

16th Annual Report

Year 2008-2009



POLYLINK POLYMERS (INDIA) LIMITED



POLYLINK POLYMERS (INDIA) LIMITED

BOARD OF DIRECTORS:

Mr. U. S. Bhartia	Chairman
Mr. J. S. Baijal	Director
Mr. Ajay Bhargava	Director
Mr. K. M. Lal	Director
Mr. R. P. Goyal	Director (Finance & Comm.)

AUDIT COMMITTEE :

Mr. K. M. Lal	Chairman
Mr. Ajay Bhargava	Member
Mr. U. S. Bhartia	Member
Mr. J. S. Baijal	Member

BANKERS :

Axis Bank Ltd.

AUDITORS :

M/s. K. N. Gutgutia & Co.
Chartered Accountants
New Delhi

REGISTERED OFFICE & WORKS :

229-230, Village : Valthera
Taluka – Dholka,
Dist – Ahmedabad
Gujarat – 387 810

HEAD OFFICE :

506, Saffron Building,
Near Center Point,
Ambawadi, Ahmedabad - 6



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NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the members of M/s. Polylink Polymers (India) Limited will be held at the Registered Office of the Company on Saturday the 13th June 2009 at 11:00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as on 31st March 2009 and Profit & Loss Account for the year ended on that date together with Directors' and Auditors' report thereon.
2. To appoint a Director in place of Shri J. S. Baijal, who retires by rotation and being eligible for re-appointment.
3. To appoint a Director in place of Shri R. P. Goyal, who retires by rotation and being eligible for re-appointment.
4. To appoint the Auditors of the Company and to fix their remuneration. The retiring Auditors M/s. K. N. Gutgutia & Co., Chartered Accountant, New Delhi is eligible for re-appointment.

Date : 5th May 2009

Place : New Delhi

By order of the Board of Directors
For Polylink Polymer (India) Limited

U. S. Bhartia
Chairman

Regd. Office : 229-230, Village : Valthera, Taluka : Dholka
Dist : Ahmedabad, Gujarat – 387 810.



NOTES :

- (i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and proxy need not be a member of the company. The instrument of the Proxy should however, be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
- (ii) Additional information pursuant to Clause 49 of the Listing Agreement with stock exchanges, on directors recommended for appointment/reappointment at the Annual General Meeting, are given with this notice.
- (iii) The register of members and Share Transfer Book of the Company will remain closed from 8th June 2009 to 12th June 2009. (Both days inclusive).
- (iv) Members / proxies should bring their copy of the Annual Reports and Accounts along with Attendance Slip (duly completed) for attending the meeting.
- (v) Members who hold shares in dematerialized form are requested to write their Client – ID and DP – ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.

Item No. 2

General Information of Shri. J. S. Bajjal, who retire by rotation and eligible to reappoint are as under:

Shri. J. S. Bajjal, 77 years old is M.A. He is retired IAS officer of Government of India. He has vast experience of finance which he gained during his service as Secretary to Government of India and Executive Director of World Bank etc. He has also served on the Board of various Companies as an Independent Director. He does not hold any shares in the Company. He is not related to any other director of the Company.

General Information of Shri. R. P. Goyal, who retire by rotation and eligible to reappoint are as under:

Shri R. P. Goyal, 50 years old is Chartered Accountant having 22 year experience in Corporate finance. He does not hold any shares in the Company. He is not related to any other director of the Company.

Further information of both the Directors who retire by rotation and eligible to reappoint are as under

Name of Directors	Shri J. S. Bajjal	Shri R. P. Goyal
Date of Birth	06.06.1931	23.09.1958
Date of Appointment	29.04.1995	01.02.2007
Expertise in specific functional areas	Finance	Finance
List of outside Directorship Held	1. Dalmia Cement (Bharat) Limited, 2. Denso India Ltd	NIL
Chairman / Member of the Committee of the Board of Directors of the Company	3	0
Chairman / Member of the Committee of the Board of Directors of the other Public Limited Company	NIL	NIL
Shareholding	NIL	NIL
Relationship with other directors	NIL	NIL

Date : 5th May 2009

By order of the Board of Directors
For Polylink Polymer (India) Limited

Place : New Delhi

Regd. Office : 229-230, Village : Valthera, Taluka : Dholka
Dist : Ahmedabad, Gujarat – 387 810.

U. S. Bhartia
Chairman

**DIRECTORS' REPORT**

To,
The Members

Your Directors have pleasure in presenting the 16th Annual Report and Audited Statement of Accounts for the year ended on 31st March 2009.

FINANCIAL RESULTS**(Rs. In lacs)**

Particulars	Year Ended 31.03.2009	Period Ended 31.03.2008
Sales / Income from operations	5668.66	7048.28
Excise Duty	517.40	816.25
Net Sales	5151.26	6232.03
Misc Income	86.47	65.28
Total Expenditure	5082.06	5989.05
Profit before Interest and Depreciation	155.67	307.57
Interest	276.74	116.53
Gross Profit / (Loss)	(121.07)	191.73
Depreciation	181.32	183.52
Exceptional Item	72.30	—
Prior Period Expenses	154.18	—
Profit / (Loss)	(528.87)	7.51

DIVIDEND

In view of the carried forward losses, no Dividend has been recommended by the Board

OPERATIONS & REVIEW

During the year under review the company has produced 7726 MT of various grade of compound as against the production of 9765 MT for the year ended on 31st March 2009. Turnover for the year has been Rs. 5151.26 lacs (net of excise duty) compared to Rs. 6220.37 lacs for 12 months period ended on 31st March 2008 (net of excise duty).

During this period increase in raw materials prices, volatile change in Crude Price and reduction of custom duty on finished products and competition from national & international manufactures affected the profitability of the company.

DIRECTORS

Shri J. S. Bajjal and Shri R. P. Goyal Directors of the company will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

REFERENCE TO BOARD FOR INDUSTRIAL & FINANCIAL RECONSTRUCTION (BIFR)

In view of total erosion of net worth of the Company, Directors have formed an opinion in the Board meeting held on 05.05.2009 that Company become sick under Section 3 (1) (o) of the Sick Industrial Company (Special Provision) Act 1985 and Company has to make a reference to BIFR under Section 15 (1) of the said Act.

AUDIT QUALIFICATION

As the entire net worth has been eroded the Company proposes to file a reference to BIFR and hopes to get relief. Hence the accounts of the Company have been prepared on the basis that the Company is a going concern.

In view of severe liquidity problem the Company was unable to repay to IDBI as per the Negotiated Settlement Scheme.

