000	6,000
Mr. Naresh Khanna	0	0	0	0	6,000	6,000
Mr. Ramesh Mehra	0	0	0	0	1,000	1,000

Notes:

*includes sitting fees @1000 per meeting paid for attending the meetings of the Board of Directors during the year under review.

** Mr. Chand Seth, Chairman & Managing Director has been paid remuneration for a period of 3 months till 30th June, 2009. Subsequent to the Central Government's approval dated 30th June, 2009, remuneration w.e.f 1st July, 2009 has been paid to him from M/s Pearl Engineering Polymers Ltd in conformance with Schedule XIII and other applicable provisions of the Companies Act, 1956.

- During the year under review, there were no pecuniary relationships or transactions with the Non-Executive Director.
- None of the Non- Executive Directors hold any shares in the Company, except Mr. Naresh Khanna who holds 100 shares in the Company.
- Mr. Udit Seth, Vice President (Sales & Marketing) is related to Mr. Chand Seth and Mr. Varun Seth. None of the employees, apart from Mr. Udit Seth is related to any of the Directors.

3.3) SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE**(A) Composition**

The Board has constituted a Shareholders'/ Investors' Grievances Committee under the Chairmanship of a Non-Executive Director. The Committee comprises of Dr. Sai Ramachandran as its Chairman, Mr. Chand Seth and Mr. Ramesh Mehra as its members. Mr. Naresh Kapoor, DGM Corporate Affairs & Company Secretary acts as the Compliance Officer and Secretary to the Committee.

(B) Terms of Reference

The Committee specifically looks into redressing its shareholders' and investors' complaints/ grievances pertaining to share transfers, non-receipt of annual reports, issue of duplicate share certificates, transmission of shares, non-receipt of declared dividend and other miscellaneous complaints. The Committee reviews performance of the Registrar & Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

(C) Meetings & Attendance

During the financial year ended March 31, 2010, the Committee met four times on the following dates: 28th May 2009, 28th July 2009, 31st October 2009 and 30th January 2010. The details of the meetings attended by the members during the year are as follows:

S. No.	Name of the Members	Designation	Number of Meetings Attended (Out of 4 Meetings held)
1.	Dr. Sai Ramachandran	Chairman	4
2.	Mr. Chand Seth	Member	4
3.	Mr. Ramesh Mehra	Member	Nil

(D) Details of Queries/Complaints received and resolved during the year under review:

Sl. No.	Nature of Query/Complaint	Received (Nos)	Resolved (Nos)	Pending (Nos)
1.	Request for Change of Address	17	17	NIL
2.	Request for duplicate shares/ splitting/ consolidation of Share Certificates	3	3	NIL
3.	Request for Dematerialization/ (Rematerialization of shares)	132	132	NIL
4.	Request for Share Transfer/Share Transmission	57	57	NIL
5.	Complaints from Stock Exchanges/ SEBI/ Depositories	2	2	NIL
6.	Misc. requests including redemption of debentures, unclaimed dividend, annual reports etc.	8	8	NIL

The Company addresses to all the complaints, suggestions and grievances expeditiously and replies are sent/issues are resolved within 30 days of their receipt except in case of dispute over facts or other legal constraints.

Further, the Company ensures timely and prompt submission of its response to the queries / clarifications sought by the Stock Exchanges, Investors and the Securities and Exchange Board of India (SEBI).

3.4 FINANCE COMMITTEE OF DIRECTORS

The Board of Directors of the Company has constituted the 'Finance Committee of Directors' comprising of Mr. Chand Seth as Chairman and Mr. Harish Seth, Mr. Naresh Khanna and Mr. Ramesh Mehra as Members for reviewing/ making banking arrangements; approving short term and long term investments; arranging on lease or hire purchase any asset for the purpose of the Company; approving transfers/ transmission of shares, approving allotment of shares and other financial transactions, within the limits specified by the Board, and dealing with any other matter as may be delegated to the committee by the Board from time to time.

In addition to the fortnightly meetings conducted to consider and approve share transfers/ transmission, the Committee of Directors meets as and when it is considered necessary to transact any important business.

4. GENERAL BODY MEETINGS

The details of the Annual General Meetings held during the last three years and the special resolution(s) passed thereat:

Financial Year	Date & Time	Venue	Special Resolution(s) passed
2006-07 (36 th AGM)	September 19, 2007 11.30 A.M.	MPCU, Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi -110054	No special resolution was passed
2007-08 (37 th AGM)	September 19, 2008 11.30 A.M.	MPCU, Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi -110054	1. Re-appointment of Mr. Chand Seth as the Chairman & Managing Director and remuneration payable to him. 2. Re-appointment of Mr. Harish Seth as Vice-Chairman & Managing Director and remuneration payable to him.
2008-09 (38 th AGM)	September 25, 2009 11.15 A.M.	MPCU, Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi -110054	1. Reappointment of Mr. Varun Seth as the Whole Time Director and remuneration payable to him.

POSTAL BALLOT :

During the year under review, no resolution was passed by the Company through Postal Ballot.

5. DISCLOSURES

5.1 Materially Significant Related Party Transactions

The Company has not entered into any transaction of material nature with the promoters, the Directors, their relatives or the management that may have any potential conflict with the interest of the Company. **Transactions with the related parties have been disclosed in Note No. 17 of the Notes to Accounts referred to in Schedule 18 to the financial statements in the Annual Report.**

All related party transactions are negotiated at arms' length basis and are only intended to further the interest of the Company.

5.2 Compliance with Rules and Regulations

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or any statutory authorities on matters related to capital markets.

5.3 Accounting Standards

The Company follows the Accounting Standards laid down by the Institute of Chartered Accountants of India, and there has been no deviation in the accounting treatment during the year.

5.4 Risk Management

The Company has laid down a properly defined risk management framework which helps the management to identify and monitor the business risks on a continuous basis and initiate appropriate risk mitigation steps as and when deemed necessary. The Company has also established procedures to periodically place before the Board for review the risk assessment and minimization procedures being followed by the Company.

5.5 CEO/CFO Certification

In terms of Clause 49(V) of the Listing Agreement, Mr. Chand Seth, Chairman & Managing Director and Mr. Rajesh Mehra, Chief Financial Officer (CFO) have furnished the requisite certificate to the Board of Directors confirming that the financial statements present the true and fair view of Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

A copy of the said certificate forms part of this Annual Report.

5.6 Compliance with mandatory requirements/ adoption of non-mandatory requirements :

All mandatory requirements laid down under Clause 49 of the Listing Agreement have been complied with by the Company. The status of adoption/ compliance with the non-mandatory requirements is provided below:

(a) The Board

The Chairman of the Board of Directors of the Company is an Executive Director. Further, the Company ensures that the persons appointed as Independent Directors possess requisite qualifications and experience. The Independent Directors are usually appointed/ reappointed for a period of 3 to 5 years. No maximum tenure for the Independent Directors has been specifically determined by the Board. The tenure of the Nominee Director is decided by the financial institution which nominates the Director.

(b) Remuneration Committee

The Board of Directors of the Company has constituted a Remuneration Committee, the details of which have been provided under the section 'Board Committees'.

(c) Shareholders' Rights

The quarterly, half yearly and annual financial results of the Company are published in the newspapers and are also posted on the Company's website. The shareholders are kept informed of all events in the Company.

(d) Audit Qualifications

During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

(e) Training of Board Members

No specific training programme was arranged for Board members during the period under review. However, the Board members are continuously briefed by the Chairman and Managing Director on the developments and performance of the Company to enable them to monitor the same at regular intervals and give suggestions for improvements.

(f) Mechanism for evaluation of Non-Executive Directors

Presently, there is no formal mechanism for performance evaluation of the Non-Executive Directors. The Board has so far evaluated the performance of the Directors collectively to reinforce the principle of collective responsibility.

(g) Whistle Blower Policy

The Company promotes ethical business behaviour in all its business activities. Though the Company has not adopted any 'Whistle Blower Policy', but it encourages friendly environment where employees can forward any instance of unethical behaviour to the attention of the immediate reporting authority, who is required to report the same to the head of the Human Resource Department

6. MEANS OF COMMUNICATION

- Quarterly Results** : The company regularly intimates unaudited as well as audited results to the stock exchanges immediately after these are taken on record by the Board. These financial results are normally published in the editions of Financial Express, Business Standard, Jansatta and Haribhoomi.).
- Website** : The Annual Report of the Company and other shareholders' information is available on the Company's website i.e www.pearlpet.net.

SEBI EDIFAR : Annual Report, Quarterly & Annual Results and Shareholding pattern of the Company for the quarters ending June, 2009, September, 2009 and December, 2009 have been posted on the SEBI EDIFAR website i.e www.sebi.edifar.nic.in. **However, vide circular No.CIR/CFD/DCR/3/2010 dated 16th April, 2010, SEBI has discontinued the EDIFAR system w.e.f 1st April, 2010, subsequent to which the details for March, 2010 have not been filed through EDIFAR. The aforesaid details are however being made available on BSE/NSE websites for information of the shareholder**

Designated Exclusive email ID : For the convenience of our investors, the Company has designated an exclusive e-mail id i.e investor_helpdesk@pearlpoly.net. All the investors are requested to avail this facility.

7. GENERAL SHAREHOLDERS' INFORMATION

7.1 Annual General Meeting

AGM	YEAR	DATE, DAY & TIME	VENUE
39 th	2009-10	28th September, 2010 Tuesday 11.15 A.M	MPCU, Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi-110054

7.2 Financial Year: April 1 to March 31

Financial Reporting calendar in respect of Unaudited Quarterly Results (2010-11).

Unaudited Quarterly Results for the Quarters	Tentative Date of Reporting
April -June 2010	Upto 14 th August, 2010
July- September 2010	Upto 14 th November, 2010
October-December 2010	Upto 14 th February, 2011
January-March 2011	Upto 15 th May, 2011

*Instead of publishing the un-audited financial results for the quarter ending 31st March, 2011, the Company may also opt to publish audited annual accounts by 30th May, 2011.

7.3 Date of Book Closure: From 21st September, 2010 to 28th September, 2010 (Both days inclusive)

7.4 Dividend Payment Date: Not Applicable

7.5 Listing on Stock Exchanges and Stock Code:

SL. NO.	STOCK EXCHANGES	STOCK CODE	EQUITY ISIN
1.	Bombay Stock Exchange Ltd. (BSE)	523260	INE844A01013
2.	National Stock Exchange of India Ltd.(NSE)	PEARLPOLY	

7.6 Payment of Listing Fees: Annual Listing fee for the financial year 2010-11 has been paid to the National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE).

Custodial Charges have been paid to NSDL and CDSL for the financial year 2010-11 on the basis of the beneficial records maintained with them as on March 31, 2010.

