



**25th ANNUAL REPORT 2009-2010**

**PUNEET RESINS LIMITED**

#### **BOARD OF DIRECTORS**

- |                              |                   |
|------------------------------|-------------------|
| 1. Mr. Mahendra Kumar Kapoor | Chairman          |
| 2. Mr. Aditya Kapoor         | Managing Director |
| 3. Mr. Arvind Kapoor         | Director          |
| 4. Mr. Jayesh Dadia          | Director          |
| 5. Mr. Dilip Shah            | Director          |
| 6. Mr. Nakul Kumar           | Director          |

#### **COMPANY SECRETARY**

Ms. Kanika Sharma

#### **AUDITORS**

M/s. B.D. Jokhakar & Company  
8, Ambalal Doshi Marg, Fort,  
Mumbai-400023

#### **BANKERS**

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

#### **REGISTERED OFFICE**

W-75(A) & W-76(A),  
MIDC Industrial Area,  
Satpur, Nasik-422007

#### **CORPORATE OFFICE**

84, Atlanta, Nariman Point, Mumbai-400021

#### **PLANTS**

- |          |   |  |
|----------|---|--|
| SATPUR   | : | W-75(A) & W-76(A),<br>MIDC Industrial Area,<br>Satpur, Nasik-422007    |
| WADIVARE | : | Mumbai - Nasik Highway,<br>Village Wadivare,<br>Taluka Igatpuri, Nasik |

#### **REGISTRAR AND SHARE TRANSFER AGENT**

Link Intime Spectrum Registry Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai - 400078  
Tel. No.: 022-25946970  
Fax: 022-25946969  
Email: Mumbai@linkintime.co.in

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## CONTENTS

1.	NOTICE	2
2.	REPORT ON CORPORATE GOVERNANCE	7
3.	AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE	17
4.	DIRECTORS' REPORT	18
5.	MANAGEMENT DISCUSSION AND ANALYSIS REPORT	21
6.	REPORT OF THE AUDITORS	23
7.	BALANCE SHEET	26
8.	PROFIT & LOSS ACCOUNT	27
9.	SCHEDULES FORMING PART OF THE ACCOUNTS	28
10.	CASH FLOW STATEMENT	43

## NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of Puneet Resins Limited will be held on , Monday July 19, 2010 at 10.00 a.m., at the Registered Office of the Company at W-75 (A) & W-76 (A), MIDC Industrial Area, Satpur, Nasik 422 007 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet for the year ended March 31, 2010 and the Profit and Loss Account for the year ended on that date together with Schedules annexed thereto as well as the Directors' and Auditors' Reports attached therewith.
2. To declare the payment of dividend on equity shares.
3. To appoint a Director in place of Mr. Arvind Kapoor, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Dilip Shah, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors and in this connection, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Messrs. B.D. Jokhakar & Co. Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on a remuneration of such sum as may be fixed by the Board of Directors.”

### SPECIAL BUSINESS:

6. REVISION IN TERMS AND CONDITIONS OF APPOINTMENT OF MR. ADITYA KAPOOR, MANAGING DIRECTOR

To consider and, if thought fit, to pass the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to Section 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act 1956, including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, consent of the Company, be and is hereby accorded for increase in remuneration of Mr. Aditya Kapoor, Managing Director of the Company from existing Basic Salary of Rs.60,000 per month to Rs.90,000 per month along with facilities, perquisites, allowances as per the policies of the Company effective from April 1, 2010 for the revised term period of his appointment for three years i.e. upto March 31, 2013 as set out in the explanatory statement to resolution with liberty to the Board of Directors (herein after referred to as “Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the said remuneration in such form and manner or with such modifications as the Board may deem fit subject to the same not exceeding the limits specified under schedule XIII to the Companies Act 1956, or any statutory modifications or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 10, 2010

Mahendra Kumar Kapoor  
Chairman

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Business under Item No. 6 set out above is annexed hereto. The relevant details in respect of item Nos. 3, 4 & 6 as required by Clause 49 of the Listing Agreement entered into with Stock Exchanges are also included in Corporate Governance Report.
3. The Register of Members and Share Transfer Books of the Company will be closed from 10th July, 2010 to 19th July, 2010 (both days inclusive).
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at Registered Office of the Company on all working days, except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
6. The members are requested to:
  - i. Intimate to the Company's Registrars and Share Transfer Agents M/s Link Intime India Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date;
  - ii. Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
  - iii. Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
  - iv. Get the shares transferred in joint names, if they are held in single name to avoid inconvenience;
  - v. Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
  - vi. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
  - vii. Furnish their Bank Account Number, the name of the Bank and the Branch where they would like to deposit the Dividend Warrants for encashment. These particulars will be printed on the cheque portion of Dividend Warrants, besides the name of the Shareholders so as to avoid fraudulent encashment of warrants. The above mentioned details should be furnished by the first / sole shareholder, directly to the Registrar & Share Transfer Agents, quoting the folio number.
7. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may obtain and send the ECS mandate form to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company. Those holding shares in Electronic Form may obtain and send the ECS mandate form directly to their Depository Participant (DP). Those who have already furnished the ECS Mandate Form to the Company/Registrar & Share Transfer Agent/DP with complete details need not send it again.
8. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
9. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are

requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s. Linkintime Spectrum Registry Ltd.

10. The Equity Shares of the Company are listed on The Stock Exchange, Mumbai. The listing fee has been paid up to date.

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO. 6.

Mr. Aditya Kapoor was appointed as Managing Director of the Company in accordance with paragraph 1(A) of Section II of Part II in the event of loss or inadequacy of profits of Schedule XIII of the Companies Act 1956 for a period of five years from 1st October, 2008 on the remuneration recommended by the Remuneration Committee of Directors duly approved at the Annual General meeting held on 24th day of August 2009. As set in the resolution approved in the Annual General Meeting, terms and conditions of appointment laid out provided liberty to the Board of Directors to alter or vary the terms and conditions and remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Mr. Aditya Kapoor.

As per Company Rules, remuneration of employees including Managing Director is revised every year w.e.f. 1st April. Board may, keeping in view the industry practice of remuneration in similar size Companies in the industry, consider revision of remuneration of Mr. Aditya Kapoor, Managing Director with effect from 1st April, 2010. The basic salary has been proposed to be revised from Rs.60,000 per month to Rs. 90,000 per month.

Therefore it is further proposed to revise terms and conditions of appointment of Mr. Aditya Kapoor keeping in view his appointment in accordance with paragraph 1(B) of Section II of Part II in the event of loss or inadequacy of profits of Schedule XIII of the Companies Act 1956 for a period of three years from 1st April, 2010 on the remuneration recommended by the Remuneration Committee of Directors which shall be subject to approval by a resolution of the shareholders in ensuing general meeting.

The remuneration committee has considered the matter and duly approved the same along with the terms and conditions of the appointment with the salary, perquisites and allowances etc mentioned in the resolution passed on the remuneration set out in the terms and conditions of appointment laid out hereinunder with liberty to the Board of Directors to alter or vary the terms and conditions and remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Mr. Aditya Kapoor.

The remuneration of Mr. Aditya Kapoor with effect from 1st April, 2010 and Memorandum of Interest are given below:

- a) **Basic Salary:** Salary of Rs. 90,000/- per month in the scale of 90,000-30,000-1,50,000.

In addition to the basic salary, the Managing Director shall also be entitled to such facilities, Perquisites and Allowances, which may include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; club fees, provision of car with chauffeur, medical/accident insurance and such other perquisites, allowances, as the per the policies of the Company.

The remuneration payable to Mr. Aditya Kapoor, including salary, is subject to overall ceiling of Rs. 30 Lacs per annum. Further, where in any financial year comprised by the period of appointment, the Company has no profits or its profits are inadequate, the aforesaid salaries shall be paid to the Managing Director in accordance with the applicable provisions of Schedule XIII of the said Act and subject to the approval of the Central Government, if any required.

- b) **Notice Period** : 3 months on either side or gross salary in lieu thereof.
- c) **Minimum remuneration** : In accordance with paragraph 1(B) of Section II of Part II in the event of loss or inadequacy of profits of Schedule XIII of the Companies Act, 1956.

- d) **Commission** : As determined by the Board from year to year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956.

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

Mr. Aditya Kapoor holds 70,500 shares in the Company as on 31st March 2010.

The Board recommends the resolution for the approval of the members.

#### Memorandum of Interest

None of the Directors except Mr. Aditya Kapoor, Managing Director, Mr. Mahendra Kumar Kapoor, Chairman, Mr. Arvind Kapoor, Director, deemed to be interested or concerned in the above resolution

**Additional information to be furnished pursuant to schedule XIII, part II, Section II, Point 1 (B) of the Companies Act, 1956**

#### I. GENERAL INFORMATION:

##### (1) Nature of industry

The Company is in the manufacture of polymer blends and supplies industrial raw materials and polymer compounds to rubber industry.

##### (2) Date or expected date of commencement of commercial production

The Company's plant is at Nasik (Maharashtra) which is already operational.