In view of the urgency of matter the Company had to invest Rs. 47 lacs for purchase of fixed assets / capital advances from the funds raised on short term basis.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to directors' responsibility statement, it is hereby confirmed :

- (i) that in the preparation of the accounts for the financial period ended 31st March, 2009, the applicable accounting standards have been followed except to the extent mentioned in the notes to Accounts for which proper explanation has been given.
- (ii) that the directors have selected such accounting policies and applied them constantly and made judgments and estimates that were 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 period and of the profit and loss of the company for the that period under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors have prepared the accounts on a going concern basis.

AUDITORS

The term of office of Messers K.N. Gutgutia & Co., Chartered Accountants, New Delhi as Auditors of the Company expires at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. They have certified that they are eligible for such re-appointment under section 224 (1B) of the Companies Act, 1956. Members are requested to consider their appointment to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUT GO

The information required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure – I and forms part of this Report.

LISTING OF SHARES

Shares of the Company are listed in the Bombay Stock Exchange and the Company has paid listing fee for the year 2009-10

PARTICULRS OF EMPLOYEEES

The particulars of employees as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are not given as none of the employees qualify for such disclosure.

MANAGEMENT DISCUSSION AND ANALYSIS

The information required in compliance of clause 49 of the listing agreement is give in Annexure – II and forms part of this Report.

CORPORATE GOVERNANCE REPORT

The company has implemented the procedures and adopted practice in conformity with the Code of Corporate Governance as enunciated in clause 49 of the Listing Agreement with Stock Exchanges. The Corporate Governance Report and the Certificate of CEO , CFO and the Auditors is give in Annexure – III and forms part of this Report.

ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation for the support given by Employees, Shareholders, Financial Institutions, Stressed Assets Stabilization Fund and Bankers and look forward to their continued support.

For and on behalf of the Board of Directors

Date : 5th May 2009
Place : New Delhi

U. S. BHARTIA
CHAIRMAN



ANNEXURE – I TO THE DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and forming a part of the Directors' Report for the year ended on 31st March, 2009.

A. CONSERVATION OF ENERGY

a) Energy Conservation measures taken

- (i) The Company's engineers are continuously trying to find out ways and means to conserve energy by combination of operations, elimination of unnecessary processes and various wasteful practices.
- (ii) Shutting down all electrical machineries and appliances when not in use to avoid unnecessary waste of energy.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

Nil

c) Impact of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Nil

d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the Schedule thereto.

Not Applicable

B TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form B given below :

FORM – B

a) Research and Development (R & D)

1. Specified Areas in which R & D carried out by the Company.

- (i) Development of high impact compound for automobiles sector.
- (ii) Development of fire resistant compound based on PP, PC, PBT for fire prone area Applications.
- (iii) Development of process additives for plastics.
- (iv) Development of Tuffend Nylon for engineering use.
- (v) Polymer modification for appliances of domestic and industrial use.
- (vi) Development of elastomeric blend for cable accessories.
- (vii) Development of Semi Conducting compound
- (viii) Development of anti tracking compound for molding.
- (ix) Development of anti tracking compound for extrusion.

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

- (i) Commercialization of various products through in-house technology.
- (ii) Modification of properties of various products for its stringent use with cost reduction.
- (iii) Import substitution.
- (iv) Commercialization of various products including development of Thermoplastic semicon compound for power cable.

3. Future plan of action

- (i) Development of FR and FRLS compounds for insulation and sheathing or power cables in fire prone areas.



- (ii) Development of XLPE compound for pipes.
- (iii) Development of semi conducting compound.
- (iv) Development of anti tracking compound for molding & extrusion.
- (v) Development of Black insulating compound for extrusion & anti tracking.
- (vi) Development of Sioplas for anti tracking application.
- (vii) Process development for manufacturing of XLPE in WP plant.

4.	Expenditure on R & D	Current period	Previous Year
		Rs. Lacs	Rs. lacs
	(i) Capital	NIL	NIL
	(ii) Recurring	0.15	1.37
	(iii) Total	0.15	1.37
	(iv) Total R & D expenditure as % of total turnover	0.003	0.02

(b) **Technology Absorption, Adaptation & Innovation**

1. **Efforts in brief made towards technology, absorption and innovation**

Technicians are interacting with users to understand the exact property requirements and also interacting with laboratory for technology absorption. Similarly technicians from laboratory are interacting with shop floor people for absorption of technology and keeps in-house development. The interactions of technicians with market will help in making innovative changes in the products and its adoption in Indian conditions.

2. **Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.**

- (i) Upgradation of products and satisfaction to customer.
- (ii) More and more indigenization of products
- (iii) Cost reduction in products
- (iv) Process modification

3. **Information about imported technology (Imported during the last 5 years reckoned from the beginning of the financial year) :**

- None -

C. **FOREIGN EXCHANGE EARNING AND OUTGO**

(a) **Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans :**

Efforts are being made to explore the export market for XLPE Compounds, Engineering Plastics, Sioplas Compound and also for insulating & sheathing grade polythene compound.

(b) **Total Foreign Exchange used and earned :**

Foreign Exchange Used : Rs. 336.69 Lacs
Foreign Exchange Earned : Rs. 951.02 Lacs

For and on behalf of the Board of Directors



ANNEXURE – II TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

The information required in compliance of clause 49 of the Listing Agreement and forming a part of the Directors' Report for the year ended on 31st March, 2009 is given below:

INDUSTRY STRUCTURE AND DEVELOPMENT

The company is manufacturing various compounds for Power cable, Telephone cable and Engineering Plastics. The demand of XLPE compound is growing and therefore company is hopeful to increase its capacity utilization in the years to come. The company has already started manufacturing of Semicon Compound and would further improve it in current year both in terms of quality and cost effectiveness

The Engineering Plastics Sector has remained more or less the same in regard to growth as in the past year.

OPERATION AND THEREATS

- The raw material price that mainly depends on petroleum prices and frequent fluctuations affected the profitability.
- Since the compound for LT & HT cables being manufactured by us are import substitute, the company has to face competition from the national & international manufacturers, some of them dump the materials at very low rates.
- The Import duty on XLPE compound has reduced by 25%, resulting the lower margin of product.
- Government policies of import and export have affected the procurement as well as prices of the products

INTERNAL CONTROL SYSTEM

The company has adequate internal control systems and procedure with regard to purchase, stores and raw materials including components, plant and machinery, other assets and for sale of goods.

The company has an adequate internal audit system commensurate with size and nature of its business. The company has engaged a firm of Chartered Accountants for its internal audit function. Reports of Internal Auditors are reviewed in the meetings of the Audit Committee of the Board.

INDUSTRIAL RELATIONS & HUMAN RESOURCE DEVELOPMENT

Industrial relations continued to be harmonious and cordial through out the year. The Company has always valued its human resources and believes in unlimited potential of the each employee. The company average employed 51 number of employees as on 31.03.2009.

The company arrange for specific work training, safety/emergency handling training and "in job" training as per ISO 9001:2000 requirement.