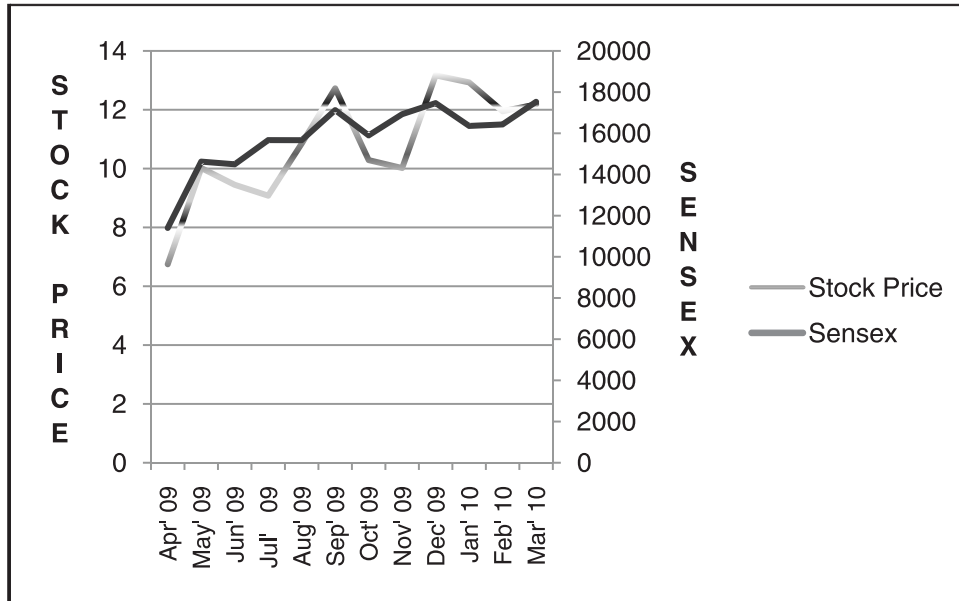
7.7 Stock Market Data: The monthly high and low of closing price of shares on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) for the financial year 2009-10 are furnished below:

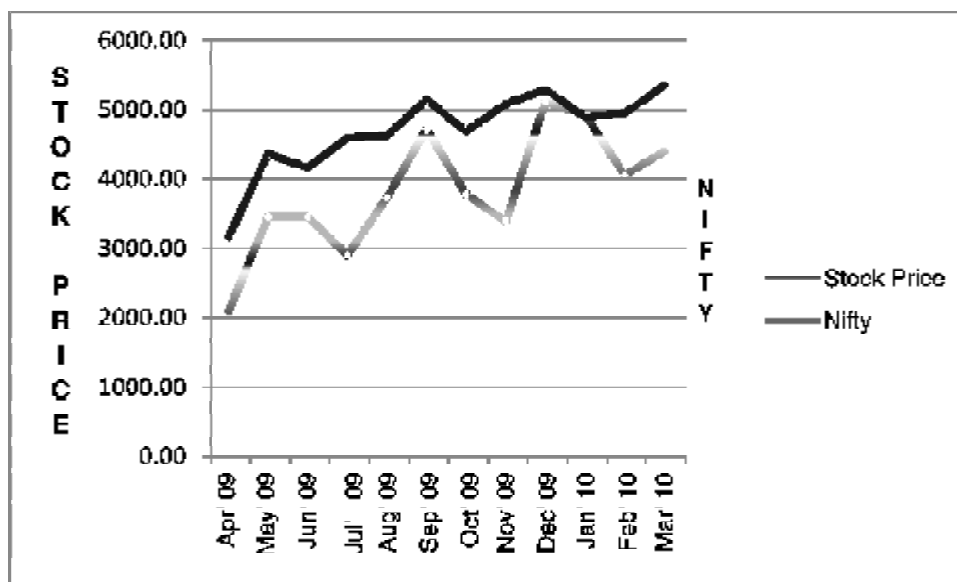
Month/Year	NSE			BSE		
	High Price (Rs.)	Low Price (Rs.)	Nifty	High Price (Rs.)	Low Price (Rs.)	Sensex
April 2009	7.55	6.00	3473.95	7.40	6.00	11403.25
May 2009	9.90	6.50	4448.95	10.02	6.70	14625.25
June 2009	12.50	9.50	4291.10	12.28	8.80	14493.84
July 2009	9.40	7.60	4636.45	9.55	8.08	15670.31
August 2009	10.80	9.15	4662.10	11.02	9.44	15666.64
September 2009	12.65	10.30	5083.95	12.73	10.69	17126.84
October 2009	12.95	10.60	4711.70	12.79	10.20	15896.28
November 2009	10.85	9.75	5032.70	11.15	9.67	16926.22
December 2009	13.65	10.35	5201.05	13.67	10.45	17464.81
January 2010	16.00	12.80	4882.05	15.92	12.57	16357.96
February 2010	13.10	11.20	4922.30	13.28	11.20	16429.55
March 2010	14.40	11.75	5249.10	14.31	11.84	17527.77

SHARE PERFORMANCE IN COMPARISON TO INDICES

The charts given hereunder plot the movement of the Company's share prices on BSE and NSE versus BSE Sensex and NSE Nifty for the year 2009-10:

SHARE PRICE ON BSE VERSUS BSE SENSEX





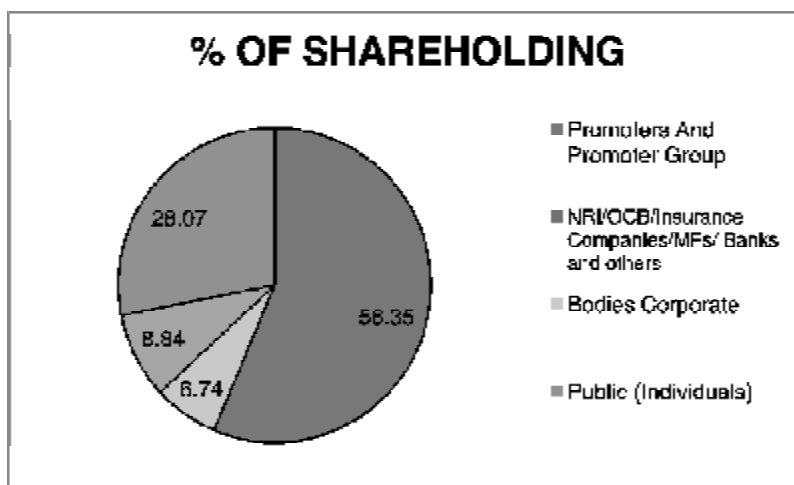
7.8 Registrar and Share Transfer Agent (RTA) : **M/s MAS Services Limited**
 T-34, 2nd Floor, Okhla Industrial Area,
 Phase-II, New Delhi -110020
 Ph : 011-26387281/82/83
 Fax : 011-26387384
 Email : mas_serv@yahoo.com

7.9 Share Transfer System: M/s MAS Services Limited, RTA of the Company, processes the share transfer/transmission requests on a fortnightly basis and the share certificates are issued within one month of the date of lodgment for transfer, provided the documents are complete and share transfer is not under any dispute.

Pursuant to Clause 47(c) of the Listing Agreement, half yearly certificate from a Practicing Company Secretary, confirming due compliance of share transfer formalities has been obtained by the Company and the same has also been submitted to the Stock Exchanges within the stipulated time.

7.10 Shareholding Pattern as on March 31, 2010:

Particulars	No. of Shares	% of Shareholding
PROMOTERS AND PROMOTER GROUP (A)	9486972	56.35
PUBLIC SHAREHOLDING (B)		
NRI/OCBs/FII's/Insurance Companies/ Mutual Funds, Banks and others	1134457	6.74
Bodies Corporate	1488491	8.84
Public (Individuals)	4725012	28.07
Total (A) + (B)	16834932	100.00



7.11 Distribution of Shareholding as on March 31, 2010

Shareholding of Nominal Value (in Rs.)	No. of Shareholders	% of Shareholders	No. of Shares	Share Amount (in Rs.)	% of Shareholding
Up to 5000	10313	91.60	1448271	14482710	8.60
5001-10000	517	4.60	430804	4308040	2.56
10001-20000	203	1.80	301944	3019440	1.79
20001-30000	66	0.59	171865	1718650	1.02
30001-40000	25	0.22	91976	919760	0.55
40001-50000	25	0.22	116110	1161100	0.69
50001-100000	35	0.31	251062	2510620	1.49
100001 & above	75	0.66	14022900	140229000	83.30
Total	11259	100.00	16834932	168349320	100.00

7.12 Dematerialization of Shares and Liquidity:

The shares of the Company are in compulsory demat segment and are available for trading in both the depositories: NSDL and CDSL. As on 31st March, 2010, 15245730 shares of the Company forming, 90.56% of the Equity share capital of the Company, stand dematerialized.

7.13 Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on Equity:

The Company has not issued any GDRs/ ADRs/ Warrants or any other instruments which are pending for conversion.

7.14 Plant Location:	(1) Mahad	:	B-3/2, MIDC, Indl Estate, Mahad, Distt Raigad, Maharashtra – 403302
	(2) Jigani	:	13-A, Part-I Jigani Industrial Area, Distt. Anekal, Bangalore, Karnataka.
	(3) Baddi	:	Khasra No. 512-513, Village – Sandholi (Baddi), Tehsil- Nalagarh Distt. Solan (H.P)
	(4) Gurgaon	:	2-A, Sector-18, HSIIDC, Near Bijlee Board, Gurgaon – 122001, Haryana.
	(5) Pant Nagar	:	Plot No 45, Sector 3, Village Kalyanpur Tehsil Kichha, Distt. U.S Nagar, IIE, Pantnagar, Uttaranchal.

7.15 Address for Investors' Correspondence**M/s Pearl Polymers Ltd**

703-704, Rohit House, 3, Tolstoy Marg,
New Delhi-110001

Phone Nos : 011-43567922

Fax No. : 011-43517596

Email : investor_helpdesk@pearlpoly.net

7.16 Other Material Information:

In an effort to improve our services and to minimize investor grievances, we seek co-operation of our esteemed shareholders/ members in the following matters:

Change of Address: In case of change in the postal address, or if incorrect address has been mentioned in any of the correspondence, the correct and complete postal address (including PIN Code) may kindly be intimated to the company. If the shares are held in dematerialized form, information may be sent to the DP concerned and the RTA. Such intimation should bear the signature of the shareholder and in case of joint holding-signature of the first holder.