##### (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable

##### (4) Financial performance based on given indicators

	AUDITED AS ON 31-03-2010	AUDITED AS ON 31-03-2009
Sales and other income	25,02,74,435	24,56,08,480
Profit Before Tax	3,37,53,033	2,45,32,526
Profit after Tax	2,45,72,152	1,42,53,332
Net Worth	7,70,52,685	5,98,03,203
Earnings Per Share	4.71	2.73

##### (5) Export performance and net foreign exchange earnings.

During the last 3 years the export performance and net foreign exchange earnings are as under:

(Rs.In Lacs)

Year	Value of Exports (CIF basis)	Net Foreign Exchange earnings (F.O.B.)
2009-2010	416	404
2008-2009	582	567
2007-2008	223	210

##### (6) Foreign investments or collaborators, if any.

NIL

#### II. INFORMATION ABOUT THE APPOINTEE:

##### (1) Background details

Mr. Aditya Kapoor is well qualified to discharge the duties of Managing Director of the Company and possesses 5

years of experience in Rubber and Polymers Industry. He did his Bachelor of Science from Rose Hulman Institute of Technology, USA. Mr. Aditya Kapoor is a Director in two other Companies also, namely, Rishirop Polymers Private Limited and Rishirop Holding Private Limited He has been actively participating in the Management of the affairs of the Company and has been personally responsible for development of export business of the Company.

**(2) Past remuneration**

During the year 2009-10 Mr. Aditya Kapoor has drawn a gross remuneration of Rs. 1,623,232/- per annum as a Managing Director of the Company.

**(3) Job profile and his suitability**

Company is currently involved in import, manufacturing and supply of Industrial raw material and polymer compounds to rubber industry. The incumbent needs to have a good knowledge about the trends in the international market and Indian rubber industry, besides managerial skills to grow the business. Mr. Aditya Kapoor has good experience in international trade and has contacts among suppliers and customers from different countries.

**(4) Remuneration proposed**

The remuneration proposed to be paid to Mr. Aditya Kapoor subject to the approval of shareholders is stated out in the resolution proposed to be passed and stated in the accompanying notice with explanatory statement of the Annual General Meeting.

**(5) Comparative remuneration profile with respect to industry, size of the Company**

The remuneration commensurate with Companies of similar size in the industry.

**(6) Profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**

Not Applicable

**(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**

Mr. Aditya Kapoor and his family members are also the promoters and shareholders in the Company. His grandfather Mr. Mahendra Kumar Kapoor is the non-executive Chairman of the Company and father Mr. Arvind Kapoor is the Director of the Company.

He has no relationship with any managerial personnel employed with the Company.

**III. OTHER INFORMATION:**

**(1) Reasons of loss or inadequate profits**

The Company in the financial year 2009-2010 has earned profits. However, during the year, it has used the part of current year profits for setting off the losses of previous year.

**(2) Steps taken or proposed to be taken for improvement**

In the short run, Company proposes to increase number of items for trading activities. However, for the long term growth Company is looking for various new project proposals.

**(3) Expected increase in productivity and profits in measurable terms**

Company expects to improve its profitability, however, it is difficult to predict the improvement in measurable terms as profits are governed by the market dynamics.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 10, 2010

Mahendra Kumar Kapoor  
Chairman



## CORPORATE GOVERNANCE REPORT

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

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

### II) BOARD OF DIRECTORS

The Board of Directors has 6 members comprising of 5 Non Executive Directors and 1 Executive Director. Four Board Meetings were held during the period from April 1, 2009 to March 31, 2010 on the following dates June 29, 2009, July 25, 2009, October 24, 2009 and January 29, 2010.

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

Name of Director	Category Of Director	No. of Board Meetings Attended	Attendance at last AGM	No. of Director-ships held**	Committee membership+	Committee Chairmanship+
Mr. Mahendra Kumar Kapoor	Non-executive Promoter Director	3	No	2	4	3
Mr. Arvind Kapoor	Non- Executive Promoter Director	4	Yes	2	3	-
Mr. Jayesh Dadia	Non-executive Independent Director	2	Yes	1	2	2
Mr. Dilip Shah	Non-executive-Independent Director	3	No	1	2	-
Mr. Nakul Kumar	Non-executive-Independent Director	2	No	1	1	-
Mr. Aditya Kapoor	Executive Director	3	Yes	1	-	-

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

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

**Details of the Directors Seeking Appointment/Reappointment at the Forthcoming Annual General Meeting  
(In pursuance Of Clause 49 of the Listing Agreement)**

1	<b>Name of Director</b>	Mr. Arvind Kapoor	Mr. Dilip Shah
2	<b>Date of Birth</b>	20/01/1954	06/09/1952
3	<b>Date of Appointment</b>	24/09/1984	30/12/2005
4	<b>Nature of expertise in specific functional areas</b>	30 years of Industrial and Managerial experience.	34 years of experience in the field of Corporate Laws, Corporate Finance, Taxation, Legal & Accounting.
5	<b>Qualifications</b>	M.S. Polymer Engg. ChE, USA and B.Tech., IIT - Mumbai	Chartered Accountant & Company Secretary
6	<b>Directorships held in other companies (excluding foreign companies)</b>	<ol style="list-style-type: none"> <li>1. Rishiroop Rubber (International) Limited</li> <li>2. Rishiroop Polymers Private Limited</li> <li>3. Devi Organics Private Limited</li> <li>4. Rishiroop Investment &amp; Trading Company Private Limited</li> <li>5. Rubtrade.com (India) Private Limited</li> <li>6. Rishichem Distributors Private Limited</li> </ol>	NA
7	<b>Committee position held in companies</b>	<ol style="list-style-type: none"> <li>1. Audit Committee and Shareholders/Investor Grievance Committee- Member (Puneet Resins Ltd.)</li> <li>2. Audit Committee and Shareholders/Investors Grievance Committee-Member (Rishiroop Rubber (International) Limited)</li> </ol>	<ol style="list-style-type: none"> <li>1. Audit Committee- Member (Puneet Resins Limited)</li> <li>2. Remuneration Committee - Member (Puneet Resins Limited)</li> </ol>
8	<b>No. of shares held: (As on 31.03.2010)</b>		
	a) Own	71000	Nil
	b) for other persons on a beneficial basis	-	-

**Code of Conduct**

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

### III) COMMITTEES OF THE BOARD

#### a. Audit Committee

The Audit Committee was constituted by the Board of Directors at its Meeting held on 22nd June, 2001 and last reconstituted on December 30, 2005. Members of the Committee are Mr. Jayesh Dadia (Chairman), Mr. Arvind Kapoor and Mr. Dilip Shah. Ms. Kanika Sharma, Company Secretary, is the Secretary to the Committee. The Committee held four meetings during the year 2009-2010. Four Audit Committee Meetings were held during the period 1st April, 2009 to 31st March, 2010 on the following dates June 29, 2009, July 25, 2009, October 24, 2009 and January 29, 2010. The Statutory Auditors, internal auditor and Company Secretary also attended the meeting of Audit Committee. The attendance of members was as under:

Members	Meetings Attended	Sitting Fees Paid	Date of Meeting Attended
Mr. Jayesh Dadia	2	Rs. 6000/-	July 25, 2009; January 29, 2010
Mr. Arvind Kapoor	4	Rs. 8000/-	June 29, 2009; July 25, 2009; October 24, 2009; January 29, 2010
Mr. Dilip Shah	3	Rs. 7000/-	June 29, 2009; October 24, 2009; January 29, 2010

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

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

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

**b. Remuneration Committee**

The Remuneration Committee was constituted by our Directors. This Committee is responsible for the fixation and approval of executive compensation. The Remuneration Committee consists of the following members:

Sr. No	Name of the Director	Designation	Executive/ Independent
1	Mr. Jayesh Dadia	Chairman	Independent Director
2	Mr. Dilip Shah	Member	Independent Director
3	Mr. Nakul Kumar	Member	Independent Director

The terms of reference of the Remuneration Committee are as follows:

1. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - i. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
  - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
2. Determine on behalf of the Board and the shareholders, our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment;

3. Perform such functions as are required to be performed by the Remuneration Committee under the ESOP Guidelines, in particular, those stated in Clause 5 of the ESOP Guidelines; and
4. Such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

The Company Secretary of our Company acts as the secretary to the Committee.

#### Remuneration Policy

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

#### Remuneration paid to Directors during 2009-2010

##### Remuneration to Executive Director

Mr. Aditya Kapoor is appointed as a Managing Director with effect from October 1, 2008 for a period of 5 years. The remuneration paid to Mr. Aditya Kapoor, Managing Director of the Company during the year ended March 31, 2010 is as under:

Name	Salary (Rs.) From April 1, 2009 to March 31, 2010	Perquisites and allowances (Rs.) From April 1, 2009 to March 31, 2010	Total (Rs.) From April 1, 2009 to March 31, 2010
Mr. Aditya Kapoor	7,20,000/-	9,03,232/-	1,623,232/-

##### Remuneration to Non- Executive Directors

Non-Executive Directors are not paid remuneration in any form whether by way of commission or otherwise. They are paid only sitting fees for each meeting attended by them. The fees paid to Non- Executive Directors for the year ended March 31, 2010 is as under:

Director's name	Sitting fees			
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Total
Mr. Mahendra Kumar Kapoor	Rs. 7000/-	NIL	NIL	Rs. 7,000/-
Mr. Arvind Kapoor	Rs. 8000/-	Rs. 8000/-	NIL	Rs. 16000/-
Mr. Jayesh Dadia	Rs. 6000/-	Rs. 6000/-	Nil	Rs. 12000/-
Mr. Dilip Shah	Rs. 7000/-	Rs. 7000/-	Nil	Rs. 14000/-
Mr. Aditya Kapoor	Nil	Nil	Nil	Nil
Mr. Nakul Kumar	Rs. 6,000/-	Nil	Nil	Rs. 6,000/-

As on March 31, 2010 the non-executive Directors held equity shares of the Company as follows:

Name of Directors	Number of shares held
Mr. Mahendra Kumar Kapoor	35,600
Mr. Arvind Kapoor	71,000
Mr. Jayesh Dadia	50,000
Mr. Dilip Shah	NIL
Mr. Nakul Kumar	Nil

As on March 31, 2010 the Executive Director held equity shares of the Company as follows:

Mr. Aditya Kapoor	70,500
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**c. Shareholders/ Investors Grievance Committee**

The Committee comprises of following Directors.