CAUTIONARY STATEMENT

Statement in this report on Management's Discussion and Analysis describing the company's objectives, projections, estimates, exceptions or predictions may be forward looking statements and are based on certain assumptions and exception of future events. Actual result could however differ materially from those expressed or implied. Important factors that could make a difference to the company's operations including global and domestic demand-supply conditions, finished goods prices, raw material cost and availability, Changes in government regulations and tax structure, economic developments within India and the countries with which the company has business contracts and other factors such as litigation and industries relations. The company assume no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information and events.

For and on behalf of the Board of Directors

Date : 5th May 2009
Place : New Delhi

U. S. BHARTIA
CHAIRMAN

**Annexure - 1****REPORT ON CORPORATE GOVERNANCE****Introduction:**

"Best results would be achieved when the companies begin to treat the code not as a mere structure, but as a way of life "

- Excerpts from Kumara Mangalam Birla Committee Report on Corporate Governance

The elements and forms of Corporate Governance continue to evolve over time and keep changing with new developments and learning but the cornerstones of transparency, fairness, accountability and integrity remain unchanged. Good Corporate Governance augments superior corporate performance and makes excellent business sense. Good Corporate Governance is a continuous process and is achieved through an optimum mix of transparent and fair conduct, disclosures and practices and regulatory compliances that enhances the trust of various interest groups like shareholders, customers, employees, suppliers and society at large. Your Company has always recognized the importance of Corporate Governance. The detail report as per the requirement of Listing Agreements, Practice followed by the Company and detailing other voluntary compliances is given below.

1. Company's philosophy on Code of Governance

The basic objective of Corporate Governance Policies adopted by your Board is to ensure transparency in all dealing and the functioning of the management and the Board. The Board believes in and supports the principles of Corporate Governance. The Board represents the shareholders interest in terms of optimization of long-term financial results. In maximizing shareholders long-term value, Board is responsible to all the constituents of its business i.e. customers, employees, suppliers and the Communities where it operates. The Company also respects the inalienable rights of its investors and other stakeholders to information on the performance of the company based on highest professional, ethical and financial reporting standards.

2. Board of Directors

The Board represents an optimum combination of executive and non executive directors and is in conformity with the provisions of Listing Agreements of Corporate Governance. The Board of Directors of your Company comprises six directors composition of the Board and the category of the Directors as well as details of their directorship/membership in other companies/committees as on 31st March, 2009 is given below:

Sr. No.	Name of the Directors	Category	No. of Directorship in other companies	No. of chairmanship/ membership in Board Committees.
1	Shri U. S. Bhartia	Chairman & Non-executive director	4	4
2	Shri R. P. Goyal	Executive Director (Finance & Commerce)	0	0
3	Shri P. R. Mukherjee*	Executive Director (Operations)	0	0
4	Shri J. S. Baijal	Independent & Non-executive director	2	3
5	Shri Ajay Bhargava	Independent & Non-executive director	0	0
6	Shri K. M. Lal	Independent & Non-executive director	4	3

*Resigned w.e.f 1st June 2008



Number of other Directorships held by the Directors, as mentioned above, do not include alternate directorships and directorships held in foreign companies, Section 25 Companies and Indian private limited companies and are based on the latest declarations received from the Directors.

The Compliance report of all laws applicable to the Company as prepared and compiled by the Compliance Officer is circulated to all the Directors along with the agenda and placed/reviewed in each Board Meeting.

None of the directors are related to each other.

None of the Non Executive Directors have any material pecuniary relationship or transactions with the company.

Code of Conduct:

The Board laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company and the same has been posted on the website of the Company.

Certificate of Code of Conduct for the year 2008-09

We hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Conduct under a certificate of Code of Conduct for the year 2008-09.

(sd)
Shri R. P. Goyal
Director (Finance & Commerce)

Ahmedabad
March 31, 2009

A brief resume and the profile of directors retiring by rotation/ Managing Director eligible for appointment or re-appointment at the ensuing Annual General Meeting of the Company are given in the notice of Annual General Meeting, annexed to this Annual Report

3. Board Procedure

In the financial year 2008-09, 5 meetings of Board of Directors were held, the information to be made available to the Board as per Annexure IA forming part of Clause 49 has been complied with. Calendar of the Board Meeting is fixed in advance for each year. The Board meets at least once a quarter with the gap between two meetings not exceeding four months. The Directors also have access to all the information about the company and are free to recommended inclusion of any matter in the agenda for discussion.

Details of the Board Meeting held during the year are as follows:

Sr.No.	Date of Board Meeting	Chairman
1	30 th May 2008	Shri U. S. Bhartia
2	30 th June 2008	Shri U. S. Bhartia
3	29 th July 2008	Shri U. S. Bhartia
4	25 th October 2008	Shri U. S. Bhartia
5	30 th January 2009	Shri U. S. Bhartia

Details of Attendance of the directors at the Board Meetings held during the year 2008-09 and at the last Annual General Meeting are given below:

Sr. No.	Name of Directors	No. of Board Meeting held while holding the office	No. of Board Meeting attended while holding the office	Attendance at last AGM
1.	Shri U. S. Bhartia	5	5	No
2.	Shri R. P. Goyal	5	5	Yes
3.	Shri P. R. Mukherjee*	1	0	No
4.	Shri J. S. Baijal	5	5	Yes
5.	Shri Ajay Bhargava	5	2	No
6.	Shri K. M. Lal	5	5	No

*Resigned on 1st June 2008

**The Details of Share holding of Directors**

Name of the Director	No. of shares held as on 31.03.2009
Shri U. S. Bhartia	11,17,200
Shri R. P. Goyal	Nil
Shri P. R. Mukherjee	200
Shri J. S. Baijal	Nil
Shri Ajay Bhargava	Nil
Shri K. M. Lal	Nil

4. Audit Committee:

The Audit Committee has been entrusted to overview the accounting systems, financial reporting and internal controls of the Company. The power and role of audit committee is as set out in Listing Agreements.

The Audit Committee of the Board consists of the Three independent Non Executive Director and one Chairman & Non executive Director, The Audit Committee as on 31st March 2009 is as specified below:

Sr. No.	Name	Designation
1.	K. M. Lal	Chairman
2.	U. S. Bhartia	Member
3.	Ajay Bhargava	Member
4.	J. S. Baijal	Member

All the members of committee are financially literate and have expert knowledge of finance and accounting. Quorum of committee is two members which is independent directors. Calendar of the meeting is fixed in advance for each year. The committee met 4 times during the year under review. The committee also met prior to finalization of accounts for the period ended on 31st March, 2009. Meetings of Audit Committee and attendance.