PAN Card of Transferee (For Shares held in Physical form): SEBI has vide its circular dated 7th January, 2010 made it mandatory to submit a copy of PAN card along with other documents for effecting transfer, transmission, transposition and name deletion of deceased holder from share certificate (**in case of joint holding**) in respect of shares held in physical form. **Shareholders are requested to ensure submission of copy of their PAN Card, as in the absence of the said document, the abovesaid requests in respect of shares held in physical form will stand rejected by the Company/ RTA.**

Depository System: By virtue of SEBI Circular dated 29th May, 2000 shares of the Company are subject to compulsorily trading in dematerialized form on the Stock Exchanges. For shareholder's convenience, the process for getting shares dematerialised is as follows:

1. Shareholder shall submit original share certificate along with De-materialization request Form (DRF) to the Depository Participant (DP)
2. DP shall process the DRF, generate a Unique De-materialization Request No. and forward the DRF alongwith the share certificate to the Registrar and Share Transfer Agent (RTA)
3. RTA after processing the DRF will confirm/ reject the request to depositories
4. If confirmed by RTA, depositories will credit shareholder's account maintained with DP.

The entire process shall take approximately 10-15 days from the date of receipt of DRF. All shareholders who hold shares of the Company in physical form may get their shares dematerialised to enjoy paperless and easy trading of shares

Consolidation of holdings: Members having multiple shareholding/ folios in identical names or joint accounts in the same order are requested to send their share certificate (s) to the Company for consolidation of all such shareholdings into one folio /account to facilitate better service.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that all the Members of the Board of Directors of the Company and the Senior Management have affirmed their compliance with the Code of Conduct laid down for the Directors and Senior Management of the Company for the Financial Year ended 31st March, 2010.

This certificate is being given in compliance with the requirements of clause 49(I)(D)(ii) of the Listing Agreement entered in to with the Stock Exchanges.

For and on behalf of the Board of Directors

PLACE : NEW DELHI
DATE : April 21, 2010

Chand Seth
Chairman & Managing Director

**CEO AND CFO CERTIFICATION IN TERMS OF CLAUSE 49 (V)
OF THE LISTING AGREEMENT**

To,
The Board of Directors,
Pearl Polymers Limited
204, Rohit House, 3, Tolstoy Marg,
New Delhi-110001

Dear Sirs,

1. We have reviewed the Balance Sheet, Profit and Loss Account and all its Schedules and Notes on Accounts, as well as the Cash Flow Statements as at 31st March, 2010 and certify that to the best of our knowledge and belief :
 - 1) These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading;
 - 2) These Statements read together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. We further certify that, to the best of our knowledge and belief, no transactions have been entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :
 - a) designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to us by others within the Company, particularly during the period in which this report is being prepared.
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principle.
 - c) evaluated the effectiveness of the Company's disclosure, controls and procedures.
 - d) disclosed in the report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
4. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions).
 - a) all deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - b) Significant changes in internal controls during the year covered by this report.
 - c) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - d) Instances of significant fraud of which we are aware, that involve management or other employees who have a significant role in the Company's internal controls system.

Place : New Delhi
Dated : May 29, 2010

RAJESH MEHRA
Chief Financial Officer

CHAND SETH
Chairman and Managing Director

AUDITORS' REPORT

To the Members of Pearl Polymers Limited

We have audited the attached Balance Sheet of **Pearl Polymers Limited** as at March 31, 2010 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the Order) issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable.

Further to our comments in the Annexure referred to in above paragraph, 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 the books.
- c) The audit reports of Mahad, Jigani and Lucknow branches conducted by the branch auditors have been forwarded to us and have been considered in preparing our report.
- d) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- e) Read with Note 17 on Schedule 18 regarding related party disclosures being identified and certified by the management, 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 Act.
- f) On the basis of the written representations received from the Directors as on March 31, 2010 and taken on record by the Company, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director under 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 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, of the state of affairs of the company as at 31st March, 2010;
 - ii) In the case of Profit and Loss Account, of the profit 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.

Anil Bhalla

Partner
Membership No.11367
For and on behalf of
J.C. Bhalla & Co.
Chartered Accountants
(FRN 001111N)

Place : New Delhi
Dated : 29th May, 2010

Annexure to the Auditor's Report on the accounts of Pearl Polymers Limited for the year ended 31st March, 2010 as referred to in our report of even date.

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year as per a phased programme which, in our opinion, is reasonable having regard to the size of the company and the nature of its Business. No material discrepancies between the book records and physical verification were noticed.
- (c) The Company has not disposed off substantial part of fixed assets during the year and hence the going concern

status of the Company is not affected.

- (ii) (a) The inventories other than in transit and lying with third parties have been physically verified by the management at reasonable intervals during the year. In respect of inventories lying with third parties, these have substantially been confirmed by them. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventories 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 and according to information and explanations given to us, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) In our opinion and according to information given to us, the company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly provisions of paragraphs 4(iii)(b) to 4(iii)(d) of the Order are not applicable.
- (b) In our opinion and according to information given to us, the Company has taken Fixed Deposit under public fixed deposit scheme of the Company from Six parties and an interest free loan from One party covered in the register maintained under Section 301 of the Act. The maximum amount of fixed deposit and loan outstanding during the year was Rs.11396 (thousand) and Rs. 1000 (thousand) respectively. The year end balance was Rs.11396 (thousand) in respect of fixed deposits and Nil in the case of loan.
- (c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which fixed deposit and Loan have been taken from the parties covered in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
- (d) In respect of the fixed deposit and Loan taken, the company is repaying the principal amount and paying the interest as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures 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. Further, in our opinion, there is no continuing failure to correct major weaknesses in internal control system of the Company.
- (v) (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rupees Five Lakhs or more in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time except for transactions of unique and specialized nature where in the absence of similar contract with other parties, we are unable to comment whether the transactions were made at prevailing market price at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of Act, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As per the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Company in respect of deposits accepted.
- (vii) In our opinion, the internal audit system of the company is commensurate with the size and nature of its business.
- (viii) In our opinion and according to the information and explanations given to us, the maintenance of cost records

- has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities as per its records. There were no undisputed dues that were outstanding as at March 31, 2010 for a period of more than six months from the date they became payable.
- (b) As per the information and explanations given to us, there is no case where Sales Tax, Income Tax, Wealth Tax,

taken by others from banks or financial institutions during the year.

- (xvi) According to the information and explanations given to us, on an overall basis, term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us, on the basis of an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies

Name of the Statute	Nature of the Dues	Amount (Rs. in ('000))	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Producing and clearing dutiable and non-dutiable product under Notification No.4/97	36,059	March 1997 to June 1997	Central Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise duty on freight	7,272	March 1997 to December 2001	Supreme Court of India
The Central Excise Act, 1944	Interest on differential duty paid in respect of supplementary invoices.	40	January 2001 to April 2003	Central Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Disallowance of Cenvat Credit on Shrink Films	7,265	August 2001 to February 2006	Commissioner of Central Excise, Raigad
The Central Excise Act, 1944	Disallowance of Cenvat Credit on Shrink Films	911	March 2006 to February 2007	Assistant Commissioner of Central Excise, CBD Belapur
The Central Excise Act, 1944	Disallowance of Cenvat Credit on Shrink Films / Shrink Sleeves	435	March 2007 to January 2008	- do -
The Central Excise Act, 1944	Disallowance of Cenvat Credit on Shrink Films / Shrink Sleeves	427	February 2008 to December 2008	- do -
The Central Excise Act, 1944	Penalty	750	2004-05	CESAT Delhi
The Central Excise Act, 1944	Excise Duty Penalty Interest	6,195 6,195 5,731	2002-03	- do -
The Central Excise Act, 1944	Disallowance of Cenvat Credit on Shrink Films / Shrink Sleeves	42	February 2009 to December 2009	Assistant Commissioner of Central Excise, CBD Belapur
The Central Excise Act, 1944	Disallowance of Cenvat Credit on Supply of Pet Chips	500	July 2004 to August 2004	Commissioner of Customs & Central Excise (Appeals) Mumbai III
The Central Excise Act, 1944	Service Tax Demand on Transportation Abatement not allowed	4	Jan 2005 to March 2005	Assistant Commissioner of Central Excise, CBD Belapur
The Sales Tax Act	Sales Tax in respect of Exempted sales	5,377	2002-2003 & 2003-04	Sales tax Appellate Tribunal, Haryana
	Total	77,203		

- Service Tax, Custom Duty, Excise Duty, Cess have not been deposited on account of dispute except as stated hereunder:
- (x) According to the records of the Company, the Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses in the financial year under report and 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 financial institution, banks or debenture holders.
- (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.
- (xiii) In our opinion and according to the information and explanations given to us, the provisions of any special statute applicable to chit fund, nidhi, mutual benefit fund, societies are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans

covered in the register maintained under Section 301 of the Companies Act, 1956.

- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) During the course of our examination of the books of accounts and records carried out in accordance with the generally accepted auditing practice and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year nor have we been informed of any such case by the management.

Place : New Delhi
Dated : 29th May, 2010

Anil Bhalla
Partner
Membership No.11367
For and on behalf of
J.C. Bhalla & Co.
Chartered Accountants
(FRN 001111N)

BALANCE SHEET AS AT 31st MARCH 2010

	SCHEDULE REFERENCE	As at 31st March 2010 (Rs. in '000)		As at 31st March 2009 (Rs. in '000)	
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	1	227768		238268	
Reserve & Surplus	2	<u>298281</u>	526049	<u>272308</u>	510576
Loan Funds					
Secured	3	376297		430755	
Unsecured	4	<u>232198</u>	608495	<u>138831</u>	569586
Deferred Tax Liability (Net)			98734		106094
TOTAL			<u>1233278</u>		<u>1186256</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	1668621		1583545	
Less : Depreciation		<u>906764</u>		<u>832458</u>	
Net Block		<u>761857</u>		<u>751087</u>	
Capital Work in Progress/Capital Advance		6321		7368	
Intangible Assets	5A	<u>660</u>	768838	<u>207</u>	758662
Investments	6		86788		86658
Current Assets, Loans & Advances					
Inventories	7	183008		163376	
Sundry Debtors	8	322682		266046	
Cash and Bank Balances	9	58586		72314	
Loans and Advances	10	<u>110878</u>		<u>120712</u>	
		675154		622448	
Less: Current Liabilities and Provisions					
Liabilities	11	268622		255622	
Provisions	12	<u>28880</u>		<u>25890</u>	
		297502		281512	
Net Current Assets			<u>377652</u>		340936
TOTAL			<u>1233278</u>		<u>1186256</u>
Significant Accounting Policies and Notes to the Accounts	18				

The Schedules referred to above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date.