- 1) Mr. Mahendra Kumar Kapoor **Chairman**
- 2) Mr. Arvind Kapoor **Member**

Ms. Kanika Sharma, Company Secretary, is the Compliance Officer of the Company.

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

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

Number of Investor Complaints received during the year	:	<b>1</b>
Number of Investor Complaints resolved during the year	:	<b>1</b>
Number of pending Investor Complaints	:	<b>0</b>

The investors' complaint/grievances received by the Company were immediately escalated to the top management and steps are taken to resolve the same immediately. During the year under review only one such complaint was received, which immediately got resolved and hence no meeting was required to be held.

**d. Details of General Meetings**

Meeting	24th Annual General Meeting	23rd Annual General Meeting	22nd Annual General Meeting
Date	August 24 , 2009	September 29, 2008	September 10, 2007
Time	10.00 a.m.	10.00 a.m.	10.00 a.m.
Special Resolutions	1	1	1

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

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

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

**IV) SUBSIDIARY COMPANIES**

The Company does not have any subsidiary company.

**V) DISCLOSURES**

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

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

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

**B. Disclosure of Accounting Treatment**

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

**C. Board Disclosures- Risk management**

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

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

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

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

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

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

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

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

**VI) MEANS OF COMMUNICATION**

1	Quarterly Results	Published in National and local dailies such as The Economic Times (English) and The Maharashtra Times (Marathi) and in official websites of Bombay Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> )
2	Publication in News Papers	Published in National and local dailies such as The Economic Times (English) and The Maharashtra Times (Marathi)
3	Publications in Websites	<a href="http://www.puneet.in">www.puneet.in</a> , <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , <a href="http://www.bseindia.com">www.bseindia.com</a>
4	Displaying of official news releases	<a href="http://www.puneet.in">www.puneet.in</a> , <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , and official websites of BSE

**VII) GENERAL SHAREHOLDER INFORMATION**

1	<b>25th Annual General Meeting</b> <b>Day, Date, Time and Venue</b>	: Monday July 19, 2010 at 10:00 A.M. At W-75 (A), MIDC, Industrial Area, Satpur Nasik 422 007
2	<b>Financial Year</b>	: April 1, 2010 - March 31, 2011
3	<b>Financial Calendar</b> <b>Financial Reporting for</b>	: I. Quarter ending 30th June, 2010 - upto 15th August 2010 II. Half year ending 30th Sept, 2010- upto 15th Nov, 2010 III. Quarter ending 31st Dec, 2010 - Upto 15th Feb, 2011 IV. Quarter ending 31st March, 2011 - End May 2011 (along with Audited Annual Results)  Note: The above dates are indicative.
4	<b>Date of Book Closure</b>	: July 10, 2010 to July 19, 2010 (Both days inclusive)
5	<b>Dividend payment date</b>	: Dividend as declared for the year 2009-2010 will be paid on or after as on July 19, 2010.
6	<b>Listing on Stock Exchanges at</b>	: The Stock Exchange, Mumbai
7	<b>Stock Code</b>	: 1. The Stock Exchange, Mumbai (BSE): 526492 2. Demat ISIN No. in CDSL & NSDL : INE582D01013

- 8 Registrar and Transfer Agents** : Linkintime Spectrum Registry Limited  
C-13, Pannalal Silk Mills Compound  
Bhandup (West), Mumbai- 400 080  
Phone 022-2596 3838  
Email: isrl@intimespectrum.com
- 9 Dematerialization of shares** : 86.66 % of the total equity capital is held in Dematerialized form with National Securities Depository Ltd. and Central Depository Services (India) Ltd as on 31st March, 2010.
- 10 Outstanding ADRs/ GDRs** : The Company has not issued any ADRs/GDRs
- 11 Plant Location** : (1) W-75 (A) & W-76 (A), MIDC Industrial Area, Satpur, Nasik 422 007  
(2) Mumbai-Nasik Highway, Village Wadivare, Taluka Igatpuri, Nasik
- 12 Address for correspondence** : The Shareholders may send their correspondence relating to transfer/ dematerialization and other correspondence relating to shares of the company to the Registrar and Transfer Agents of the Company. Shareholders holding shares of Company in dematerialized form should address their correspondence to their respective Depository Participants.  
  
For any other queries, correspondence at corporate office address of the Company, as below, be made  
84, Atlanta, Nariman Point, Mumbai - 400 021.  
Designated e-mail id for investor correspondence:  
investor@puneet.in
- 13 Stock Price Data** : High, low Market Price on Mumbai Stock Exchange during each month in the last Financial year:

Month	Rates per equity share of the face value of Rs. 10/- each	
	High (Rs.)	Low (Rs.)
April 2009	6.07	3.66
May 2009	7.01	5.96
June 2009	6.92	5.56
July 2009	7.81	5.85
August 2009	11.30	7.72
September 2009	11.99	9.73
October 2009	12.60	10.25
November 2009	14.18	9.75
December 2009	11.60	9.72
January 2010	14.95	10.39
February 2010	13.10	9.32
March 2010	12.23	8.84



#### 14. Distribution of Shareholding as on March 31, 2010:

##### 1. Distribution of Shareholding as on quarter ended 31st March, 2010.

	Category	No of Shares held	Percentage of Shareholding
<b>A.</b>	<b>Promoters Holding</b>		
1.	Promoters		
	- Indian Promoters	27,53,957	52.80
	- Foreign Promoters	-	-
2.	Persons acting in concert	-	-
	<b>Sub- Total</b>	<b>27,53,957</b>	<b>52.80</b>
<b>B.</b>	<b>Non- Promoters Holding</b>		
1	Institutional Investors		
2	Mutual Funds and UTI 12,200	0.23	
3	Banks, Financial Institutions, Insurance Companies (Central /State Govt. Institutions/ Non- Government Institutions)	-	-
<b>C</b>	<b>FII's</b>	-	-
	<b>Sub- Total</b>	<b>12,200</b>	<b>0.23</b>
<b>D</b>	<b>Others</b>		
1	Private Corporate Bodies	2,66,304	5.11
2	Indian Public	21,70,972	41.62
3	NRIs/OCBs	2,320	0.04
4	Any Other (Please Specify)	4,100	0.08
5	Clearing member	5,947	0.11
	<b>Sub- Total</b>	<b>24,61,843</b>	<b>47.20</b>
	<b>GRAND TOTAL (A+B+C+D)</b>	<b>5215800</b>	<b>100.00</b>

2. Distribution of shares (Slab wise)	No. of shareholders	% to total No. of shareholders	Share Amount (in Rs.)	% to total Share Capital
1-5000	2057	77.36	5153660	9.88
5001-10000	304	11.43	2666370	5.11
10001-20000	136	5.11	2189800	4.20
20001-30000	45	1.69	1149810	2.20
30001-40000	21	0.79	753190	1.44
40001-50000	16	0.60	748470	1.44
50001-100000	36	1.35	2735080	5.24
100001 & Above	44	1.65	36761620	70.48
TOTAL	2659	100	52158000	100

#### 15. Share Transfer System :

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

#### **16. Electronic Clearing Service (ECS) Facility:**

The Company, with respect to payment of dividend to shareholders shall endeavour to remit the dividend payment through National Electronic Clearing Service (NECS) to the shareholders having accounts with Branches of Banks covered under CBS (Core Banking Solution).

Equity Shareholders holding shares in physical form, who wish to avail the ECS facility, may send their ECS mandate in the format attached with the Notice of the ensuing Annual General Meeting to the Company's R & T Agents, in the event they have not done so earlier. Equity Shareholders holding shares in electronic mode may send the ECS mandate form to the concerned Depository Participant (DP) directly.

#### **VII) Certification**

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

**By the Order of Board of Directors**

Place: Mumbai  
Date: May 10, 2010

**Mahendra Kumar Kapoor**  
Chairman

#### **DECLARATION BY THE MANAGING DIRECTOR - CFO CERTIFICATION & CODE OF CONDUCT**

- A. I have reviewed financial statements and the cash flow statement for the year ended March 31, 2010 and certify, to the best of our knowledge and belief, that:
- i. These statements present a true and fair view of the Company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations;
  - ii. These statements do not contain any materially untrue statement, or omit any material fact, or contain statements that might be misleading;
  - iii. No transactions entered into by the Company during the year were fraudulent, illegal or violative of the Company's code of conduct and no instances of fraud took place;
  - iv. I accept responsibility for establishing and maintaining internal controls for financial reporting;
  - v. I have evaluated the effectiveness of the internal control systems of the Company, and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and have taken steps to rectify the same, wherever found;
  - vi. Significant changes in internal control over financial reporting, as well as changes in accounting policies, if any, have been intimated to the auditors and the Audit Committee, and been disclosed in the notes to the financial statements;
- B. I further declare, in compliance to clause 49 I(D) (ii) to Listing Agreement, that all the Board members and senior management personnel have, for the year ended March 31, 2010, affirmed compliance with the Code of Conduct laid down by the Board of Directors.

**For Puneet Resins Limited**

Place: Mumbai  
Date: May 10, 2010

**Aditya Kapoor**  
Managing Director

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
Puneet Resins Limited

We have examined the compliance of conditions of Corporate Governance by PUNEET RESINS LIMITED (the Company) for the year ended on 31<sup>st</sup> March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) in India.