Sr. No.	Date of Meetings	No. of Members	Attendance
1.	30 th May 2008	4	3
2.	30 th June 2008	4	3
3.	29 th July 2008	4	4
4.	25 th October 2008	4	4
5.	30 th January 2009	4	3

The meetings of Audit Committee are also attended by Director (Finance & Commerce), the Internal Auditors, and representative of Statutory Auditors as invitees.

The Chairman of the Audit Committee was attend the Annual General Meeting.

Audit Committee's terms of reference:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with management the half yearly and annual financial statements before submission to the board, focusing primarily on
 - i) 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
 - ii) any changes in accounting policies and practices
 - iii) major accounting entries based on exercise of judgment by management
 - iv) qualification in draft audit report
 - v) significant adjustments arising out of audit
 - vi) the going concern assumption
 - vii) compliance with accounting standards



- viii) compliance with stock exchange and legal requirements concerning financial statements
- ix) any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
- d) Reviewing with the management the quarterly financial statements before submission to the board for approval
- e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and ensuing compliance therewith.
- f) Reviewing the adequacy of internal audit function, 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.
- g) Discussing with internal auditors any significant finding and follow up thereon.
- h) 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.
- i) Discussing with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- j) Reviewing the Company's financial and risk management policies.
- k) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- l) Any other function(s)/responsibilities as may be delegated by the Board from time to time.
- m) To review mandatorily the 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 shall be subject to review by the Audit Committee.

5. Remuneration Committee:

The Remuneration Committee has been constituted to recommend/review the appointment/remuneration package of the working directors based on performance and remuneration package and practices followed by companies comparable to this company.

The Remuneration Committee of the Board consists of the Three independent Non Executive Director and one Chairman & Non executive Director, The Remuneration Committee as on 31st March 2009 is as specified below:-

Sr. No.	Name	Designation
1.	J. S. Bajjal	Chairman
2.	U. S. Bhartia	Member
3.	Ajay Bhargava	Member
4.	K. M. Lal	Member

Quorum of committee is two members, which is independent directors. The committee did not meet during the year under review.

Details of the Remuneration paid to the Executive Directors

The aggregate salary, value of perquisites and contribution of PF paid to Shri R.P. Goyal, Director (Finance & Commercial) during the year ended on 31st March 2009 was Rs. 15,72,000 and Rs. 2,62,000 was paid to Shri P. R. Mukherjee, Director (Operations) upto 31st May 2008 as salary, value of perquisites and the Company's contribution to Provident fund during the year ended on 31st March 2009



Details of sitting fees paid to Directors:

Name of Director	Sitting Fees paid to Directors (Rupees)
Shri U. S. Bhartia	40,000
Shri J.S. Bajjal	40,000
Shri Ajay Bhargava	16,000
Shri K. M. Lal	40,000
TOTAL	1,36,000

6. Shareholders Grievances Committee

The committee looks into the redressal of shareholders and investor complains. The function and power of this committee include review and redressal of shareholders' and investors grievances, complaint of non receipt of Balance Sheet, non receipt of declared dividend and matter relating to Duplicate share certificate, deletion of name, splitting and consolidation of shares etc.

The Investor Grievance Committee of the Board consists of the two non executive and one executive Director, The Investor Grievance Committee as on 31st March 2009 is as specified below: -

Sr. No.	Name	Designation
1.	U. S. Bhartia	Chairman
2.	J. S. Bajjal	Member
3.	R. P. Goyal	Member

The total number of complains / correspondence / queries received and replied to the satisfaction of shareholders during the year under review are three.

7. General Body Meeting:

The last three Annual General Meeting of the Company were held as under:

Sr. no.	Year	Location	Date	Time	Special Business	Resolution
1	2007-08	Block No: 229-230, Village: Valthera Taluka: Dholka Dist: Ahmedabad - 387 810	23.08.08	11.00 a.m	NIL	Not Applicable
2	2006-07	Block No: 229-230, Village: Valthera Taluka: Dholka Dist: Ahmedabad - 387 810	29.07.07	11.00 a.m	Reappointment of Shri R. P. Goyal & Reappointment of Shri P. R. Mukherjee	Ordinary
3	2005-06	Block No: 229-230, Village: Valthera Taluka: Dholka Dist: Ahmedabad - 387 810	29.07.06	11.00 a.m	NIL	Not Applicable

None Extra Ordinary General Meeting of the Company held during last 3 years.



8. Disclosures

- a. There have been no materially significant related party transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large.
- b. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.
- c. The Company has generally complied with all the mandatory requirements as specified in the revised Clause 49 to the extent these apply and extend to the company.
- d. In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the ICAI. The significant accounting policies applied in preparation and presentation of financial statements has been set out in Schedule 13 forming part of the financial statements.
- e. The Company has laid down procedure to inform the Board Members about the risk assessment and minimization procedure covering the entire gamut of business operations of the company and the same have been reviewed by the Board during the year.
- f. The CEO / CFO Director (Finance & Commerce) have furnished a Certificate to the Board for the year ended on 31st March 2009 in compliance with the revised Clause 49 V of the Listing Agreements as amended.
- g. The designated Senior Management Personnel of the company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

9. Means of Communications:

a. Quarterly Results:

Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges as per requirement of the Listing Agreements. At present Half yearly report is not sent to each household of shareholders.

b. Newspapers wherein results are normally published:

The quarterly results are normally published in the leading English Dailies like "Chanakya", and Vernacular Dailies like "News Line", Published from Ahmedabad.

c. Any Website where displayed: www.polylinkpolymers.com

In addition, as required by SEBI and the Listing Agreement, the company has been regularly filing the required financial and other information on the Electronic Data Information Filing and Retrieval (EDIFAR) website www.sebiedifar.com maintained by SEBI/National Informatics Centre

10. Management Discussion & Analysis Report:

The Management Discussion & Analysis Report is part of Annual Report.

11. General Shareholders Information:

(a) Annual General Meeting

Date	Time	Venue
13th June 2009	11.00 a.m	Block No: 229-230, Village: Valthera Taluka: Dholka Ahmedabad – 387 810



(b) Financial Calendar (2009-10)
(tentative)

Annual General Meeting	:	13th June, 2009
Quarterly Results		
Quarter ending on June 30 2009		Last week of July 2009
Quarter ending September 30 2009	:	Last week of October 2009
Quarter ending December 31 2009	:	Last week of January 2010
Annual Result of 2009-10	:	Last week of June 2010

(c) Book Closure Date: 8th June 2009 to 12th June 2009.

(d) Dividend Payment Date: The Board has not recommended any dividend for the financial year under review

(e) Listing on Stock Exchanges: The Bombay Stock Exchange Limited.
Listing fees have been paid for the year 2009-10 as per the Listing Agreement with the respective Stock Exchanges.