On Behalf of the Board

ANIL BHALLA
Partner
Membership No. 11367
For and on behalf of

J.C.Bhalla & Co
Chartered Accountants
(FRN No. 001111N)

Place : New Delhi
Date : May 29, 2010

CHAND SETH
Chairman & Managing Director

VARUN SETH
Whole-Time Director

NARESH KHANNA
Director

CS. NARESH KAPOOR
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

	SCHEDULE REFERENCE	For the Year Ended 31st March 2010 (Rs. in '000)	For the Year Ended 31st March 2009 (Rs. in '000)
INCOME			
Gross Sales		1804980	1665688
Less: Excise Duty		88039	127715
Net Sales		1716941	1537973
Other Income	13	13801	12302
TOTAL		1730742	1550275
EXPENDITURE			
Cost of Materials	14	973987	871538
Personnel	15	138114	125572
Manufacturing, Administrative and Selling	16	430958	377175
Excise Duty			
- On Branch Transfer		3862	2510
- On Variation of Finished Goods		1559	(1710)
Finance Charges	17	71295	70651
Depreciation/Amortization		75347	71513
TOTAL		1695122	1517249
Profit/(Loss) before Tax, Exceptional Items & Prior Period adjustments		35620	33026
Prior period adjustments		(82)	-
Profit/(Loss) before Tax		35538	33026
Provision for Tax			
- Current Tax		(6800)	(3471)
- Tax Adjustment for Earlier Year		-	(2060)
- MAT Credit Entitlement		-	7021
- MAT Credit Entitlement Reversed		(12381)	-
- Wealth Tax		(53)	(97)
- Deferred Tax		7360	(13741)
- Fringe Benefit Tax		-	(2131)
- Fringe Benefit Tax-For Earlier Year		(683)	(261)
Profit/(Loss) After Tax		22981	18286
Surplus Brought Forward		44767	16483
Balance available for appropriation		67748	34769
APPROPRIATIONS			
Proposed Dividend (including tax thereon Rs.1108)(Previous Year Rs.248)		8	2
Transfer to Capital Redemption Reserve		10500	-
Transfer from Debenture Redemption Reserve		(12500)	(10000)
Balance carried to Balance Sheet		69740	44767
TOTAL		67748	34769
Earning per Share (Rs.) - Basic*		1.37	1.09
Earning per Share (Rs.) - Diluted*		1.37	1.09
(Nominal Value of Rs. 10/- Each)			
*Not Annualised			
Refer Note II (15) on schedule 18			
Significant Accounting Policies and Notes to the Accounts	18		

The Schedules referred to above form an integral part of the Profit & Loss Account
This is the Profit & Loss Account referred to in our report of even date.

On Behalf of the Board

ANIL BHALLA
Partner
Membership No. 11367
For and on behalf of

J.C.Bhalla & Co
Chartered Accountants
(FRN No. 001111N)

Place : New Delhi
Date : May 29, 2010

CHAND SETH
Chairman & Managing Director

VARUN SETH
Whole-Time Director

NARESH KHANNA
Director

CS. NARESH KAPOOR
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	For the Year Ended 31st March 2010 (Rs. in '000)	For the Year Ended 31st March 2009 (Rs. in '000)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET (LOSS)/PROFIT BEFORE TAX	35538	33026
ADJUSTMENTS FOR :		
DEPRECIATION/AMORTISATION	75352	71513
INTEREST EXPENSES	71295	70651
INTEREST INCOME	(5891)	(4732)
DIVIDEND INCOME	(2)	(2)
(PROFIT) LOSS ON SALE OF ASSETS	340	144
(PROFIT) LOSS ON SALE OF SHARES	-	-
PROVISION FOR DIMINUTION IN INVESTMENT WRITTEN BACK	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	176632	170600
ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL:		
- (INCREASE)/ DECREASE IN SUNDRY DEBTORS	(56636)	33708
- (INCREASE)/ DECREASE IN OTHER RECEIVABLES	3130	1912
- (INCREASE)/ DECREASE IN INVENTORIES	(19632)	(37179)
- INCREASE/ (DECREASE) IN TRADE AND OTHER PAYABLES	13685	(7340)
CASH GENERATED FROM OPERATIONS	117179	161701
- TAXES (PAID)/RECEIVED	(6198)	(6429)
NET CASH FROM OPERATING ACTIVITIES (A)	110981	155272
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(86108)	(161747)
PROCEEDS FROM SALE OF FIXED ASSETS	240	649
(PURCHASE)/SALE OF INVESTMENT	(130)	(10950)
INTEREST RECEIVED (REVENUE)	8670	4095
DIVIDEND RECEIVED (REVENUE)	2	2
NET CASH USED IN INVESTING ACTIVITIES (B)	(77326)	(167951)
C. CASH FLOW FROM FINANCING ACTIVITIES		
SHARE CAPITAL ISSUED (REDEEMED)	(10500)	70000
PROCEEDS FROM LONG TERM BORROWINGS/SHORT TERM BORROWING (NET)	39412	4299
CAPITAL SUBSIDY RECEIVED	3000	-
INTEREST PAID	(70593)	(68633)
DIVIDEND PAID (INCLUDING DIVIDEND TAX)	(2)	-
NET CASH USED IN FINANCING ACTIVITIES (C)	(38683)	5666
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(5028)	(7013)
CASH & CASH EQUIVALENTS AS AT 01.04.2009	40310	47323
CASH & CASH EQUIVALENTS AS AT 31.03.2010	35282	40310
CASH & CASH EQUIVALENTS COMPRISE		
CASH IN HAND	820	430
CHEQUES IN HAND	3763	11832
BALANCE WITH SCHEDULED BANKS	30699	28048
	35282	40310

Notes :

- The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 notified in the Companies (Accounting Standards) Rules, 2006.
- Figures in brackets indicate cash outgo.
- Previous Year figures have been regrouped wherever necessary to conform to the current year's classification.
This is the Cash Flow Statement referred to in our report of even date

The significant accounting policies and notes to the account (Schedule 18) form an integral part of the Cash Flow Statement

On Behalf of the Board

ANIL BHALLA
Partner
Membership No. 11367
For and on behalf of

CHAND SETH
Chairman & Managing Director

VARUN SETH
Whole-Time Director

NARESH KHANNA
Director

J.C.Bhalla & Co
Chartered Accountants
(FRN No. 001111N)

CS. NARESH KAPOOR
Company Secretary

Place : New Delhi
Date : May 29, 2010

**SCHEDULES TO THE ACCOUNTS****SCHEDULE - 1****SHARE CAPITAL**

	As at 31st March 2010 (Rs. in '000)	As at 31st March 2009 (Rs. in '000)
Authorised		
4,00,00,000 (Previous Year-4,00,00,000) Equity shares of Rs.10/- each	400000	400000
10,00,000(Previous Year-10,00,000) Redeemable Cumulative Preference Shares of Rs.100/- each	<u>100000</u>	<u>100000</u>
	<u>500000</u>	<u>500000</u>
Issued, Subscribed & Paid Up		
168,34,932 (Previous Year 168,34,932) Equity shares of Rs.10/-each.	168349	168349
Less : Calls in Arrears -includes 2,01,670 Equity Shares of Rs.10/- each issued as Bonus Shares by Capitalisation of General Reserve	(81)	(81)
5,95,000 (Previous Year-7,00,000)0.01% Redeemable Cumulative Preference Shares of Rs. 100/-each Redeemable on such date as approved by the Board but not later than 14.01.2029	<u>59500</u>	<u>70000</u>
	<u>227768</u>	<u>238268</u>

SCHEDULE - 2**RESERVES & SURPLUS****Capital Reserve**

As at the commencement of the year
Add : Addition during the year

8472		8472
<u>3000</u>	11472	<u>-</u> 8472

Capital Redemption Reserve

Add:Transferred from Profit & Loss A/c

-	10500	-	-
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Share Premium Account

As at the commencement of the year
Less: Calls in Arrears

187003	-	187003	
<u>(176)</u>	186827	<u>(176)</u>	186827

Debenture Redemption Reserve

As at the commencement of the year
Less:Transferred to Profit & Loss A/c

17500	-	27500	
<u>(12500)</u>	5000	<u>(10000)</u>	17500

General Reserve

As at the commencement of the year

14742	14742	14742
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Profit & Loss A/c

69740	44767
<u>298281</u>	<u>272308</u>

**SCHEDULE - 3****SECURED LOANS**

	As at 31st March 2010 (Rs. in '000)	As at 31st March 2009 (Rs. in '000)
1. Debentures		
- 9% Non Convertible Debentures	5000	17500
2. Working Capital Loans		
- Banks	179988	181452
- Interest Accrued & Due on above	1195 181183	<u>1698</u> 183150
3. Working Capital Demand Loan		
- Banks	15000	35000
4. Term Loans		
- Financial Institutions	167256	189487
5. Vehicle Loans		
- Banks	7858	<u>5618</u>
	<u>376297</u>	<u>430755</u>

NOTES :**1. DEBENTURES:**

Comprising 5,00,000 (Previous Year-5,00,000) 9% Secured Redeemable Non Convertible Debentures of Rs.100/- each issued on private placement basis, secured by Pari Passu charge on the immovable property of the Company situated at Gurgaon, (Haryana) together with factory Building constructed/ to be constructed alongwith Plant & Machinery installed/to be installed. The Debentures to the extent of 5% have been redeemed in four equal quarterly instalments commencing from 30th April 2005. The balance 95% are to be repaid in 19 equal quarterly instalments commencing from 30th April 2006, out of which Rs.425,00('000) have been paid till 31st March, 2010.

(Due within One year Rs.50,00('000) Previous Year Rs.100,00('000))

2. WORKING CAPITAL LOANS

Working Capital Loans from Banks are secured by hypothecation of inventories and Book Debts and are further secured by first charge on Company's immovable property at Okhla and second charge on Company's immovable property at Gurgaon. The above said loans are further secured by personal guarantees of Mr.Chand Seth, Mr.Harish Seth, Directors of the Company, and Mr.Krishen Seth.

3. WORKING CAPITAL DEMAND LOANS

Working Capital Demand Loan from Banks is secured by Pari Passu mortgage/charge on immovable property of the Company situated at Mahad (Maharashtra) and Jigani (Karnataka) together with factory building constructed/to be constructed alongwith Plant & Machinery installed/to be installed. The above said loan is further secured by personal guarantees of Mr. Chand Seth, Mr. Harish Seth, Directors of the Company and Mr. Krishen Seth .

(Due within One year Rs.150,00('000) Previous Year Rs.200,00('000)).

4. TERM LOANS :

(a) Term Loan of Rs.97,15('000) (Previous Year-Rs.193,75('000)) is secured by way of pari-passu charge on the immovable property situated at Mahad (Maharashtra) & Jigani(Karnataka). The same is further secured by way of legal mortgage on company's unit situated at Mahad The above said loan is further secured by personal guarantees of Mr.Chand Seth, Mr.Harish Seth Directors of the Company and Mr.Krishen Seth.

(b) (i) Term Loan of Rs.33,21('000)(Previous Year-Rs.79,60('000)) is secured by way of pari-passu charge on the immovable property situated at Company's unit at Mahad (Maharashtra) and Jigani (Karnataka) together with factory building constructed / to be constructed with plant & machinery installed / to be installed. The above said loan is further secured by personal guarantees of Mr.Chand Seth, Mr. Harish Seth, Directors of the Company and Mr.Krishen Seth.