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

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

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

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

**Raman Jokhakar**  
Partner

Membership No. 103241  
Firm Reg. No. 104345W

Place: Mumbai  
Dated: May 10, 2010

## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the Twenty Fifth Annual Report, together with the Audited Accounts for the year ended 31st March, 2010.

### FINANCIAL RESULT

Particulars	2009-2010 (Rupees)	2008-2009 (Rupees)
<b>Sales and other income</b>	25,02,74,435	24,56,08,480
Profit before Depreciation, Interest and Tax	3,77,17,310	3,12,38,659
Less: Depreciation	26,60,276	25,31,732
Interest	13,04,001	41,74,401
<b>Profit before Tax</b>	3,37,53,033	2,45,32,526
Less : Provision for Tax (Including Income Tax, Deferred Tax, Fringe Benefit Tax etc.)	91,80,881	1,02,79,194
<b>Profit after Tax</b>	2,45,72,152	1,42,53,332
Add: Balance Brought forward from the previous year	(32,25,657)	(1,74,78,989)
<b>Profit available for Appropriation</b>	2,13,46,495	(32,25,657)
<b>Appropriation</b>		
Transfer to General Reserve	20,00,000	0
Proposed Dividend (12%)	62,58,960	0
Corporate Dividend Tax	10,63,710	0
<b>Balance carried forward to Balance Sheet</b>	1,20,23,825	(32,25,657)

### REVIEW OF OPERATIONS

During the period under review your Company's volume of goods sold has gone up to 2344 MT from 1750 MT last year registering a growth of 34%. However, due to deflation in prices, turnover was Rs.2520.56 lacs as against Rs. 2495.18 lacs in the previous year. The profit before tax for the period under review has increased to Rs.337.53 Lacs from Rs. 245.33 lacs in previous year registering an increase by 37 %.

As a part of the diversification activity, your Company is exploring opportunities for marketing of Speciality rubber compounds and Performance additives from M/S Excel Polymers, USA for the rubber industry.

Your Company is optimistic to continue to show better results and higher growth in the current year.

### DIVIDEND

Your Directors recommend a dividend of Re.1.20/- per Equity Share of Rs. 10/- each (12 %) for the year ended 31st March 2010.

### DIRECTORS

The Board of Directors of the Company has revised the terms and conditions of the appointment including the Remuneration and tenure of Mr. Aditya Kapoor as a Managing Director of the Company with effect from April 1, 2010 as per the recommendation of the Remuneration Committee in its meeting held on May 10, 2010 and subject to the approval of the shareholders of the Company in the ensuing Annual General Meeting.

Mr. Arvind Kapoor retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Mr. Dilip Shah retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

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

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

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

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

## DEPOSITS

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

## AUDITORS

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

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

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

## EMPLOYEES

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

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

## CORPORATE GOVERNANCE REPORT

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

## ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

### Corporate Office:

84, Atlanta, Nariman Point,  
Mumbai- 400 021  
Dated: May 10, 2010

MAHENDRA KUMAR KAPOOR  
CHAIRMAN

## ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of Directors' Report for the year ended March 31, 2010.

### A. CONSERVATION OF ENERGY

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

### B. TECHNOLOGY ABSORPTION

#### a) Research and Development

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

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

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

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

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

Focus is on development of new grades and to meet stringent quality standards of international market for Company's products.

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

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

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

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

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

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

The Company has introduced new grades for exports market.

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

There was no import of technology during the year.

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

Particulars	2009-2010	2008-2009
<b>1. Electricity</b>		
a) Purchased Unit (KWH)	2,02,633	1,55,528
Total amount (Rs.)	11,64,344	7,90,310
Rate/Unit (Rs.)	5.75	5.08
b) Own generation	NIL	NIL
<b>2. Consumption per kg. of finished goods produced</b>	0.24 KWH	0.25 KWH

### D. Foreign Exchange Earnings and Outgo:

(Rs. in Lacs)

	2009-2010	2008-2009
<b>1. FOREIGN EXCHANGE EARNINGS</b>		
Foreign Exchange earnings during the year	404.00	567.44
<b>2. FOREIGN EXCHANGE OUTGO</b>		
Value of Imports calculated on CIF basis		
Sales Commission	2.19	1.51
Raw Material	397.29	349.02
Trading Goods	1123.24	1117.63

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The main business of the Company is to manufacture polymer blends containing high quality of Nitrile rubber and PVC and to import and supply synthetic rubbers and rubber chemicals to rubber industry. The Polymer Blends are mainly used in manufacture of petrol hose, LPG tubing, O-rings, seals and gaskets, printing and textile rollers, cable sheathing, automobile components etc. Besides growing local demand there is a good potential for export of our products.

### INDUSTRY STRUCTURE

The Rubber industry can be broadly classified in tyre and non-tyre sectors. While tyre sector is dominated by few large tyre companies the non-tyre sector consists of number of medium and small units. Company sells polymer blends to the medium and small scale sector which accounts for over 50% of production of rubber goods in non-tyre industrial products.

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

### FINANCIAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements to the Companies Act, 1956 and generally accepted Accounting Principles in India.

#### Fixed Assets

During the year the Fixed Assets has been increased by Rs. 17.29 lacs.

#### Inventories

During the year total inventories have been increased to Rs. 548.12 Lacs in the current year from Rs.383.83 Lacs in last year.

#### Sundry Debtors

The Sundry Debtors are at 14.70 % of sales as at March 31, 2010.

#### Financial performance

The profit before taxation is Rs. 337.53 Lacs as compared to profit for the previous year Rs. 245.33 Lacs.

### OPPORTUNITIES AND THREATS

The Company is continuing to customize its new grades to meet the requirements of domestic and international customers. It has also started sourcing new complementary products to meet customers' requirements.

### OUTLOOK

The current boom in automotive industry in India has contributed to a significant growth in demand for polymers. The growth of the non-tyre sector of rubber industry, where our products are consumed, is expected to be between 12% - 14% per annum. In short term, price volatility and fierce competition may affect the profit margins. However in the long term the market is expected to grow steadily.

The Company is committed to continually improve the quality of our products with research and innovation using best practices, adopting aggressive sales and marketing strategies and expanding its manufacturing capacity. A growing economy and booming automotive industry will result in an optimistic future for the Company.

### RISKS AND CONCERNS

Volatility in price and availability of downstream petroleum products, impacts the sourcing of our raw materials. This may lead to all round increase in prices of rubber chemicals and finished products impacting demand for our products.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

The Company has in place effective systems safeguarding the assets and interest of the Company and ensuring compliance with law and regulations. The Company's internal control systems are supplemented by an extensive programme of internal audit conducted by an external auditor to ensure adequate system of internal control.

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

The Company is maintaining good relations with its employees and currently employs about 23 employees in all categories. The Company values and understands the need for continuous growth and development of its people in order to have greater productivity and provide job satisfaction and also equip them to meet growing organizational challenges. Our Company has genuine concern and top priority for safety and welfare of its employees.

#### **CAUTIONARY STATEMENTS**

Statements in this report on Management Discussion and Analysis describing the Company's objective, expectations or predictions may be forward looking statements within the meaning of applicable security law and regulations. These statements are based on certain assumption and expectation of future events. Actual results could however differ materially from those expressed or implied.

Important factors that could make a difference to the Company's operation include demand and supply condition, finished goods prices, raw materials cost and availability, Foreign exchange fluctuation, changes in government regulation and tax structures, economic developments within India and the countries with which the Company has business contacts and other factors such as litigations and industrial relations.

The Company assumes no responsibility with respect to forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.



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

1. We have audited the attached balance sheet of Puneet Resins Limited as at 31st March, 2010, the profit & loss account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in para 3 above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books;
  - c. The Balance Sheet, the Profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion the Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956;
  - e. On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as at 31st March 2010 from being appointed as a Director of the Company under clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    1. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
    2. In the case of Profit and Loss account, of the Profit for the year ended on that date; and
    3. In the case of the cash flow statement, of the cash flows for the year ended on that date.

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

Place: Mumbai  
Dated: May 10, 2010

**Raman Jokhakar**  
Partner  
Membership No. 103241  
Firm Reg. No. 104345W

## ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, a substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year the company has not disposed off substantial part of its fixed assets so as to affect its going concern status.
- (ii) (a) As explained to us, the inventories of the company except stocks in transit have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification.
- (iii) (a) We are informed that during the year, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses 4(iii) (b), 4(iii) (c), 4(iii) (d) of the Order are not applicable.
- (e) The Company had taken unsecured loans from one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum outstanding during the year was Rs. 30,00,000/- and the year end balance of such loan is NIL.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest wherever applicable and other terms and conditions were not prima facie prejudicial to the interest of the company.
- (g) In respect of unsecured loan taken the loan was repayable on demand and the payment of principal amount and interest were regular.
- (iv) In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in such internal control systems.
- (v) (a) To the best of our knowledge and belief and according to information and explanations given to us and on examination of records the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements are specialised in nature and comparable prices are not always determinable and the prices charged are prima facie reasonable.
- (vi) According to the information and explanation given to us, the Company has not accepted deposits from the public during the period covered by our audit report. Therefore, clause 4(vi) of the order is not applicable.
- (vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management has been commensurate with the size of the company and nature of its business.
- (viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government u/s 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.