(f) Stock Code: BSE, Mumbai 531454

(g) Demate ISIN Number for NSDL & CDSL : INE323D01012

(h) Market Price Data:

Market price data at the Stock Exchange, Mumbai for the year 2007-08 is given below:

Month	Highest (Rs.)	Lowest (Rs.)
April 2008	5.60	4.11
May 2008	6.00	4.87
June 2008	5.44	4.30
July 2008	5.02	4.14
August 2008	6.03	4.28
September 2008	5.69	4.07
October 2008	4.70	2.35
November 2008	2.24	1.73
December 2008	2.69	1.91
January 2009	2.95	2.29
February 2009	2.20	1.53
March 2009	1.56	1.16

Registrar and Transfer Agents : Pinnacle Shares Registry Private Limited
Near Ashoka Mills, Naroda Road,
Ahmedabad – 380 025
Contact Person : Mr. Girishbhai Patel
Contact Nos : (079) 222 00 582

(i) Share Transfer System:

Pinnacle Shares Registry Private Limited has been acting as the Depository Registrar for establishing connectivity with NSDL and CDSL for Demat Segment and for physical segment as well. Pinnacle Shares Registry Private Limited uses computerized share transfer system for processing transfer of shares. The Company obtains from Mr. Ashwin Shah, Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreements and files a copy of the certificate with the Stock Exchanges. 14,600 equity shares of the Company are transferred during the year under review.

The Company's representatives visit the office of the Registrar and Share Transfer Agents from time to time to monitor, supervise and ensure that there are no delays or lapse in the system.



(j) Distribution of Shareholding:

• Distribution of shareholding as on 31.03.2009 is given below:

No. of Equity shares held	Number of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	3038	79.65	720482	4.65
501-1000	328	8.60	279267	1.80
1001-2000	172	4.51	276853	1.78
2001-3000	75	1.97	196422	1.27
3001-4000	30	0.79	109805	0.71
4001-5000	30	0.79	145271	0.94
5001-10000	70	1.84	563969	3.64
10001 & above	71	1.86	13218431	85.22
GRAND TOTAL	3814	100	15510500	100
Physical Mode	1842	49.42	8637620	55.69
Electronic Mode	1972	50.58	6872880	44.31

• **Category of shareholders as on 31st March 2009:**

Category	No. of Shares Held	Percentage Held
Promoter Holding		
(a) Indian Promoters	2653200	17.11
(b) Foreign Promoters	0	0.00
(c) Persons Acting in Concert	8009100	51.64
Financial Institutions/ Banks/ Mutual Funds and others	535500	3.45
Resident Individuals & Corporates	4309810	27.79
NRI's / OCB	2890	0.002
Grand Total	15510500	100

(k) Dematerialization of Shares and Liquidity:

27500 equity shares of the Company are dematerialised during the year under review. 6872880 equity shares representing 44.31 % of the total equity shares of the Company, held in a dematerialised form with National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) as on 31st March 2009

The Secretarial Audit Report from Mr. Ashwin Shah, Company Secretary in practice confirming that the total issued capital of the Company is in aggregate with the total number of equity shares in physical form and the total number of dematerialized equity shares held with NSDL and CDSL is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the stock exchanges where the equity shares of the Company are listed.

(l) Outstanding GDRs/ ADRs/ Warrants and Convertible Instruments, conversion date and likely impact on equity : Not Applicable.

(m) Plant Location :

Block No. 229 – 230, Village: Valthera,
Taluka: Dholka, District Ahmedabad – 387 810
Contact Telephone No – 02714 247450-56
Fax No - 02714 247454
Email ID - polylinkad1@sancharnet.in



(n) Correspondence with the Company:

Address for correspondence with the Company is:

Mr. Ravi Prakash Goyal

Compliance Officer

506, Saffron Building,

Near Center Point ,Ambawadi, Ahmedabad – 380 006

Contact Telephone No – (079) 264 27 800

Fax No – (079) 264 21 864

Website : www.polylinkpolymers.com

Email ID : polylinkad1@sancharnet.in

Email ID For Investor : investor@polylinkpolymers.com



CEO / CFO CERTIFICATE

TO WHOMSOEVER IT MAY CONCERN

We Certified to the Board that:

- (a) We have reviewed financial statement and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:-
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system.

For Polylink Polymers (India) Limited

Date: 5th May 2009
Place: Ahmedabad

R. P.Goyal
CEO / CFO



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENTS WITH
STOCK EXCHANGE**

To the Members of Polylink Polymers India Limited.

We have examined the compliance of conditions of corporate governance by **Polylink Polymers India Limited** ("the Company") for the year ended 31st March 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations sought and replies given to us by the Company, its Directors and Officers. We certify that the Company has complied with, in all materials respect, the mandatory conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

**PLACE : NEW DELHI
DATED : 5th May, 2009**

**FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS**

**(B.R. GOYAL)
PARTNER
M.NO. 12172**



AUDITORS' REPORT TO THE MEMBERS OF POLYLINK POLYMERS (INDIA) LIMITED

We have audited the attached Balance Sheet of POLYLINK POLYMERS (INDIA) LIMITED as at 31st March 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto, These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. 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 amount 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.

Further to above, we report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. 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.
3. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement complies with the mandatory Accounting Standards (AS) referred in section 211(3c) of the Companies Act, 1956.
5. On the basis of written representation received from the Directors of the Company as on 31st March, 2009, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director under section 274(1)(g) of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with accounting policies and notes thereon and together with Schedules annexed thereto and; **subject to "Note No 2(G)" in Schedule "L" to the accounts regarding the fact that accounts of the company have been prepared on the basis that the company is a going concern, though its entire net worth has eroded, on the basis and belief that the company shall survive in view of the "Negotiated settlement (as mentioned in Note 2 F in Schedule "L" to the Accounts) arrived at with the stressed Assets stabilisation fund" during the earlier years and the assured support of the promoter/promoter Group Companies as informed to us as well as proposed reference to BIFR where it hopes to get relief and (ii) that in the event of non-fulfilment of any condition of the said negotiated settlement, the company shall be liable to pay full amount of waiver (Rs. 12.22 Crore) alongwith further interest 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 Standards generally accepted in India.
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 and
 - b) In the case of Profit & Loss Account, of the Loss for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows for the said year ended on that date.