- (ii) Term Loan of Rs.720,00('000) (Previous Year Rs.850,00('000) is secured by a first mortgage/ charge on immovable properties situated at Company;s Unit at Pant Nagar (Uttarakhand) and a Company;s Flat at Bangalore. The above said loan is further secured by personal guarantees by Mr. Chand Seth and Mr. Harish Seth, Directors of the Company.
- (c) Term Loan of Rs.Nil (Previous Year -Rs 3,14('000) is secured by way of pari-passu charge on the immovable property of the company situated at Jigani (Karnataka) together with factory building constructed with plant & machinery installed/to be installed. The above said loan is further secured by personal guarantees of Mr. Chand Seth, Mr. Harish Seth Directors of the Company and Mr.Krishen Seth. The said charges was satisfied during the current year.
- (d) Term Loan of Rs.99,29('000) (Previous Year-Rs.128,29('000) is secured by first pari-passu charge on the assets situated at the Company's unit at Gurgaon (Haryana). The above said loan is further secured by personal guarantees of Mr. Chand Seth and Mr. Harish Seth, Directors of the Company.
- (e) Term Loan of Rs160,07('000) (Previous Year-Rs.210,07('000) is secured by first pari-passu charge on the assets situated at the Company's unit at Gurgaon (Haryana). The above said loan is further secured by personal guarantees of Mr. Chand Seth and Mr. Harish Seth, Directors of the Company.
- (f) Term Loan of Rs.264,00('000) (Previous Year Rs.325,02('000) is secured by way of pari-passu first mortgage/charge created on all immovable and movable assets, both present and future (save and except book debts) in respect of property situated at Baddi. The above said loan is further secured by personal guarantees of Mr. Chand Seth and Mr. Harish Seth, Directors of the Company.
- (g) Term Loan of Rs.83,00('000) (Previous Year Rs.105,00('000) is secured by way of pari-passu first mortgage/charge created on all immovable and movable assets, both present and future (save and except book debts) in respect of property situated at Baddi. The above said loan is further secured by personal guarantees of Mr. Chand Seth and Mr.Harish Seth, Directors of the Company.
- (h) Term Loan of Rs.57,80('000) (Previous Year Rs.Nil) is secured by way of pari-passu first mortgage/ charge created on all immovable and movable assets, both present and future (save and except book debts) in respect of property situated at Baddi. The above said loan is further secured by personal guarantees of Mr. Chand Seth and Mr.Harish Seth, Directors of the Company
- (i) Term Loan of Rs.158,04('000) (Previous Year Rs.Nil) is secured by way of exclusive charges on machines installed at Baddi The above said loan is further secured by personal guarantees of Mr. Chand Seth and Mr.Harish Seth, Directors of the Company.

(Due within one year Rs.694,37('000) (Previous Year-Rs.438,13('000))

5. VEHICLE LOANS :

Vehicle loans from Banks secured against hypothecation of respective vehicles

(Due within One Year Rs.24,76('000) Previous Year Rs.15.76 ('000))

SCHEDULE - 4

UNSECURED LOANS

	As at 31st March 2010 (Rs. in '000)	As at 31st March 2009 (Rs. in '000)
1) Fixed Deposits(Due within One Year Rs. 1502.33('000) -Previous Year-.Rs.1120.01('000)*	150809	119057
2) Deferred Sales Tax (Due within One Year Rs 29.63('000) -Previous Year-Rs.29.63('000)	8889	11774
3) Short Term Loans & Advances (from Others)	22500	8000
4) Other Loans & Advances (From Banks) (Due within One Year Rs.19,54('000) Previous Year Nil) * includes Rs.64,00('000) from Directors, (Previous Year Rs.64,00('000))	50000	-
	<u>232198</u>	<u>138831</u>

SCHEDULE - 5

FIXED ASSETS AS ON 31st March, 2010

(Rs. in '000)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As at 01.04.2009	Additions	Deduction/ Adjustments	Cost As at 31.03.2010	Upto 31.03.2009	For the Period	Deduction/ Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
LAND										
- FREEHOLD	10436	-	-	10436	36	-	-	36	10400	10400
- LEASEHOLD	12231	-	-	12231	415	135	-	550	11681	11816
BUILDING	236660	1118	-	237778	61598	7559	-	69157	168621	175062
PLANT & MACHINERY	979165	67345	976	1045534	501598	48303	621	549280	496254	477567
MOULDS	292160	11090	-	303250	235521	14931	-	250452	52798	56639
FURNITURE & FIXTURES	10987	539	-	11526	7865	754	-	8619	2907	3122
OFFICE EQUIPMENTS	8288	393	-	8681	4102	423	-	4525	4156	4186
VEHICLES	24648	5198	504	29342	14160	2632	279	16513	12829	10488
COMPUTERS	8970	873	-	9843	7163	469	-	7632	2211	1807
TOTAL	1583545	86556	1480	1668621	832458	75206	900	906764	761857	751087
PREVIOUS PERIOD	1373925	211128	1508	1583545	761754	71419	715	832458	751087	
CAPITAL WORK IN PROGRESS*									6321	7368

* Including Capital Advances of Rs. 63.21('000) (Previous Period (Rs. 59.05('000))

SCHEDULE-5 (A) INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED) - AS ON 31ST MARCH 2010

(Rs. in '000)

DESCRIPTION	GROSS BLOCK				AMORTIZATION				NET BLOCK	
	COST AS AT 01.04.2009	ADDITIONS	RETIREMENT/ & DISPOSAL/ ADJUSTMENTS	COST AS AT 31.03.2010	UPTO 31.03.2009	FOR THE PERIOD	RETIREMENT/ & DISPOSAL/ ADJUSTMENTS	UPTO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
COMPUTER SOFTWARE	468	599	-	1067	261	146	-	407	660	207
TOTAL	468	599	-	1067	261	146	-	407	660	207
PREVIOUS PERIOD	468	-	-	468	167	94	-	261	207	-

Note: Intangible Assets have not incurred any impairment during the year.

SCHEDULE - 6

**INVESTMENTS (LONG TERM)
(Fully Paid Up, unless otherwise specified)**

OTHER THAN TRADE

A) SHARES – UNQUOTED

- i) 24,11,250(Previous Year-24,11,250) Equity Shares of Rs.10/- each in Pacific Pearl Finance & Leasing Ltd- (Net of provision for diminution in the value of investment Rs.192,90('000), Previous Year Rs. 192,90('000))
- ii) 1,00,000 (Previous Year-1,00,000) 1% Redeemable Cumulative Preference Shares of Rs.100/-each of Pearl International Tours & Travels Ltd (Net of provision for diminution in the value of investment Rs. 5,000('000), Previous Year Rs. 5,000('000))
- iii) 1,09,500 (Previous Year-Nil) 6% Redeemable Non-Cumulative Preference Shares of Rs.100/- each of Pacific Pearl Finance & Leasing Ltd.

B) DEBENTURES – UNQUOTED

- 1,65,000 (Previous Year 1,65,000) 0% Unsecured Debentures of Rs. 100/- each in Pacific Pearl Finance & Leasing Ltd (Net of provision for the diminution in the value of investment Rs. 61,87('000), Previous Year Rs. 61,87('000))

As at 31st March 2010 (Rs. in '000)	As at 31st March 2009 (Rs. in '000)
4823	4823
5000	5000
10950	10950
10312	10312

	As at 31st March 2010 (Rs. in '000)	As at 31st March 2009 (Rs. in '000)
C) SHARES – QUOTED*		
i) 54,92,960 Equity Shares (Previous Year - 54,40,960) Equity Shares of Rs.10/- each in Pearl Engineering Polymers Ltd. a company under the same management	54540	54410
ii) 27,450 (Previous Year 27,450) Equity Shares of Rs.10/- each in Pearl Apartments Ltd.	87	87
iii) 17,350 (Previous Year 17,350) Equity Shares of Rs.10/- each in Mazda Industries Ltd.	879	879
iv) 21,300 (Previous Year 21,300) Equity Shares of Rs.10/- each in Pretto Leather Ltd.	26	26
v) 1,100 (Previous Year 1,100) Equity Shares of Rs.10/- each in Kongrar Integrated Fibre Ltd.	4	4
vi) 2,000 (Previous Year 2,000) Equity Shares of Rs.10/- each in Valliant Communications Ltd.	20	20
vii) 1,000 (Previous Year 1,000) Equity Shares of Rs.10/- each of B.K.Duplex Boards Ltd.	4	4
viii) 11,700 (Previous Year 11,700) Equity Shares of Rs.10/- each of Rams Transformers Ltd.	35	35
ix) 3,300 (Previous Year 3,300) Equity Shares of Rs.10/- each of Pasupati Fincap Ltd.	21	21
x) 100 (Previous Year 100) Equity Shares of Rs.10/- each of Prism Cement Ltd.	1	1
xi) 5,000 (Previous Year 5,000) Equity Shares of Rs.10/- each of Master Trust Ltd.	57	57
xii) 600 (Previous Year 600) Equity Shares of Rs.10/- each of Religare Techno Ltd.	2	2
xiii) 5,900 (Previous Year 5,900) Equity Shares of Rs.10/- each of Market Creator Ltd.	27	27
* Net of Provision for Dimunition in Investment Rs.16,89('000) Previous Year Rs.16,89('000)	86788	86658
Aggregate market value of Quoted Investments	24683	15774
Aggregate amount of Quoted Investments	55703	55573
Aggregate amount of Unquoted Investments	31085	31085
SCHEDULE - 7		
INVENTORIES		
(As Verified, Valued and Certified by the Management)		
Raw Materials	49826	45177
Finished Goods and Accessories	91833	81609
Semifinished Goods (Pet Preforms)	12172	7850
Packing Materials	14468	15471
Stores & Spares	14709	13269
	183008	163376