- (ix) (a) The company has generally been regular in depositing undisputed statutory dues payable in respect of provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues, as applicable, with the appropriate authorities during the year. There were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no disputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty, excise duty and cess, service tax outstanding as at the year end.
- (x) The company has no accumulated losses at the end of the financial year. The company has not incurred any cash losses in the current or in the immediately preceding financial year. Therefore, the provisions of clause 4(x) of the order are not applicable to the company.
- (xi) According to the information and explanations given to us the company has not defaulted in repayment of dues to banks and financial institutions.
- (xii) According to the information and explanations given to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the order are not applicable to the company.
- (xiii) The company is not a chit fund or a nidhi or mutual benefit fund /society. Therefore, the provisions of clause 4(xiii) of the order are not applicable to the company.
- (xiv) In our opinion and according to information and explanations given the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the order, are not applicable to the Company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company during the year have been used for the purpose for which they are obtained.
- (xvii) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis, have prima facie, not been used during the year for long term investments.
- (xviii) According to the information and explanations given to us no preferential allotment of shares has been made by the company to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any secured debentures and accordingly the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The company has not raised any money through a public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit during the year.

For B. D. Jokhakar & Co.  
Chartered Accountants

Place: Mumbai  
Dated: May 10, 2010

Raman Jokhakar  
Partner  
Membership No. 103241  
Firm Reg. No. 104345W

## AUDITED BALANCE SHEET AS AT MARCH 31, 2010

PARTICULARS	SCHEDULE	As at	
		31/03/2010	31/03/2009
		Rs.	Rs.
<b>I. SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	52,158,000	52,158,000
b) Reserves & Surplus	2	24,894,685	10,870,860
<b>2. Loan Funds</b>			
a) Secured Loans	3	3,224,354	4,573,498
b) Unsecured Loans	4	-	3,053,975
<b>3. Deferred Tax Liability</b>			
		4,690,312	1,709,431
<b>TOTAL</b>		<u>84,967,351</u>	<u>72,365,764</u>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross Block	5	63,209,161	61,480,114
b) Less :- Depreciation & Impairment		<u>42,088,641</u>	<u>39,527,154</u>
		21,120,520	21,952,960
c) Net Block		21,120,520	21,952,960
<b>2. Investments</b>			
	6	10,085,691	25,000
<b>3. Current Assets, Loans &amp; Advances</b>			
a) Inventories	7	54,812,072	38,382,522
b) Sundry Debtors	8	36,410,835	16,719,750
c) Cash & Bank Balances	9	16,586,499	10,437,471
d) Loans & Advances	10	<u>7,202,579</u>	<u>4,264,234</u>
		115,011,985	69,803,977
Less :-Current Liabilities & Provisions	11		
a) Liabilities		52,007,878	21,642,852
b) Provisions		<u>9,242,967</u>	<u>998,978</u>
		61,250,845	22,641,830
Net Current Assets		53,761,140	47,162,147
<b>5. Profit &amp; Loss Account</b>			
		-	3,225,657
<b>TOTAL</b>		<u>84,967,351</u>	<u>72,365,764</u>

Significant Accounting Policies & Notes **20**

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

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For B.D. Jokhakar & Company  
Chartered Accountants

Mahendra Kumar Kapoor

Chairman

Aditya Kapoor

Managing Director

Raman Jokhakar  
Partner

Arvind Kapoor  
Jayesh Dadia

Directors

PLACE : Mumbai  
DATED : May 10, 2010

Kanika Sharma

Company Secretary

## AUDITED PROFIT AND LOSS ACCOUNT FOR YEAR ENDED MARCH 31, 2010

PARTICULARS	SCHEDULE	For the year ended 31/03/2010		For the year ended 31/03/2009	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales	12	252,056,179		249,518,161	
Less: Excise Duty Paid		4,421,194		5,034,475	
			247,634,985		244,483,686
Other Income	13		2,639,450		1,124,794
Increase/(Decrease)in stock	14		8,919,597		135,785
<b>TOTAL</b>			<u>259,194,032</u>		<u>245,744,265</u>
<b>EXPENDITURE</b>					
Cost of Materials	15	202,518,263		191,566,726	
Other Manufacturing Expenses	16	2,117,516		1,907,024	
Employee Cost	17	6,766,426		5,018,965	
Administrative, Selling & General Expenses	18	10,074,517		16,012,891	
Financial Charges	19	1,304,001		4,174,401	
			<u>222,780,723</u>		<u>218,680,007</u>
Profit before depreciation			36,413,309		27,064,258
Depreciation			2,660,276		2,531,732
Profit before Tax			<u>33,753,033</u>		<u>24,532,526</u>
Provision for Taxation					
- Current Tax			6,200,000		2,541,000
- Deferred Tax			2,980,881		7,596,001
- Fringe Benefit Tax			-		60,000
Profit for the Year			<u>24,572,152</u>		<u>14,335,525</u>
- Short provision of tax for previous year			-		82,193
			<u>24,572,152</u>		<u>14,253,332</u>
Add : Profit/(Loss) Brought Forward			(3,225,657)		(17,478,989)
<b>Amount available for appropriations</b>			<u>21,346,495</u>		<u>(3,225,657)</u>
<b>APPROPRIATIONS</b>					
General Reserve			2,000,000		-
Proposed Dividend			6,258,960		-
Tax on Proposed Dividend			1,063,710		-
<b>Balance Carried to Balance Sheet</b>			<u>12,023,825</u>		<u>(3,225,657)</u>
			<u>21,346,495</u>		<u>(3,225,657)</u>
Equity Shares of face value Rs. 10 each					
Basic EPS			4.71		2.73
Diluted EPS			4.71		2.73

Significant Accounting Policies &amp; Notes 20

Schedules referred to herein form an integral part of the Profit and Loss Account

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For B.D. Jokhakar & Company  
Chartered Accountants

Mahendra Kumar Kapoor

Chairman

Aditya Kapoor

Managing Director

Raman Jokhakar  
PartnerArvind Kapoor  
Jayesh Dadia

Directors

PLACE : Mumbai  
DATED : May 10, 2010

Kanika Sharma

Company Secretary

## SCHEDULES ATTACHED TO AND FORMING PART OF THE AUDITED BALANCE SHEET AS AT MARCH 31, 2010

PARTICULARS	As at 31/03/2010 (Rs.)	As at 31/03/2009 (Rs.)
<b>SCHEDULE :- 1</b>		
<b>SHARE CAPITAL</b>		
1. 6,000,000 Equity Shares of Rs.10 each (Previous year 6,000,000 )	60,000,000	60,000,000
2. 75,000 5% Cumulative Redeemable Preference shares of Rs. 100 each (Previous year 75,000 )	7,500,000	7,500,000
<b>TOTAL</b>	<u>67,500,000</u>	<u>67,500,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
1. 5,215,800 Equity Shares of Rs.10 each fully paid. ( Previous year 5,215,800 )	52,158,000	52,158,000
<b>TOTAL</b>	<u>52,158,000</u>	<u>52,158,000</u>
<b>SCHEDULE :- 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
1 General Reserve As per Last Balance Sheet	-	-
Add:- Transferred from Profit & Loss A/c	2,000,000	-
2 Capital Reserve Capital Reserve as per last Balance Sheet	10,870,860	10,870,860
3. Profit & Loss Account	12,023,825	-
<b>TOTAL</b>	<u>24,894,685</u>	<u>10,870,860</u>
<b>SCHEDULE :- 3</b>		
<b>SECURED LOANS</b>		
1. From Bank (Refer Note No. 3 of Schedule 20)		
a) Cash Credit Account	0	1,401,230
b) Packing Credit	1,900,000	985,000
c) Term Loan- Sarswat Co-Op Bank Ltd	1,324,354	2,109,604
2. Car Loan (Secured by hypothecation of Car)	0	77,664
<b>TOTAL</b>	<u>3,224,354</u>	<u>4,573,498</u>
<b>SCHEDULE :- 4</b>		
<b>UNSECURED LOANS</b>		
1. Other Loans and Advances		
a. SICOM Interest Free Sales Tax Deferred Loan	-	53,975
b. Inter Corporate Loans	-	3,000,000
<b>TOTAL</b>	<u>-</u>	<u>3,053,975</u>

**SCHEDULES ATTACHED TO AND FORMING PART OF THE AUDITED BALANCE SHEET AS AT MARCH 31, 2010**
**Schedule :- 5  
Fixed Assets**

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK		
	As on 1/4/2009	Addition during Year	Deletion during Year	As on 1/4/2009	For the Deletion Year	As on 31/03/2010	As on 31/03/2009
Lease Hold Land	107,894	-	-	26,695	1,136	27,831	80,063
Free Hold Land	508,519	-	-	-	-	-	508,519
Building	9,334,944	-	-	4,573,286	340,399	4,913,685	4,421,259
Plant & Machinery	46,514,834	199,799	-	31,009,806	1,892,817	32,902,623	13,812,010
Furniture & Fixtures	311,221	131,689	-	271,000	22,863	293,863	149,047
Electrical Installations	1,664,350	-	103,988	1,255,977	56,231	1,213,419	346,943
Office Equipments	90,392	94,058	-	64,381	4,809	69,190	115,260
Laboratory Equipments	413,738	-	-	212,453	27,775	240,228	173,510
Other Equipments	79,113	267,811	-	47,084	20,698	67,782	32,029
Computers	192,796	114,496	-	177,674	35,253	212,927	94,365
Vehicles	1,033,801	1,025,182	-	721,468	258,295	979,763	1,079,220
Moulds & Jigs	1,228,512	-	-	1,167,330	-	1,167,330	61,182
<b>Total</b>	<b>61,480,114</b>	<b>1,833,035</b>	<b>103,988</b>	<b>39,527,154</b>	<b>2,660,276</b>	<b>42,088,641</b>	<b>21,952,960</b>
Previous Year	61,454,266	25,848	-	36,995,422	2,531,732	39,527,154	21,952,960