As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that:

i. In respect of Fixed Assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The Fixed Assets were physically verified by the management during the period and discrepancies noticed on such verification have been properly dealt with in the accounts.
- c) No substantial / major fixed assets have been disposed off during the year.

ii. In respect of Inventory:

- a) The inventory has been physically verified during the year by the management at reasonable intervals.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are 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 inventory and the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.

iii. In respect of Loans:

- a) The Company has taken interest free unsecured loan from a Company listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 255.03 lacs and the year end balance of such loans was Rs 255.03 Lacs.
 - b) In our opinion, the terms and conditions on which unsecured loans have been taken are not, prima facie, prejudicial to the interest of the Company.
 - c) The said loans do not carry any specific repayment term , hence, we are enable to comment as to its regularly in its repayment and no comment as to the regularity in respect of payment of interest is required in view of the fact that the loans do not carry any interest.
 - d) The Company has not granted unsecured Loans to the Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and hence clause (iii)(a) to (iii)(d) of para 4 of the said Order is not applicable to it.
- iv.** In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system of the Company.
- v a). According to the information and explanations given to us, we are of the opinion that the particulars of all contacts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices/ rates which are reasonable having regard to prevailing market prices at the relevant time.
- vi** In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the Public.



- vii In our opinion, the Company has an Internal Audit System commensurate with the size and nature of its business.
- viii According to the information given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
- ix According to the records of the Company, it is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Sales tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Other Statutory dues applicable to it and there were no arrears of such dues at the end of the year which have remained outstanding for a period of more than six months from the date they become payable.
- x According to the information and explanation given to us, there are no dues of Sale Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
- xi ***The Company has been registered for a period of more than five years and its accumulated losses at the end of the financial year are more than 50% of its net worth and it has incurred cash losses during the year covered by our audit. However it did not incur cash losses in the immediately preceding financial year.***
- xii Based upon our audit procedures and according to the information and explanation given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to the Bank or in payment of interest to the Bank. ***However it has defaulted in respect of repayment of Negotiated Settlement amount to IDBI (Stressed Assets Stabilisation Fund) during the year, total amount of such defaults is Rs. 110 Lacs as at 31.03.2009*** No interest was payable during the year to the said Stressed Assets Stabilisation Fund.
- xiii The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiv The provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund / societies are not applicable to the Company.
- xv In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xvi The Company has not given, during the year, any guarantee for loans taken by others from bank or Financial Institutions.
- xvii During the year, the Company has not raised any fresh Term loan from Bank / Financial Institution.
- xviii According to the information and explanations given to us and on the basis of an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis has been used for long term investments, ***except Rs. 47 lacs used by it for purchase of fixed assets/capital advances.***
- xix Accordingly to the information and explanations given to us, during the year the Company has not made, preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1951.
- xx The Company has not issued debentures during the year.
- xxi The Company has not raised any money by public issues during the year.



xxii Based upon on our audit procedure performed and according to the information and explanation given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.

**Place: New Delhi,
Date : 05.05.2009**

**FOR K.N.GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS**

**(B.R. GOYAL)
PARTNER
M.NO. 12172**

**POLYLINK POLYMERS (INDIA) LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2009**

	SCHEDULE	AS AT 31ST MARCH, 2009 Rs.	AS AT 31ST MARCH, 2008 Rs.
I SOURCES OF FUNDS :			
1 SHARE HOLDERS FUNDS			
a) Share Capital	A	155105000	15510500
b) Reserve & Surplus	B	2500000	2500000
2 LOAN FUNDS			
a) Secured Loans	C	179575870	182327733
b) Unsecured Loans from others		43162005	74,644,410
	TOTAL	<u>380342874</u>	<u>414577144</u>
II APPLICATION OF FUNDS :			
1 FIXED ASSETS			
GROSS BLOCK	D	327557925	324034585
Less: DEPRECIATION AND PROVISION FOR IMPAIRMENT		<u>190790277</u>	<u>171451082</u>
NET BLOCK		136767648	152583503
2 CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	E	25492601	59310638
Sundry Debtors		60611190	98999770
Cash and Bank Balances		3356502	3822251
Loan & Advances		<u>15701138</u>	<u>16735376</u>
		<u>105161431</u>	<u>178868035</u>
3 LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	F	34956451	36625192
Provisions Expenses		<u>1363539</u>	<u>2095846</u>
		<u>36319990</u>	<u>38721038</u>
4 NET CURRENT ASSETS		68841441	140146997
5 DEBIT BALANCE IN PROFIT & LOSS ACCOUNT		<u>174733786</u>	<u>121846643</u>
	TOTAL	<u>380342874</u>	<u>414577144</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS			
	K		

SCHEDULE A TO F & K FORM AN INTEGRAL PART OF THE BALANCE SHEET
IN TERMS OF OUR REPORT OF EVEN DATE.

FOR **K N GUTGUTIA & CO.**
CHARTERED ACCOUNTANTS

For and on behalf of the Board

B R GOYAL
PARTNER
M. NO.12172

U.S.BHARTIA
CHAIRMAN

NEW DELHI
DATE : 5TH MAY,2009

R. P. GOYAL
DIRECTOR (Finance & Comm.)

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

	SCHEDULE	FOR THE YEAR ENDED 31ST MARCH,2009 (RS.)	FOR THE YEAR ENDED 31ST MARCH,2008 (RS.)
I INCOME :			
GROSS SALES		562,741,820	702,838,685
LESS : EXCISEDUTY		<u>51,739,972</u>	<u>81,624,725</u>
NET SALES		511,001,848	621,213,960
JOB-WORK CHARGES(Including TDS Rs. 1,08,628/- Prev.Year Rs.28,797/-)		4,124,587	1,989,175
OTHER INCOME	G	8,647,416	7,028,212
INCREASE /(DECREASE) IN STOCKS	H	<u>(12,550,657)</u>	<u>(2,071,607)</u>
TOTAL		<u>511,223,194</u>	<u>628,159,740</u>
II EXPENDITURE :			
MANUFACTURING & OTHER EXPENSES	I	493,424,257	595,048,695
EXCISEDUTY(ON CLOSING STOCK)		409,793	1,165,938
INTEREST & FINANCE CHARGES (Refer Note 2E of Scheduled K)	J	27,674,444	12,153,324
DEPRECIATION		18,132,298	18,352,217
PROVISION FOR IMPAIRMENT OF FIXED ASSETS (Refer Note 2D(iii) of Schedule K)		1,599,586	0
WRITTEN DOWN'S/WRITTEN OFF's (Refer Note 2D (iv) of schedule K)		7,229,213	0
		<u>548,469,591</u>	<u>626,720,174</u>
PROFIT / (LOSS) BEFORE TAXATION & PRIOR PERIOD ADJUSTMENTS		(37,246,397)	1,439,566
PROVISION FOR FRINGE BENEFIT TAX		200,000	338,087
PRIOR PERIOD ADJUSTMENTS (Refer Note 2D(v) of Schedule K)		15,440,746	350,108
NET(LOSS) / PROFIT FOR THE YEAR		(52,887,143)	751,371
ADD : LOSS BROUGHT FORWARD FROM PREVIOUS YEAR		(121,846,643)	(122,598,014)
TOTAL NET LOSS CARRIED TO BALANCE SHEET		(174,733,786)	(121,846,643)
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	K		
Number of Equity Shares Outstanding during the Period (Rs.10/- each)		15,510,500	15,510,500
Basic Earning per share		(3.41)	0.05

SCHEDULE G TO K FORM AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT.
IN TERMS OF OUR REPORT OF EVEN DATE.