	As at 31st March 2010 (Rs. in '000)	As at 31st March 2009 (Rs. in '000)
SCHEDULE - 8		
SUNDRY DEBTORS (UNSECURED)		
Debts outstanding for a period exceeding six months		
- Considered Good	15852	5724
- Considered Doubtful	26011	24834
Less : Provision for Doubtful Debts	<u>(26011)</u>	<u>(24834)</u>
Other Debts-Considered good	15852	5724
	<u>306830</u>	260322
	<u>322682</u>	<u>266046</u>
SCHEDULE - 9		
CASH & BANK BALANCES		
Cash in Hand	820	430
Cheques in Hand	3763	11832
Balance with Scheduled Banks in		
a) Current Accounts	15605	18047
b) Fixed deposit accounts-(including Rs.233,04('000) pledged with Banks (Previous Year Rs.320,04('000)	<u>38398</u>	<u>42005</u>
	<u>58586</u>	<u>72314</u>
SCHEDULE - 10		
LOANS & ADVANCES		
(Unsecured, considered Good)		
Advances recoverable in cash or in kind or for value to be received	34283	31633
Less: Provision for Doubtful Advance	<u>3496</u>	<u>-</u>
Interest Accrued on Deposits and Advances	30787	31633
Security Deposits	645	3424
Advance Tax/Tax Deducted at Source	75064	67253
(Net of provision for Tax Rs. NIL Previous Year Rs. 143,96 ('000))	-	244
MAT Credit Entitlement	-	12381
Balances with Excise and Customs Authorities	<u>4382</u>	<u>5777</u>
	<u>110878</u>	<u>120712</u>
SCHEDULE - 11		
LIABILITIES		
i) Sundry Creditors		
(a) Amount Due to Micro Enterprises and Small Enterprises	-	769
(b) Others	222312	222466
(includes Rs.175,06('000), (Previous Year Rs.186,29('000) towards Capital Goods and Rs.1001,81('000) (Previous Year Rs.1027,52('000) towards Other Services)		
ii) Security Deposits	7765	7360
iii) Advance received from customers	23007	14061
iv) Investors Education & Protection Fund (not due as at the year end)		
-Unclaimed Matured Deposits	6264	2897
-Interest Accrued on above	<u>882</u>	<u>330</u>
v) Interest accrued but not due	7146	3227
	<u>8392</u>	<u>7739</u>
	<u>268622</u>	<u>255622</u>
SCHEDULE - 12		
PROVISIONS		
For Taxation (Net of Advance Tax Rs.20,122('000) Previous Year Rs.Nil))	1094	-
For Gratuity	17706	16008
For Leave Encashment	10072	9880
For Proposed Dividend	8	2
	<u>28880</u>	<u>25890</u>

	Year Ended 31st March 2010 (Rs. in '000)	Year Ended 31st March 2009 (Rs. in '000)
SCHEDULE - 13		
OTHER INCOME		
Income from Investments-Dividend (Long Term-Other than Trade)	2	2
Interest on Deposits & Advances (TDS Rs.698('000) Previous Year Rs.684('000)	5891	4732
Jobwork	-	636
Balances Written Back	4431	-
Rent (TDS Rs.45('000) (Previous Year Rs. 79('000)	232	348
Provision for Bad and Doubtful Debts written back	445	958
Profit on Sale of Fixed Assets	-	31
Provision No Longer Required written back	1518	821
Misc Receipts (TDS Rs.Nill ('000) Previous Year Rs. 277('000)	1281	4774
	<u>13801</u>	<u>12302</u>
SCHEDULE - 14		
COSTS OF MATERIALS		
a) Raw Materials Consumed		
- Opening Stock	45177	37399
- Add : Purchase	837043	732497
	882220	769896
-Less : Closing Stock	49826	45177
	832394	724719
b) Packing Materials Consumed		
- Opening Stock	15471	13984
- Add: Purchase	122244	138089
	137715	152073
- Less : Closing Stock	14468	15471
	123247	136602
c) Direct Purchases		
- Caps	16808	24270
- Pet Preforms	15636	10532
- Packing Materials Others	448	1036
	32892	35838
d) Material produced during trial run		
	-	921
e) (Increase)/Decrease in Finished Goods etc.		
Opening Stock		
- Finished Goods and Accessories	81609	58423
- Semifinished Goods (Pet Preforms)	7850	4494
	89459	62917
Closing Stock		
- Finished Goods and Accessories	91833	81609
- Semifinished Goods (Pet Preforms)	12172	7850
	104005	89459
	<u>(14546)</u>	<u>(26542)</u>
	<u>973987</u>	<u>871538</u>

	Year Ended 31st March 2010 (Rs. in '000)	Year Ended 31st March 2009 (Rs. in '000)
SCHEDULE - 15		
PERSONNEL COSTS		
Salary, Wages, Bonus & Other Allowances	116844	104481
Contribution to P.F., E.S.I. & Other Funds	14652	16250
Staff Welfare Expenses	6618	4841
	<u>138114</u>	<u>125572</u>
SCHEDULE - 16		
MANUFACTURING, ADMINISTRATIVE & SELLING		
Consumption of Stores & Spares	22307	19786
Freight, Octroi & Cartage	51919	46320
Power and Fuel	177419	150843
Electricity & Water Charges	3451	2037
Advertisement, Publicity & Selling Expenses	9715	20843
Printing, Stationery, Postage, Telephone & Telex	12757	12350
Rent / Lease Rent	11800	4615
Repairs & Maintenance		
- Building	3948	3199
- Machinery	7191	7920
- Others	7471	7162
Insurance	1859	1846
Rates & Taxes	1310	2396
Commission	2262	1904
Rebate & Discount	7708	6111
Conveyance & Travelling Expenses	24161	23446
Legal & Professional Fees	6333	4461
Exchange Rate Fluctuation	142	229
Donations	61	58
Loss on Sale/Write off Fixed Assets	340	175
Director's Sitting Fee	13	14
Sales Tax Additional Demand	140	96
Provision for Doubtful Debts/Advances	5118	101
Bad debts/Advances written off	1620	522
Wages Contractors	33883	28732
Miscellaneous Expenses	38030	32009
	<u>430958</u>	<u>377175</u>
SCHEDULE - 17		
FINANCE CHARGES		
Interest		
- On Fixed Loans and Debentures	23522	20159
- Others	43121	45602
Other Finance Charges	4652	4890
	<u>71295</u>	<u>70651</u>

SCHEDULE –18**I. SIGNIFICANT ACCOUNTING POLICIES****A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements have been prepared on the accrual basis under the historical cost convention and in compliance with the applicable Accounting Standards referred in section 211 (3C) and other requirements of the Companies Act, 1956.

B) FIXED ASSETS:

Fixed assets are stated at cost of acquisition (less accumulated depreciation). Cost includes freight, duties, taxes & other incidental expenses related to acquisition and installation of fixed assets.

C) DEPRECIATION:

Depreciation on fixed assets is provided on straight-line method at rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 except for lease hold land, which is amortized over the period of the lease. The depreciation on assets acquired/sold/discarded during the year is provided from/up to the period the assets is acquired/sold or discarded.

D) INTANGIBLES:**COMPUTER SOFTWARE**

Software which is not an integral part of the related hardware, is classified as an intangible asset and is being amortized over a period of five years, being the estimated useful life.

E) INVESTMENTS:

Long term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary, in the opinion of the management. Current investments are valued at lower of cost or fair value.

F) INVENTORIES:

Raw materials, packing materials and stores & spares are valued at lower of cost determined on FIFO basis & net realizable value. Semi finished goods (Pet Preforms) and finished goods & accessories are valued at lower of weighted average cost including applicable manufacturing overheads and net realizable value..

G) INCOME:

Sales of goods is recognized at the point of dispatch to the customer, except in the case of export sales, which are recognised as per the terms of the contract. Sales are inclusive of Excise Duty and net of trade discounts.

H) EMPLOYEES BENEFITS:**(a) Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

(b) Post-Employment Benefits

(i) Defined Contribution Plans: The company's managed Provident Fund scheme, state governed pension fund scheme, employee state insurance scheme and superannuation scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

(ii) Defined Benefit Plans: The employees' gratuity fund scheme is a Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

Gains or losses on the curtailment or settlement of any defined benefit plan is recognized when the curtailment or settlement occurs. Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

(c) Other Long-term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the Balance Sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date. Contribution to Provident Fund is charged to Profit & Loss Account as incurred. Gratuity and Leave encashment benefits are charged to Profit & Loss Account on the basis of amount determined actuarially at the year end. Superannuation is provided on the basis of amount paid/payable under the insurance scheme, taken from Life Insurance Corporation of India.

I) RESEARCH AND DEVELOPMENT EXPENSES:

Expenditure relating to capital items is debited to Fixed Assets and depreciated at applicable rates. Revenue Expenditure is charged to Profit & Loss Account of the year in which they are incurred.

J) LEASE ASSETS

- I. For assets acquired on lease prior to 31.3.2001, the lease rentals are charged to Profit and Loss Account.
- II. For assets acquired on lease after 01.04.2001, in terms of Accounting Standard (AS-19) Issued by Institute of Chartered Accountants of India lease of assets under which all the risks and benefits of ownership is effectively retained by the lessor are classified as operating lease. Payment made under operating lease is charged to profit and loss account on a straight-line basis over the period of lease.

K) BORROWING COST

Borrowing cost that are attributable to the acquisition of qualifying assets are capitalized up to period such assets are ready for their intended use. All other borrowing costs are charged to Profit & Loss Account.

L) GOVERNMENT GRANTS

- I. Government Grants relating to specific fixed assets are adjusted with the value of fixed assets.
- II. Government grants in the nature of promoters' contribution. i.e., which has reference to the total investment in on undertaking or by way of contribution towards total capital outlay, are credited to capital reserve.
- III. Government grants related to revenue items are either adjusted with the related expenditure or shown under the schedule "Other Income", in case direct linkage with the cost is not determinable.

M) TAXES ON INCOME

- I. Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.
- II. Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet Date.
- III. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under tax laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

N) FOREIGN CURRENCY TRANSACTIONS

- I. Transactions denominated in foreign currencies are recorded at exchange rate prevailing at the date of transaction.
- II. Foreign currency monetary items are translated at year-end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.
- III. The premium or discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purpose is amortized as an expense or income over the life of the contract.

O) IMPAIRMENT OF ASSETS

Impairment of individual assets/cash generating unit (a group of assets that generates identified independent cash flows) are identified using external and internal sources of information and impairment loss if any, is determined and recognized in accordance with the Accounting Standard (AS) 28 notified in the Companies (Accounting Standard) Rules, 2006.