**SCHEDULES ATTACHED TO AND FORMING PART OF THE AUDITED  
BALANCE SHEET AS AT MARCH 31, 2010**

	(Rs.)	As at 31/03/2010 (Rs.)	(Rs.)	As at 31/03/2009 (Rs.)
<b>SCHEDULE :- 6</b>				
<b>INVESTMENTS</b>				
<b>Long Term Investment</b>				
<b>Non-Traded ( At Cost)</b>				
<b>Unquoted</b>				
2,500 Equity Shares of Saraswat Co-Op Bank Ltd., of Rs. 10/- each		25,000		25,000
<b>Current Investment</b>				
<b>Traded (Lower of Cost or Fair Value)</b>				
Birla Sunlife Medium Term Plan, Mutual Fund 995,115.01 Units of face value Rs.10/- Market price Rs. 100,75.042 ( P.Y. Nil )		10,060,691		-
<b>TOTAL</b>		<u>10,085,691</u>		<u>25,000</u>
<b>SCHEDULE :- 7</b>				
<b>INVENTORIES</b>				
(Refer Schedule 20 Note No. ix )				
1. Raw Materials		7,114,897		6,993,625
2. Work In Progress		48,369		54,064
3. Finished Goods		4,145,535		6,061,843
4. Packing Materials		80,063		48,347
5. Trading Goods		21,924,308		11,082,708
6. Goods in transit Raw Materials		6,255,918		4,788,508
7. Goods in transit Trading Goods		15,242,982		9,353,427
<b>TOTAL</b>		<u>54,812,072</u>		<u>38,382,522</u>
<b>SCHEDULE :- 8</b>				
<b>SUNDRY DEBTORS</b>				
<b>(Unsecured, considered good)</b>				
1. Debts Outstanding for a period exceeding six months	158,260		797,715	
2. Other Debtors	<u>36,252,575</u>		<u>15,922,035</u>	
<b>TOTAL</b>		<u>36,410,835</u>		<u>16,719,750</u>
<b>SCHEDULE :- 9</b>				
<b>CASH &amp; BANK BALANCES</b>				
1. Cash balance on hand		38,123		40,680
2. Balances with Scheduled Banks				
In Current Accounts	8,029,008		1,798,913	
In LC Margin Deposit ( Pledged with Bank )	2,500,000		368,489	
In Fixed Deposit Account	<u>6,019,368</u>		<u>8,229,389</u>	
<b>TOTAL</b>		<u>16,548,376</u>		<u>10,396,791</u>
<b>TOTAL</b>		<u>16,586,499</u>		<u>10,437,471</u>



**SCHEDULES ATTACHED TO AND FORMING PART OF THE AUDITED  
BALANCE SHEET AS AT MARCH 31, 2010**

	As at 31/03/2010 (Rs.)	As at 31/03/2009 (Rs.)
<b>SCHEDULE :- 10</b>		
<b>LOANS &amp; ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
1. Advances recoverable in Cash or in kind or for value to be received	2,487,233	1,137,554
2. Deposit with Excise Authorities	3,891,936	2,302,751
3. Other Deposits	823,410	823,929
<b>TOTAL</b>	<u>7,202,579</u>	<u>4,264,234</u>

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

1. Sundry Creditors		
a) Micro, Small & Medium Enterprises ( Refer Note No2 of Schedule 20 )	302,362	316,895
b) Other Sundry creditors	49,943,922	19,992,359
2. Other Liabilities	1,724,809	1,317,319
3. Advances From Customers	36,785	16,279
<b>TOTAL</b>	<u>52,007,878</u>	<u>21,642,852</u>

**b) PROVISIONS**

1) Fringe Benefit Tax	1,009	1,009
2) Current Tax	1,151,815	327,098
3) Employee Benefits	767,473	670,871
4) Proposed Dividend	6,258,960	-
5) Tax on Proposed Dividend	1,063,710	-
<b>TOTAL</b>	<u>9,242,967</u>	<u>998,978</u>

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

Manufacturing Sales		
- Local	56,094,169	42,262,262
- Less Excise duty paid	4,421,194	5,034,475
	51,672,975	37,227,787
- Export	41,608,056	41,648,725
Trading Sales		
- Local	154,143,954	149,067,354
	154,143,954	149,067,354
- Export	210,000	16,539,820
<b>TOTAL</b>	<u>247,634,985</u>	<u>244,483,686</u>

**SCHEDULES ATTACHED TO AND FORMING PART OF THE AUDITED  
BALANCE SHEET AS AT MARCH 31, 2010**

	(Rs.)	For the year ended 31/03/2010 (Rs.)	(Rs.)	For the year ended 31/03/2009 (Rs.)
<b>SCHEDULE :- 13</b>				
<b>OTHER INCOME</b>				
1. Interest received				
a) On Bank Deposits		624,775		989,498
b) Others		16,073		124,891
2. Foreign Exchange Fluctuation		1,101,540		-
3. Dividend		117,609		5,000
4. Miscellaneous Income		779,452		5,406
<b>TOTAL</b>		<u>2,639,450</u>		<u>1,124,794</u>
<b>SCHEDULE :- 14</b>				
<b>INCREASE/(DECREASE) IN STOCK</b>				
<b>Closing Stock</b>				
1. Finished Goods	4,145,535		6,061,843	
2. Trading Goods	21,924,308		11,082,708	
3. Work in Progress	48,369		54,064	
		<u>26,118,212</u>		<u>17,198,615</u>
<b>Opening Stock</b>				
1. Finished Goods	6,061,843		780,988	
2. Trading Goods	11,082,708		16,267,423	
3. Work in Progress	54,064		14,419	
		<u>17,198,615</u>		<u>17,062,830</u>
<b>Increase/(Decrease) in Stock</b>		<u>8,919,597</u>		<u>135,785</u>
<b>SCHEDULE :- 15</b>				
<b>COST OF MATERIALS</b>				
a) Raw Materials Consumed		65,173,945		60,273,962
b) Packing Materials Consumed		964,273		569,500
c) Trading Goods Purchased		136,380,045		130,723,264
		<u>202,518,263</u>		<u>191,566,726</u>
<b>SCHEDULE :- 16</b>				
<b>OTHER MANUFACTURING EXPENSES</b>				
1. Repairs & Maintenance to				
a. Building	262,262		555,379	
b. Plant & Machinery	504,760		398,128	
c. Others	25,932		53,969	
		<u>792,954</u>		<u>1,007,476</u>
2. Power		1,164,344		790,310
3. Consumable Stores		32,787		31,926
4. Water Charges		49,566		43,868
5. Laboratory Expenses		48,151		4,628
6. Fuel		29,714		28,816
<b>TOTAL</b>		<u>2,117,516</u>		<u>1,907,024</u>

**SCHEDULES ATTACHED TO AND FORMING PART OF THE AUDITED  
BALANCE SHEET AS AT MARCH 31, 2010**

	For the year ended 31/03/2010 (Rs.)	For the year ended 31/03/2009 (Rs.)
<b>SCHEDULE :- 17</b>		
<b>EMPLOYMENT COST</b>		
1. Salaries, Wages, Bonus & Benefits	6,002,967	4,423,495
2. Contribution to Provident Fund, Gratuity and Other Funds	514,656	403,310
3. Staff Welfare	248,803	192,160
<b>TOTAL</b>	<u>6,766,426</u>	<u>5,018,965</u>

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

1. Insurance Charges	181,051	192,649
2. Rates & Taxes	122,497	512,883
3. Directors Sittings Fees	55,000	46,000
4. Managerial Remuneration	1,623,232	972,276
5. Payment to Auditors	195,899	159,361
6. Share Transfer Expenses	72,000	72,000
7. Vehicle Expenses	163,748	159,455
8. Legal & Professional Charges	615,143	659,285
9. Printing & Stationery	113,003	105,852
10. Conveyance & Travelling	1,198,111	371,518
11. Advertisement Expenses	212,201	62,497
12. Postage & Courier	113,151	92,718
13. Telephone Expenses	116,466	97,115
14. Security Charges	408,084	335,319
15. Miscellaneous Expenses	1,224,259	1,106,616
16. Export Charges	1,710,222	2,300,103
17. Foreign Exchange Fluctuation	-	6,945,979
18. Rent Office Premises	1,380,000	789,666
19. Warehousing Charges	306,466	610,810
20. Commission & Discount	263,985	420,789
<b>TOTAL</b>	<u>10,074,517</u>	<u>16,012,891</u>

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

1. Interest Paid		
-On Cash Credit	52,578	560,348
-On Packing Credit	10,115	706,535
-On Inter Corporate Loan	251,192	1,468,353
-On Car Loan	6,108	16,348
-On Others	85,643	13,633
2. Bank Commission & Charges	898,365	1,409,184
<b>TOTAL</b>	<u>1,304,001</u>	<u>4,174,401</u>

## **SCHEDULE :- 20**

### **SIGNIFICANT ACCOUNTING POLICIES :**

#### **(i) Basis of Accounting :**

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

#### **(ii) Use of Estimates :**

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

#### **(iii) Revenue Recognition :**

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

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

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

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

#### **(iv) Fixed Assets :**

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

#### **(v) Depreciation :**

Depreciation on Fixed Assets has been provided on the following basis.

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

#### **(vi) Impairment of Assets :**

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

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

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

#### **(vii) Borrowing Cost :**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expenses in the period in which they are incurred.