FOR **K N GUTGUTIA & CO.**
CHARTERED ACCOUNTANTS

For and on behalf of the Board

B R GOYAL
PARTNER
M. NO.12172

U.S.BHARTIA
CHAIRMAN

NEW DELHI
DATE : 5th May, 2008

R. P. GOYAL
DIRECTOR (Finance & Comm.)

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	FOR THE YEAR ENDED 31ST MARCH,2009 (RS.)	FOR THE YEAR ENDED 31ST MARCH,2008 (RS.)
SCHEDULE "A" SHARE CAPITAL		
A AUTHORIZED		
25000000 Equity Shares of Rs.10/- each	<u>250,000,000</u>	<u>250,000,000</u>
B ISSUED, SUBSCRIBED AND PAID UP		
15510500 Equity Shares of Rs 10/- each fully paid up (Including Rs.250 Lacs as conversion of loan into equity)	<u>155,105,000</u>	<u>155,105,000</u>
TOTAL	<u><u>155,105,000</u></u>	<u><u>155,105,000</u></u>
SCHEDULE "B" RESERVE AND SURPLUS CAPITAL RESERVE		
: Capital Subsidy of the Government of Gujarat	<u>2,500,000</u>	<u>2,500,000</u>
TOTAL	<u><u>2,500,000</u></u>	<u><u>2,500,000</u></u>
SCHEDULE "C"		
(A) SECURED LOANS		
(I) TERM LOANS		
a) FROM IDBI / SASF		
- Negotiated Settlement dues (See Note 2 F of schedule 'K')*	65,010,000	72,010,000
-Interest Payable to SASF	24,342,242	0
b) FROM HABIB BANK		
- ECB Loan	0	4,402,200
(II) a) Cash Credit Facilities From UTI Bank Ltd	73,819,994	86,070,468
b) Outstandings under Letter of Credit from UTI Bank Ltd	<u>16,403,634</u>	<u>19,845,065</u>
TOTAL	<u><u>179,575,870</u></u>	<u><u>182,327,733</u></u>
(B) UNSECURED LOAN		
Un secured loan From Body Corporate(Interest Free)	25,502,974	25,502,974
Short Term Un secured loans(From Others)	0	33,414,391
Sales Tax Defferment(Interest Free)- (Payable within a yearRs.16.19 lacs,Previous year Rs.Nil)	8,095,266	8,095,266
Electricity Duty Defferment(Interest Free) (Payable within a yearRs.19.12 lacs,Previous year Rs.Nil)	<u>9,563,765</u>	<u>7,631,780</u>
	<u><u>43,162,005</u></u>	<u><u>74,644,410</u></u>

NOTES :-

1. Term loans facilities from IDBI and /or Negotiated Settlement Dues of Stressed Assets Stabilization Fund (SASF) are secured by way of charge by deposit of title deeds and mortgage of all immovable properties of the company including its movable plants & machinery machinery spares, tools and other movable both present and future (save and except - book debts) subject to the charge created / to be created by the company in favour of its bankers on the company's stock and book debts to secure its working capital requirement; and personally guaranteed by a Director and an Ex-Director of the company Also certain promoters / Group companies / Associates belonging to the promoters have pledged their shareholdings.

2. Working capital facilities from UTI Bank Ltd and guarantees given by the said bank in favour of Habib Bank to secure ECB Loan are secured by hypothecation of current assets(by way of first charge) including company's stock(present & future) stock of Raw materials, Semi finished and finished goods, Consumable stores and Book Debts and also by way of second charge over all immovable properties of the company and personally guaranteed by one Director, and also by way of corporate guarantee of an associate company, Namely Facit Commosales Private Ltd. and further pledge of their share holdings in certain company.

3. Secured loans due for repayment within one year Rs.650.10 lacs,(Previous year Rs.224.02 lacs)



POLYLINK POLYMERS (INDIA) LIMITED

SCHEDULE: D FIXED ASSETS AS AT 31st MARCH, 2009

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2008	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	TOTAL UPTO 31.03.2009	AS AT 01.04.2008	PROVISION DURING THE YEAR	DEDUCTION DURING THE YEAR	TOTAL UPTO 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
LAND	1932002	90681	0	2022683	0	0	0	0	2022683	1932002
BUILDINGS										
FACTORY	60566429	3747952	0	64314381	23169243	2097104	0	25266347	39048034	37397187
OTHERS	3923723	0	0	3923723	835276	63957	0	899232	3024491	3088448
PLANT & MACHINERY	230597044	691825	0	231288869	132343355	14562741	0	146906096	84382773	98253690
ELECTRICAL INSTALLATIONS- AND FITTINGS	17097862	0	0	17097862	9741883	812148	0	10554031	6543831	7355979
OFFICE EQUIPMENTS	1115238	17000	0	1132238	462605	53713	0	516318	615920	652632
COMPUTERS	2761641	143948	0	2905589	2227784	127325	0	2355109	550480	533856
FURNITURE & FIXTURES	3060592	0	0	3060592	2084337	193735	0	2278072	782520	976256
VEHICLES	2980053	0	1168066	1811987	586599	221574	392689	415484	1396503	2393453
TOTAL	324034585	4691406	1168066	327557925	171451082	18132297	392689	189190691	138367234	152583503
PREVIOUS YEAR	321460945	3424578	850938	324034585	153479659	18352217	380794	171451082		
LESS: PROVISION FOR IMPAIRMENT OF ASSETS *									1599586	
									136787648	152583503

* On account of adjustment for impairment of Assets (Original cost Rs.15204345 /-, depreciation to date Rs.9228760/-, Net Rs.5974586/-). (Refer note 2D(iii) Schedule K)

**SCHEDULE "E"
CURRENT ASSETS, LOANS AND ADVANCES**

**AS AT
31ST MARCH, 2009
(RS.)** **AS AT
31ST MARCH, 2008
(RS.)**

A CURRENT ASSETS

INVENTORIES :

- Stores/Spares / Packing Materials	3,979,714	4,940,236
- Raw Materials and consumables	16,287,364	36,594,221
(Including in Transit Rs.84,78,802/-, Prev yr Rs.1,06,69,465/-)		
- Finished Goods	4,905,791	17,379,270
(Including waste Rs.3,60,488/- Prev.year Rs.9,61,093/-)		
- Work-in-Progress	319,732	396,910
	<u>25,492,601</u>	<u>59,310,638</u>