P) PROVISIONS AND CONTINGENCIES

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

II. NOTES TO THE ACCOUNTS

	As at 31 st March 2010 (Rs. in '000)		As at 31 st March 2009 (Rs. in '000)	
	Statutory Auditors	Branch Auditors	Statutory Auditors	Branch Auditors
1 Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of Advances)	9404		8402	
2 Contingent Liabilities				
a) Bills discounted	911		-	
b) In respect of guarantees executed by Banks against lodgement of counter guarantees of the Company Provided by way of Margin Money Rs.39,15('000) (Previous Year-Rs. 38,05 ('000))	15219		12185	
c) In respect of Service Tax	4		-	
d) In respect of Sales Tax	-		4288	
e) In respect of demands for Excise Duty;*	72071		70679	
*includes:				
- The Company had received for its unit at Mahad show cause notice from Excise Department for Rs. 3,60,00('000) for producing and clearing dutiable and non-dutiable products under notification 4/97 dated 1.03.97. The Company has preferred an appeal against the same. Similar case for a different period had been adjudicated in Company's favour by CESTAT DELHI.				
- At its unit at Mahad the Excise department has filed an appeal against a demand of Rs.72,72('000) which had been dropped by the Commissioner, Central Excise. (The original show cause notice was received on 17.2.2002 and related to imposition of Excise Duty on recovery of freight charges, detention charges etc separately by the company and non-inclusion of the same)				
- The Company had received for its unit at Gurgaon Demand Notice from Excise Department for Rs.10,00('000) for penalty and deposited Rs,2,50('000) under protest				
3 Auditors' Remuneration				
a) Audit Fee	215	114	215	114
b) Tax Audit Fee	145	50	140	50
c) Limited Review Fee	225	60	225	57
d) Management and Other Services	22	-	98	-
e) Out of Pocket expenses	3	11	4	21
4 Managerial Remuneration				
- Salary and Other Allowances	6000		6467	
- Contribution to Provident Fund & Other Funds	990		1319	
- Estimated value of Perquisites	265		259	
As the provision for Gratuity & Leave Encashment is determined for the Company as a whole, based on actuarial valuation, no separate figures are ascertainable				
5 CIF Value of Imports				
a) Raw Materials	184		12989	
b) Capital Goods	1153		1420	
6 Expenditure in Foreign Currency				
Travelling	3222		3701	
Others	-		123	
7 Earnings in Foreign Exchange				
Value of Exports on FOB Basis	6869		11182	

8 Value of Raw Material, Spare Parts and Components Consumed during the Year

	Percentage		Value (Rs. '000)	
	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009
a) Raw Materials				
– Imported	0.51	1.51	1254	10979
– Indigeneous	99.85	98.49	831140	713740
	<u>100.00</u>	<u>100.00</u>	<u>832394</u>	<u>724719</u>
b) Spare Parts & Components				
– Imported	-	-	-	-
– Indigeneous	100.00	100.00	22307	19786
	<u>100.00</u>	<u>100.00</u>	<u>22307</u>	<u>19786</u>

9 Particulars in respect of goods

Class of Goods	Unit of quantity	Licenced Capacity ***	Installed Capacity*		Acutal Production**	
			As at	As at	Year ended	Year ended
			31.03.2010	31.03.2009	31.03.2010	31.03.2009
PET Bottles & Jars	Pcs.in '000	—	454883	427350	487866	369656

* Annualised and as certified by the management being a technical matter. Installed capacity is on the basis of three shifts working.

** For the Purpose of comparison of actual production to installed capacity, the actual production when converted into 1 Ltr bottles, which is the basis of ascertaining the installed capacity, is 335985805 Pcs (Previous Year-279208562 Pcs)

*** Industry Delicenced

10 Particulars In Respect of Sales And Finished Goods

Class of Goods	Unit of Quantity	Quantity		Value (Rs. '000)	
		Year ended	Year ended	Year ended	Year ended
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
PET Bottles & Jars					
i) Sales	Pcs.in '000	478998	361396	1804980	1665688
ii) Opening Stock	Pcs.in '000	19194	10934	81609	58423
iii) Closing Stock	Pcs.in '000	28062	19194	91833	81609

11 Particulars of Raw Material Consumed

Class of Goods	Unit of Quantity	Quantity		Value (Rs. '000)	
		Year ended	Year ended	Year ended	Year ended
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
PET Chips	Tonnes	10610.48	8400.35	678490	569575
Polypropylene	Tonnes	1985.67	2466.38	137150	140176
Other		-	-	16754	14968
				<u>832394</u>	<u>724719</u>

12 Purchases are net of the incentives received during the year from the suppliers.

13 Current Assets, Loans and Advances :

In the opinion of the Board, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business, atleast equal to the amount stated in the Balance Sheet.



14 Balances of Sundry Debtors, Loans & Advances and Sundry Creditors are subject to confirmation by the parties.

15 Earning per share has been calculated as under:

Particulars	Year ended 31.03.2010		Year ended 31.03.2009	
	No. of Shares	Weighted Average No. of Shares	No. of Shares	Weighted Average No. of Shares
No. of Shares at the beginning of the Year	16834932	16834932	16834932	16834932
Total No. of weighted average Equity Shares outstanding at the end of the Year	16834932	16834932	16834932	16834932
Net Profit available to Equity Shareholder (Rs.'000)		22981	-	18286
Basic Earning Per Share (Rs.)		1.37		1.09
Total No. of weighted average Equity Shares including diluted potential Equity Shares outstanding during the Year.		16834932	16834932	16834932
Diluted Earning per share (Rs.)		1.37		1.09

16 The Company is engaged in the manufacture of PET bottles & jars and there is no separate reportable segment as per the Accounting Standard 17 on 'Segment Reporting' notified in the Companies (Accounting Satandard) Rules, 2006.

17 Related party Disclosures:

i) In accordance with the Accounting Standard on " Related Party Disclosures" (AS-18), the disclosures in respect of related parties and transactions with the related parties, carried out in the normal course of the business, as identified and certified by the management, are as follows:-

a) Key Management Personnel

Mr. Chand Seth - Chairman & Managing Director
 Mr. Harish Seth - Vice Chairman & Managing Director
 Mr. Varun Seth - Whole Time Director

c) Other related parties where control exists

Amit Apartments Ltd
 Beta Finance & Trading Pvt Ltd
 Emperor Travels & Tours Pvt Ltd
 Gama Investments Pvt Ltd
 Pearl Apartments Ltd
 Pacific Pearl Finance and Leasing Ltd
 Pearl Engineering Polymers Ltd
 Pearl International Tours & Travels Ltd
 Theta Investments Pvt Ltd

b) Relatives of Key Management personnel and their enterprises where transactions have taken place.

Mrs. Suneeta Seth
 Mr. Udit Seth


PEARL Polymers Limited

ii) Transactions carried out with related parties referred in (i) above, in ordinary course of business.
Amount Rs. ('000)

	Key Management Personnel		Key Management Personnel's Relatives		Associates	
	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009
Purchase						
Raw Materials and Goods -Pearl Engineering Polymers Ltd	-	-	-	-	362519	387393
Remuneration Paid To						
Mr.Chand Seth	702	966	-	-	-	-
Mr.Harish Seth	4248	4248	-	-	-	-
Mr.Varun Seth	1945	2191	-	-	-	-
Mr.Udit Seth	-	-	576	576	-	-
Rent Paid						
Mrs. Suneeta Seth	-	-	360	381	-	-
Mrs. Madhu Seth	-	-	300	-	-	-
M/s. Pearl Apartments Ltd.	-	-	-	-	275	175
Interest paid (on F.D.)						
Mr.Chand Seth	298	428	-	-	-	-
Mr.Harish Seth	428	398	-	-	-	-
Mrs Suneeta Seth	-	-	338	316	-	-
Ticketing Expenses						
Pearl International Tours & Travels Ltd	-	-	-	-	6492	9919
Income						
Service Charges -Pearl Engineering Polymers Ltd.	-	-	-	-	-	2400
Interest Income						
Pearl International Tours & Travels Ltd	-	-	-	-	-	260
Dividend Paid						
Pearl Engineering Polymers Ltd.	-	-	-	-	1	-
ICD's Taken						
Pearl International Tours & Travels Ltd	-	-	-	-	14000	10000
Loan Taken						
Mr. Chand Seth	1000	-	-	-	-	-
Loan Given						
Pearl International Tours & Travels Ltd	-	-	-	-	-	3000
FD taken						
Mr.Chand Seth	-	200	-	-	-	-
Mr.Udit Seth	-	-	1000	-	-	-
Preference Share Issued/(Redeemed)						
Pearl Engineering Polymers Ltd	-	-	-	-	(10500)	70000
Outstandings Payable						
Pearl Engineering Polymers Ltd	-	-	-	-	33001	65736
Pearl International Tours & Travels Ltd	-	-	-	-	5	-
Mr.Chand Seth	2600	2600	-	-	-	-
Mr.Harish Seth	3800	3800	-	-	-	-
Mrs. Suneeta Seth	-	-	3000	3000	-	-
Mr. Udit Seth	-	-	1000	-	-	-
Mr. Varun Seth	77	73	-	-	-	-
Outstandings Receivable						
Pearl International Tours & Travels Ltd	-	-	-	-	-	339
Amit Apartment Ltd.	-	-	-	-	12960	12960
Beta Finance & Trading P Ltd.	-	-	-	-	20000	20000
Theta Investments Pvt Ltd	-	-	-	-	20000	20000



18 Information with regard to Expenses pending allocation to Fixed Assets are as follows :-

	Year Ended 31st March 2010 (Rs. in '000)	Year Ended 31st March 2009 (Rs. in '000)	
Opening Amount	-	8544	
Add:-Expenses incurred during the year			
<u>Material Consumed</u>	-	<u>3027</u>	3027
<u>Personnel Cost</u>	-	<u>1281</u>	1281
<u>Manufacturing, Administrative & Selling</u>			
Freight ,Octroi & Cartage	-	228	
Electricity & Water Charges	-	113	
Printing & Stationary, Postage & Telegram & Telephone	-	134	
Rent/Lease Rent	-	85	
Repair & Maintenance-Machinery	-	52	
Repair & Maintenance-Other	-	111	
Insurance	-	102	
Rates & Taxes	-	20	
Conveyance & Travelling Expenses	-	459	
Legal & Professional Charges	-	178	
Miscellaneous Expenses	-	<u>260</u>	
	-		1742
<u>Finance Charges</u>			
Interest on Fixed Loan	-	2017	
Other Financial Charges	-	<u>3</u>	2020
Less :- Sale during the Trial Run	-		2035
Less :- Increase/decrease In stock during Trial Run	-		921
Less :- Amount Capitalised During the year	<u>-</u>		<u>13658</u>
Closing Amount	<u>-</u>		<u>-</u>
(Included in Capital Work in Progress)			

19 Disclosure in accordance with Part-I of Schedule VI of Companies Act, 1956 in respect of "Micro, Small and Medium Enterprises"

Sl. No.	Particulars	As at 31st March 2010 (Rs. in '000)	As at 31st March 2009 (Rs. in '000)
a)	Principal amount remaining unpaid	Nil	769
b)	Interest due thereon	Nil	Nil
c)	Interest Paid by the Company in term of Section 16 of Micro, Small and Medium Enterprises Development Act.	Nil	Nil
d)	Interest due and payable for the period of delay in payment	Nil	Nil
e)	Interest accrued and remaining unpaid	Nil	Nil
f)	Interest remaining due and payable even in succeeding years	Nil	Nil

This information as required to be disclosed has been determined to be extent such parties have been identified on the basis of information available with the Company during the year.

20 Deferred Tax Assets

Provision for Doubtful Debt
 Provision for Leave Encashment
 Gratuity
 Unabsorbed Depreciation
 Bonus

Liabilities

Depreciation

Deferred Tax Liability (Net)

As at 31.03.2010 (Rs. in '000)	As at 31.03.2009 (Rs. in '000)
9106	8767
3125	3163
5544	2369
-	2091
<u>725</u>	<u>-</u>
18500	16390
117234	122484
98734	106094

21 Employees Benefits

a) The Company has adopted Accounting Standard (AS)-15, "Employees Benefits" notified in the Companies (Accounting Standards) Rules 2006.

b) The Company has classified various employees benefits as under:

A) Defined Contribution Plans

The Company has recognised the following amounts in the Profit & Loss Accounts for the year

- I. Employer's Contribution to Provident Fund
- II. Employer's Contribution to Superannuation Fund
- III. Employer's Contribution to Employees' Pension Scheme
- IV. Employer's Contribution to Employees' State Insurance Scheme

B) Defined Benefit Plans

Valuations in respect of Gratuity, Leave Encashment and Compensated Absences have been carried out by independent actuary, as at the Balance Sheet date based on the following assumptions.