#### **(viii) Investment :**

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

**(ix) Inventories :**

Stock of Raw Materials is valued at lower of cost or net realizable value, cost of which include duties and taxes except those subsequently recoverable from the government authorities, However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Stock of Packing Materials is valued at cost.

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

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

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

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

**(xi) Employees' Benefits :****Short Term Employee Benefits**

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

**Long Term Employee Benefits**

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

(b) Defined Benefit Plan

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

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

**(xii) Taxes on Income :**

Current tax is measured at an amount payable for the period in accordance with the Income Tax Act 1961. The provision for taxation for the current year is made after considering tax credit availed under Sec. 115JB (MAT).

Deferred tax expenses or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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

**(xiii) Provisions :**

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

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

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

## NOTES TO ACCOUNTS :

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

The below information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

### Micro, Small and Medium Enterprises disclosure :

	2009-10	2008-09
1. Amount payable to "suppliers" under MSMED Act.		
Principal	302362	316895
Interest	59628	24579
2. Amount paid to "suppliers" under MSMED Act.		
Principal	2608876	1641221
Interest	0	0
3. Amount of interest due/payable on delayed Principal which has already been paid during current year (Without interest or with part interest )	0	0
4. Amount accrued and remaining unpaid at the end of Accounting year	59628	24579
5. Amount of interest which is due and payable which is carried forward from previous year.	24579	0

### 3. Secured loan

Cash credit and packing credit Rs. 19,00,000/- (previous year Rs, 23,86,230/-) from The Sarswat Co-Op Bank Ltd are secured against hypothecation of inventories &, book debts.

Term Loan Rs, 13,24,354/- (previous year Rs. 21,09,604/-) from The Sarswat Co-Op Bank Ltd, are secured against equitable mortgage of immovable property and guaranteed by two directors.

### 4. Managerial Remuneration :

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

	2009-2010 Rs.	2008-2009 Rs.
(a) Salary	720,000	428,600
(b) Allowances	747,602	492,244
(c) Contribution to Provident Fund & Other Funds	155,630	51,432
	<u>1,623,232</u>	<u>972,276</u>

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

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

### 5. Payment to Auditors includes :

	2009-2010 Rs.	2008-2009 Rs.
(a) Audit Fees	85,000	70,000
(b) Tax Audit Fees	30,000	25,000
(c) Certification & Review	25,000	25,000
(d) Expenses Reimbursed	55,899	39,361
	<u>195,899*</u>	<u>159,361</u>

\* Net of Service Tax

## 6. Employee Benefits

The Company has a defined benefit plan Every employee who has completed five year or more of service gets a gratuity on departure at 15 days salary ( last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The Company has a defined unfunded obligation for leave encashment. Generally the leave encashment is paid to employees as and when claimed.

The following tables summarise :

	2009-10		2008-09	
	Rs.	Rs.	Rs.	Rs.
<b>The amounts Recognised in the balance Sheet :</b>				
	<b>Leave</b>	<b>Gratuity Encashment</b>	<b>Leave</b>	<b>Gratuity Encashment</b>
Present value of funded obligations	Nil	590,513	Nil	433,576
Fair value of plan assets	Nil	590,513	Nil	433,576
Present value of unfunded obligations	342328	138,081	344282	122,437
Unrecognised past service cost	Nil	Nil	Nil	Nil
Net Liability	342328	138,081	344282	122,437
Amounts in the balance sheet				
Liabilities	342328	728,594	344282	556,013
Assets	Nil	590,513	Nil	433,576
Net Liability	342328	138,081	344282	122,437

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

Current service cost	75,235	119,424	59,470	77,399
Interest on obligation	28,403	45,871	25,383	49,480
Expected return on plan assets	Nil	(44,002)	Nil	(35,800)
Net actuarial losses (gains) recognised in the year	6,675	5,026	133,972	(11,268)
Past service cost	Nil	Nil	Nil	Nil
Losses (gains) on curtailments and settlement	Nil	Nil	Nil	Nil
Total included in employee benefit expenses	110,313	126,320	218,825	79,811

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

Opening defined obligation as on 01/04/2009	344,282	556,013	317,284	618,498
Service cost for the year	75,235	119,424	59,470	77,399
Interest cost	28,403	45,871	25,383	49,480
Actuarial losses (gains)	6,675	7,285	133,972	(11,268)
Losses (gains) on curtailments				
Benefit paid	(112,267)	-	(191,827)	178,096
Closing defined benefit obligation as on 31/03/2010	342,328	728,594	344,282	556,013

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

Opening fair value of plan assets	Nil	433,576	Nil	397,776
Expected return	Nil	44,002	Nil	35,800
Actuarial gains and (losses)	Nil	2,259	Nil	-
Assets distributed on settlements	Nil	Nil	Nil	Nil
Contribution by employer	Nil	110,676	Nil	-
Closing balance of Fund	Nil	590,513	Nil	433,576

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

(Expressed as weighted averages)

Discount rate ( p.a.)	8.25%	8.25%	8%	8%
Expected return on plan assets (p.a)	-	9%	-	9%
Proportion of employee opting early retirement	-	-	-	-
Annual increase in salary costs	6%	6%	6%	6%

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

Defined benefit obligation	342,328	728,594	344,282	556,013
Plan assets	-	590,513	-	433,576
Surplus/(deficit)	(342,328)	(138,081)	(344,282)	(122,437)

**7. Related Party Information :**

As per AS-18 issued by the institute of chartered accountants of India, the Company's related parties are as under

**1 (a) Key Management personnel and their relatives**

- 1 Aditya Kapoor Managing Director

**(b) Enterprises under significant influence of key management personnel**

- 1 Rishirop Polymers Private Limited  
 2 Rishirop Rubber (International) Limited  
 3 Devi Organics Private Limited  
 4 Rishichem Distributors Private Limited  
 5 Rishirop Investments & Trading Private Limited  
 6 Rishirop Holdings Private Limited  
 7 Rishichem Mid-East Limited  
 8 Rubtrade.com (India) Private Limited

**2 Transactions with related parties**

Particulars	2009-10		2008-09	
	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (a) above	Referred in 1 (b) above
<b>Managerial Remuneration</b>	1,623,232		972,276	
<b>Interest on Loan</b> Rishirop Polymers Pvt Ltd.,		17,261		1,104,274
<b>Outstanding Loan</b> Rishirop Polymers Pvt Ltd.,		-		3,000,000
<b>Purchases</b> Rishirop Rubber (Intl.) Ltd.,		4,610,904		2,399,536

**8. Leases- AS 19**

Operating Lease :

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

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

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



	2009-10	2008-09
a. payable not later than one year	590,334	1,380,000
b. payable later than one year but not later than five years	-	590,334
Future commitments in respect of assets acquired under Finance Schemes		
Minimum lease payments		
a. payable not later than one year	NA	NA
b. payable later than one year but not later than five years		
Present value of Minimum lease payments	NA	NA
a. payable not later than one year		
b. payable later than one year but not later than five years		
Finance charges	NA	NA
a. payable not later than one year		
b. payable later than one year but not later than five years		

#### 9. Earning per share :

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

	As on 31/03/2010 (Rs. In Lacs)	As on 31/03/2009 (Rs. In Lacs)
Profit after tax as per Profit & Loss Account (A)	24,572,152	14,253,332
No. of Equity Shares (B)	5,215,800	5,215,800
Basic and diluted Earning Per Share (A/B)	4.71	2.73

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

	As at 31/03/2009	Charge for the year	As at 31/03/2010
(A) Deferred Tax Liability			
Difference between net block as per book and Income Tax			
(A)	4,670,312	(20,000)	4,690,312
(B) Deferred Tax Assets			
Unabsorbed Depreciation & Carried forward Losses			
(B)	2,960,881	2,960,881	-
Deferred Tax Asset/(Liability) Net (A-B)	<u>(1,709,431)</u>	<u>2,980,881</u>	<u>(4,690,312)</u>

#### 11. Additional Information required under para 3,4C & 4D of Part II of Schedule VI to the Companies Act, 1956 as certified by management :

##### A. Licenced & Installed capacity & Production :

	Rubber & PVC Compound		Rubber Products	
	2009-2010 Quantity M.T.	2008-2009 Quantity M.T.	2009-2010 Quantity M.T.	2008-2009 Quantity M.T.
Licenced Capacity	N.A.	N.A.	N.A.	N.A.
Installed Capacity	.*	.*	150	150
Production	857	622	0	0

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

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

	2009-2010		2008-2009	
	Quantity M.T.	Value Rs.in Lacs	Quantity M.T.	Value Rs.in Lacs
1. PVC	252.19	123.71	181.14	95.39
2. Synthetic Rubber	454.75	406.56	348.56	409.32
3. Other Chemicals	171.50	121.47	116.79	98.02
<b>TOTAL</b>	<b>878.44</b>	<b>651.74</b>	<b>646.49</b>	<b>602.73</b>

**C. Trading Purchases :**

1. Synthetic Rubber	1,408.01	1,161.62	934.36	1,211.71
2. Others	217.80	202.18	116.90	95.52
	<b>1,625.81</b>	<b>1,363.80</b>	<b>1,051.26</b>	<b>1,307.23</b>

**D. Details of Sales :**

	2009-2010		2008-2009	
	Quantity M.T.	Value Rs.in Lacs	Quantity M.T.	Value Rs.in Lacs
<b>Mfg Sales</b>				
1. Rubber & PVC Compound	868.44	932.81	574.68	788.77
2. Rubber Product	-	-	-	-
(A)	<b>868.44</b>	<b>932.81</b>	<b>574.68</b>	<b>788.77</b>
<b>Trading Sales</b>				
1. Synthetic Rubber	1,253.26	1,295.77	946.86	1,454.92
2. Others	222.54	247.77	228.65	201.15
(B)	<b>1,475.80</b>	<b>1,543.54</b>	<b>1,175.51</b>	<b>1,656.07</b>
(A + B)	<b>2,344.24</b>	<b>2,476.35</b>	<b>1,750.19</b>	<b>2,444.84</b>

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

	2009-2010		2008-2009	
	Quantity M.T.	Value Rs.in Lacs	Quantity M.T.	Value Rs.in Lacs
<b>Opening Stock</b>				
1. Rubber & PVC Compound	57.84	60.59	10.21	7.77
2. Rubber Product	0.64	0.03	0.64	0.04
	<b>58.48</b>	<b>60.62</b>	<b>10.85</b>	<b>7.81</b>
<b>Closing Stock</b>				
1. Rubber & PVC Compound	46.73	41.42	57.84	60.59
2. Rubber Product	0.64	0.04	0.64	0.03
	<b>47.37</b>	<b>41.46</b>	<b>58.48</b>	<b>60.62</b>

**F. Opening and Closing Stock of Trading Goods :**

	2009-2010		2008-2009	
	Quantity M.T.	Value Rs.in Lacs	Quantity M.T.	Value Rs.in Lacs
<b>Opening Stock</b>				
1. Synthetic Rubber	61.82	80.60	74.38	82.15
2. Others	43.62	30.23	155.30	80.52
	<b>105.44</b>	<b>110.83</b>	<b>229.68</b>	<b>162.67</b>
<b>Closing Stock</b>				
1. Synthetic Rubber	216.57	191.79	61.82	80.60
2. Others	38.86	27.45	43.62	30.23
	<b>255.43</b>	<b>219.24</b>	<b>105.44</b>	<b>110.83</b>

G. CIF Value of Imports :	2009-2010 Rs. in Lacs	2008-2009 Rs. in Lacs
On account of Raw Material	397.29	349.02
On account of Trading Goods	1,123.24	1,117.63
H. Value of imported and indigenous raw materials, stores & spares	2009-2010 %      Rs. in Lacs	2008-2009 %      Rs. in Lacs
a) Imported Raw Material	76      492.45	77      462.74
b) Indigenous Raw Material	24      159.29	23      139.99
	100      651.74	100      602.73
c) Indigenous Stores	100      0.33	100      0.32
I. Expenditure in Foreign currency :	2009-2010 Rs. in Lacs	2008-2009 Rs. in Lacs
Sales Commission	2.19	1.51
J. Earning in Foreign currency on account of Export :	Rs. in Lacs	Rs. in Lacs
F O B Value of Export	404.00	567.44

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For B.D. Jokhakar & Company  
Chartered Accountants

Mahendra Kumar Kapoor

Chairman

Aditya Kapoor

Managing Director

Raman Jokhakar  
PartnerArvind Kapoor  
Jayesh Dadia

} Directors

PLACE : Mumbai  
DATED : May 10, 2010

Kanika Sharma

Company Secretary

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

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

**I. Registration details**

Registration No.	34093
Balance Sheet Date	31 03 2010

**II. Capital raised during the year** Date Month Year  
**(Amount in Rupees Thousands)**

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

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

Total liabilities	84967	Total Assets	84967
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**Sources of funds**

Paid-up capital	52158	Reserves & Surplus	24895
Secured loans	3224	Unsecured Loans	0
Deferred Tax Liability	4690		

**Application of funds**

Net fixed assets	21120	Investments	10086
Net current assets	53761		

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

Turnover	247635	Total Expenditure	213882
Profit/(Loss) before tax	33753	Profit/(Loss) after tax	24572

(Please tick appropriate box + for Profit - for Loss)

Earning per share (Rs.)	4.71	Dividend Rate %	12
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**V. Generic Names of two Principal Products/ Services of the Company (As per monetary terms)**

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

**FOR AND ON BEHALF OF THE BOARD**

Mahendra Kumar Kapoor	Chairman
Aditya Kapoor	Managing Director
Arvind Kapoor Jayesh Dadia	} Directors
Kanika Sharma	

PLACE : Mumbai  
DATED : May 10, 2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010  
(PURSUANT TO AMENDMENT TO CLAUSE 32 OF THE LISTING AGREEMENT)**

	(Rs.)	As at 31/03/2010 (Rs.)	(Rs.)	As at 31/03/2009 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit/(Loss) Before Taxes		33,753,033		24,532,526
Adjusted for				
- Depreciation	2,660,276		2,531,732	
- Loss on Sale of Investment	3,811		-	
- Interest Charged	405,636		2,765,217	
- Dividend received	(117,609)		(5,000)	
- Interest received	(640,848)		(1,114,388)	
- Profit on sale of fixed Assets	(114,801)		-	
- Unrealised Foreign Exchange (gain)/Loss	(383,797)		(217,173)	
		1,812,668		3,960,388
Operating Profit before Working Capital Changes		35,565,701		28,492,914
Adjusted for				
- (Increase)/Decrease in Inventory	(16,429,550)		5,395,058	
- (Increase)/Decrease in Receivables	(22,662,973)		4,587,836	
- Increase/(Decrease) in Trade Payables & other Liabilities	30,878,968		(17,786,416)	
		(8,213,555)		(7,803,522)
Cash generated from operation	27,352,146		20,689,392	
- Less:- Taxes Paid	5,375,283		3,572,362	
Net Cash from Operating Activities (A)		21,976,863		17,117,030
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
- Sales of Fixed Assets	120,000		-	
- Purchase of Fixed Assets	(1,833,035)		(25,848)	
- Interest received	640,848		1,114,388	
- Dividend Received	117,609		5,000	
- Purchase of Mutual Fund	(10,060,691)		-	
- Loss on sale of Investment	(3,811)		-	
Net Cash (Used in)/from Investing Activities (B)		(11,019,080)		1,093,540
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
- (Repayment )& acceptance of Long Term & Other Borrowings	(4,403,119)		(25,341,917)	
- Interest paid	(405,636)		(2,765,217)	
Net Cash Flow(used in)/from Financing Activities (C)		(4,808,755)		(28,107,134)
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS ( A + B + C ) :</b>		6,149,028		(9,896,564)
Cash & Cash Equivalents as at the beginning of the year		10,437,471		20,334,035
Cash & Cash Equivalents as at the end of the year		16,586,499		10,437,471
		6,149,028		(9,896,564)

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For B.D. Jokhakar & Company  
Chartered Accountants

Mahendra Kumar Kapoor

Chairman

Aditya Kapoor

Managing Director

Raman Jokhakar  
PartnerArvind Kapoor  
Jayesh Dadia

} Directors

PLACE : Mumbai  
DATED : May 10, 2010

Kanika Sharma

Company Secretary

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## ELECTROIC CLEARING SERVICES (ECS) MANDATE FORMAT.

To,  
LINK INTIME INDIA PRIVATE LIMITED  
UNIT: PUNEET RESINS LIMITED  
C-13, KANTILAL MAGANLAL ESTATE,  
PANNALAL SILK MILLS COMPOUND,  
L.B.S.MARG, BHANDUP (W),  
MUMBAI - 400078

Dear Sirs,

## FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND.

Please fill in the information in Capital letters in English Only. Please (✓) wherever applicable.

For Shares held in physical form

Master Folio No.

For shares held in electronic form

DP ID

Client ID

Name of the first holder									
Bank Name									
Branch name									
Branch Code	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	( 9 digits Code Number appearing on thw MICR Band of the cheque supplied by the Bank) Please attach a xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.								

Account Type	Savings	Current	Cash Credit
--------------	---------	---------	-------------

Account No. As appearing on cheque book	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Effective date of this mandate	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Link Intime India Private Limited will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI / Puneet Resins Limited

I further undertake to inform the Company of any change in my bank / branch and account number.

-----  
Signature of First Holder

Dated :-

**Note :-** On dematerialisation of existing physical shares, for which you have availed ECS facility, the above form needs to be re-submitted

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**PUNEET RESINS LIMITED**

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

**25TH ANNUAL GENERAL MEETING TO BE HELD ON MONDAY, JULY 19, 2010 AT 10.00 A. M  
AT REGISTERED OFFICE OF THE COMPANY AT  
W-75(A) & W-76(A), MIDC INDUSTRIAL AREA, SATPUR, NASIK 422 007**

**ADMISSION SLIP**

Name & Address of Member	Regd. Folio No.

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

Member's / Proxy's Signature

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

**PUNEET RESINS LIMITED**

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

**25TH ANNUAL GENERAL MEETING TO BE HELD ON MONDAY, JULY 19, 2010 AT 10.00 A. M  
AT REGISTERED OFFICE OF THE COMPANY AT  
W-75(A) & W-76(A), MIDC INDUSTRIAL AREA, SATPUR, NASIK 422 007**

**PROXY FORM**

I/We .....  
..... being a Member/Members of **PUNEET RESINS LIMITED**  
hereby appoint ..... of .....  
or, failing him ..... of .....  
or, failing him ..... of .....  
as my/our proxy to attend and vote for me/us on my/our behalf at the Twenty Fifth Annual General Meeting of the Company to be held on Monday, July 19, 2010 and at any adjournment thereof.

As witness my/our hand(s) this ..... day of ..... 2010

Regd. Folio No. : .....

No. of Shares Held : .....

Please  
Affix  
Re. 1  
Revenue  
Stamp

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

LEFT BLANK INTENTIONALLY