- a) Discount Rate (per annum)
- b) Rate of increase in Compensation Levels/ Escalation in salary
- c) Expected rate of Return on Plan Assets
- d) Expected Average remaining working lives of employees in number of years

Year Ended 31st March 2010 (Rs. in '000)	Year Ended 31st March 2009 (Rs. in '000)
3632	3432
1932	1906
3822	3629
1451	1375
7.80%	7.20%
5%	5%
9.25%	9.25%
23 Yrs.	23 Yrs.

Amount Rs.('000)

	Gratuity (Funded) Year Ended 31.03.2010	Leave Encashment (Unfunded) Year Ended 31.03.2010	Gratuity (Funded) Year Ended 31.03.2009	Leave Encashment (Unfunded) Year Ended 31.03.2009
I) Changes in the Present Value of Obligation				
a) Present value of Obligation. as at 1 st April, 2009	19336	9190	15845	8493
b) Interest Cost	1392	662	1268	680
c) Past Service Cost	1823	-	-	-
d) Current Service Cost	1912	1340	1914	1254
e) Curtailment Cost (Credit)	-	-	-	-
f) Impact due to settlement	-	-	-	-
f) Settlement Cost (Credit)	-	-	-	-
h) Benefits Paid	(2556)	(780)	(1156)	(1231)
i) Actuarial Loss/(Gain)	(904)	(996)	1465	(6)
j) Foreign Currency exchange rate different from the enterprises reporting currency	-	-	-	-
j) Present value of Obligation as at 31 st March, 2010	21003	9416	19336	9190
II) Changes in the Fair Value of Plan Assets				
a) Fair Value of Plant Assets as at 1 st April, 2009	3328	-	602	-
b) Expected Return on Plan Assets	67	-	56	-
c) Actuarial Loss/(Gain)	141	-	(12)	-
d) Employers' Contribution	2316	-	3838	-
e) Benefits Paid	(2556)	-	(1156)	-
f) Contributions by Plan	-	-	-	-
g) Fair Value of Plan Assets as at 31 st March, 2010	3296	-	3328	-
III) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at 31st March, 2010				
a) GOI Securiteis	-	-	-	-
b) Public Securities	-	-	-	-
c) Bank Deposits (Special Deposit Scheme 1975)	-	-	-	-
d) State Government Securites	-	-	-	-
e) Insurance Policies	3296	-	3328	-
f) Other (including Bank Balances)	-	-	-	-
IV) Reconciliation of Present Value of Define Benefit Obligation and the fair value of Assets				
a) Present value of funded Obligation as at 31 st March, 2010	21003	9416	19336	9190
b) Fair Value of Plan Assets as at 31 st March, 2010	3296	-	3328	-
c) Funded (Assets)/Liability recognized in the Balance Sheet	-	-	-	-
d) Present value of Unfunded Obligation as at 31 st March, 2010	17707	9416	16008	9190
e) Unrecognized past service cost	-	-	-	-
f) Unrecognized actuarial (Gain)/Losses	-	-	-	-
g) Unfunded Net Liability recognized in the Balance Sheet	17707	9416	16008	9190
V) Amount recognized in the Balance Sheet				
a) Present value of Obligation as at 31 st March, 2010	21003	9416	19336	9190
b) Fair Value of Plant Assets as at 31 st March, 2010	3296	-	3328	-
c) Assets/Liability recognized in the Balance Sheet (Net)	17707	9416	16008	9190

Amount Rs.('000)

vi) Expenses recognized in the Profit & Loss Account	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	Year Ended 31.03.2010	Year Ended 31.03.2010	Year Ended 31.03.2009	Year Ended 31.03.2009
a) Current Service Cost	1912	1340	1914	1254
b) Past service Cost	1823	-	-	-
c) Interest Cost	1392	662	1268	680
d) Expected Return on Plan Assets	(67)	-	(56)	-
e) Curtailment Cost (Credit)	-	-	-	-
f) Settlement Cost (Credit)	-	-	-	-
g) Net actuarial (Gain)/Loss	(1863)	(996)	2736	(6)
h) Total Expenses recognized in the Profit & Loss Account	3197	1006	5862	1928

22 Provision for Income Tax has been made on the basis of Book Profit u/s 115JB of the Income Tax Act. In view of the deduction available u/s 80-IC of the Income Tax Act, MAT credit availed amounting to Rs.123.81 lacs till the previous year has been reversed to the Profit & Loss A/c.

23 In accordance with the Central Capital Investment Subsidy Scheme 2003, the Company has received Capital Subsidy of Rs.30.00 lacs, during the year, in respect of its Baddi Unit. The same has been credited to Capital Reserve Account.

24 Details of Prior Period Expenses in Profit & Loss Account

Expenditure

Interest Expenses
Depreciation

Year Ended 31 st March 2010 (Rs. in '000)	Year Ended 31 st March 2009 (Rs. in '000)
77	-
<u>5</u>	<u>-</u>
82	-

25 The Foreign Currency exposure that are not hedged by derivative instruments or otherwise are as under :

Particulars	2009-10		2008-09	
	In foreign currency	In Rupees'(000)	In foreign currency	In Rupees'(000)
Trade Receivable				
Japanese Yen	Nil	Nil	Nil	Nil
USD	14217	649	Nil	Nil
Euro	Nil	Nil	Nil	Nil
Total	14217	649	-	-
Trade Payable				
Japanese Yen	984890	474	1331310	700
USD	Nil	Nil	256620	12892
Euro	Nil	Nil	8288	542
Total	984890	474	1596218	14134

26 (a) Disclosure for operating leases under Accounting Standard 19 "Lease". The Company has taken various residential flats/godowns/office premises (including furniture and fittings, there in as applicable) under operating lease or leave and licence agreements. These are generally not non-cancellable and range between 11 months and 3 years under leave and license, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. No contingent rents are recognised in the P&L Account.



(b) The Company has leased facilities under non-cancellable operation lease. Lease rent amounting to Rs.56,62('000) (Previous Year Rs.Nil) has been charged to Profit & Loss Account.

The future lease payments and payment profile of non cancellable operating leases are as under:
Particulars

Particulars	Year Ended 31 st March 2010 (Rs. in '000)	Year Ended 31 st March 2009 (Rs. in '000)
Not later than one year	10165	-
Later than one year but not later than five years	34999	-
Later than five years	-	-

27 Previous Year figures have been recasted / rearranged, wherever considered necessary to conform to current year's presentation.

As per our report of even date

On Behalf of the Board

ANIL BHALLA
Partner

Membership No. 11367
For and on behalf of

J.C.Bhalla & Co
Chartered Accountants
(FRN No. 001111N)

Place : New Delhi
Date : May 29, 2010

CHAND SETH
Chairman & Managing Director

VARUN SETH
Whole-Time Director

NARESH KHANNA
Director

CS. NARESH KAPOOR
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

		AMOUNT Rs. ('000)	
i) Registration Details			
Registration No.	: 5 5 3 5	State Code :	5 5
Balance Sheet Date	: 3 1 0 3 2 0 1 0		
ii) Capital raised during the year :			
Public Issue	N I L	Rights Issue :	N I L
Bonus Issue	N I L	Private Placement :	N I L
iii) Position of Mobilisation & Deployment of Funds			
Total Liabilities	: 1 2 3 3 2 7 8	Total Assets :	1 2 3 3 2 7 8
Sources of funds			
Paid up Capital	: 2 2 7 7 6 8	Reserves & Surplus :	2 9 8 2 8 1
Secured Loans	: 3 7 6 2 9 7	Unsecured Loans :	2 3 2 1 9 8
Deferred Tax	: 9 8 7 3 4	Advance against Equity:	N I L
Application of Funds			
Net Fixed Assets	: 7 6 8 8 3 8	Investments :	8 6 7 8 8
Net Current Assets	: 3 7 7 6 5 2	Misc. Expenditure :	N I L
iv) Performance of Company			
Turnover	: 1 7 3 0 7 4 2	Total Expenditure :	1 6 9 5 1 2 2
Profit Before Tax	: 3 5 5 3 8	Profit After Tax :	2 2 9 8 1
Earning Per Share (in Rs.) - Basic :	1 . 3 7	Dividend Rate (%) :	N I L
- Diluted :	1 . 3 7		
v) Generic Names of Principal Products / Services of Company (as per monetary terms)			
Item Code No.			
(ITC Code)	: 3 9 2 3 3 0 0 0		
Product Description	: Pet Bottles, Jars & Containers		

On Behalf of the Board

CHAND SETH
Chairman & Managing Director

VARUN SETH
Whole-Time Director

NARESH KHANNA
Director

CS. NARESH KAPOOR
Company Secretary

Place : New Delhi
Date : May 29, 2010



PEARL Polymers Limited

Registered Office :
204, Rohit House, 3, Tolstoy Marg,
New Delhi - 110 001

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the **39th ANNUAL GENERAL MEETING** at M. P. C. U. Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi 110 054 on Tuesday, the **28th September, 2010**, at 11:15 A.M.

Name of the Member(s)/Proxy attending the Meeting	
Folio No./Client ID No. & DP ID No.	
No. of Shares Held	
Signature of the Member/Proxy	

- PLEASE NOTE THAT AS PER AUDITORIUM DIRECTIVES, NO EATABLES, HELMETS, BRIEF CASES, HANDBAGS CELLULAR PHONES ETC., WILL BE ALLOWED INSIDE THE HALL.
- NO GIFTS / SNACKS WILL BE GIVEN AT THE ANNUAL GENERAL MEETING.



PEARL Polymers Limited

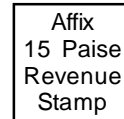
Registered Office :
204, Rohit House, 3, Tolstoy Marg,
New Delhi - 110 001

PROXY FORM

I/We
of
being a Member/Members of Pearl Polymers Limited, hereby appoint
of
or failing him
of
as my/our Proxy to attend and vote for me/us and on my/our behalf at the **39th ANNUAL GENERAL MEETING** of the said Company to be held at 11:15A.M. on Tuesday, the **28th September, 2010**, or at any adjournment thereof.

Signed this day of2010

Signature of
The Member(s)
Folio No./Client ID No. & DP ID No



N.B. (i) The Proxy, in order to be effective, must be deposited at the Registered Office of the Company, not later than 48 hours before the time of the Meeting.