SUNDRY DEBTORS - Unsecured

Over six months- Good	388,543	8,834
Other Debts- Good	60,222,647	98,990,936
	* <u>60,611,190</u>	<u>98,999,770</u>

* Including Export Incentive Receivable / to be utilised Rs.65,15,659/-.(Previous year Rs.1,02,74,527/-)

CASH & BANK BALANCES :

- Cash Balance in hand	100,036	251,700
- With Scheduled Banks in Current Accounts	467,013	481,013
- Fixed Deposit With Scheduled Bank for Margin Money	2,789,452	3,089,538
(Including interest accrued Rs.1,29,557 /-)		
Previous year Rs.89,538/-)	<u>3,356,502</u>	<u>3,822,251</u>

**POLYLINK POLYMERS (INDIA) LIMITED**

	AS AT 31ST MARCH,2009 (RS.)	AS AT 31ST MARCH,2008 (RS.)
B LOANS AND ADVANCES		
(Unsecured, Considered Good)		
a) Advances recoverable in cash or in kind or value to be received	2,480,655	1,199,647
c) Claims Recoverable/Receivable	0	1,211,353
d) Deposits with State Electricity Board	2,049,556	2,049,556
e) VAT Recoverable from Sales Tax Authorities	9,722,553	9,900,200
e) Balance with Excise Authorities	436,979	1,745,495
f) Security and Other Deposits	1,011,395	629,125
	<u>15,701,138</u>	<u>16,735,376</u>
TOTAL	<u>105,161,431</u>	<u>178,868,035</u>

SCHEDULE " F " CURRENT LIABILITIES AND PROVISIONS**A. CURRENT LIABILITIES**

Sundry Creditors (Excluding Acceptances 1,64,03,634/- Previous year Rs.1,98,45,065/-)	22,132,066*	21,652,351
Other Liabilities	<u>12,824,385</u>	<u>14,972,841</u>
	<u>34,956,451</u>	<u>36,625,192</u>

*According to the records of the company, no party has registered itself with the company under Micro, Small and Medium enterprise Development Act, 2006 and hence, no disclosure of amount payable to them could be made.

B. PROVISIONS

For Retirement Benefits	941,371	926,258
For Exciseduty on Closing Stock	409,793	1,165,938
For Fringe Benefit Tax(Net of payments)	12,375	3,650
	<u>1,363,539</u>	<u>2,095,846</u>
TOTAL	<u>36,319,990</u>	<u>38,721,038</u>

**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH,2009**

SCHEDULE "G" OTHER INCOME

	FOR THE YEAR ENDED 31ST MARCH,2009 (RS.)	FOR THE YEAR ENDED 31ST MARCH,2008 (RS.)
Insurance Claims	235,338	215,903
Scrap Sales	827,430	740,831
Export Incentives	3,424,985	4,853,516
Notice Pay	52,873	177,699
Exchange Fluctuation gains (Refer note 2C of schedule K)	3,296,790	500,263
Rent	810,000	540,000
	<u>8,647,416</u>	<u>7,028,212</u>

SCHEDULE "H" INCREASE/(DECREASE) IN STOCKS

Closing Stocks		
-Process	319,732	396,910
-waste	360,488	961,093
-Finished goods	4,545,303	16,418,177
	<u>5,225,523</u>	<u>17,776,180</u>
Opening Stocks		
-Process	396,910	329,113
-waste	961,093	0
-Finished goods	16,418,177	19,518,674
	<u>17,776,180</u>	<u>19,847,787</u>
Net Increase /(Decrease) in Stock	<u>(12,550,657)</u>	<u>(2,071,607)</u>

**POLYLINK POLYMERS (INDIA) LIMITED**

	FOR THE YEAR ENDED 31ST MARCH,2009 (RS.)	FOR THE YEAR ENDED 31ST MARCH,2008 (RS.)
SCHEDULE "I" MANUFACTURING & OTHER EXPENSES		
Raw Material consumed	418,386,797	510,104,961
Job work charges	2,740,140	3,325,067
Power & Fuel	14,967,147	17,252,089
Packing, stores & spares consumed	10,789,025	11,953,478
Salaries, Wages, Allowances, Gratuity, etc.	12,573,126	14,897,876
Staff Welfare Expenses	631,853	620,111
Contribution to Provident & Other Funds	823,936	1,115,007
Travelling expenses	729,834	1,441,366
Conveyance	344,802	376,228
Vehicle Running & Hire Charges	1,224,166	1,915,682
Communication Expenses	754,062	876,253
Repairs & Maintenance		
- Plant & Machinery	575,874	665,310
- Buildings	368,595	166,840
- Others	381,935	311,519
Insurance	1,042,413	1,298,752
Printing, Stationery and computer expenses	200,228	231,652
Rent, Rates & Taxes	587,092	586,269
Legal & Professional Expenses	1,127,105	908,731
Security Expenses	373,162	399,244
Office Maintenance	555,148	623,203
Selling and Distribution Expenses(Refer note 2D1 of schedule 'K')	14,279,054	15,766,265
Clearing & Forwarding Expenses-Export	8,383,903	8,557,634
Business Promotion Expenses	48,145	67,439
Directors' Sitting Fees	136,000	132,000
Auditors Remuneration		
- As Audit Fees	100,000	80,000
- For certification	30,000	42,500
- Expenses	71,738	77,451
Internal Audit Fees	40,000	40,000
Miscellaneous Expenses(Refer note 2 D2 of schedule'K')	1,158,977	1,215,770
	<u>493,424,257</u>	<u>595,048,695</u>
SCHEDULE "J" INTEREST & FINANCE CHARGES		
To Bank(On working capital & WCTL)	17,265,286	16,991,823
To IDBI / SASF on negotiated settlement Dues	8,922,992	(7,890,300)
To Others	2,164,533*	3,414,096*
Less:Received on Bank Deposits and from Others	(678,368)	(362,295)
	<u>27,674,444</u>	<u>12,153,324</u>

*Including Rs.7,03,845/- Cash Discounts, (Previous year Rs.9,77,426/-)



SCHEDULE "K"

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

1 Significant Accounting Policies

A. RECOGNITION OF INCOME & EXPENDITURE

- i) These accounts are prepared on the historical cost basis and on the Accounting principles of going concern, Accounting policies not specifically referred to are in accordance with the Accounting standards issued by the Institute of Chartered Accountants of India. The Company has adopted the Mercantile system of accounting. If not stated otherwise, claims are accounted for as receivable if the management is of the opinion that the chance of recovery is more than not.

B. FIXED ASSETS : DEPRECIATION

- i) Fixed assets are recorded on historical cost inclusive of capitalised portion of Pre-operative Expenses and net of recoverable taxes.
- ii) Depreciation is provided on Straight Line Method in the manner and at the rates mentioned in Schedule XIV to the Companies Act, 1956 (as amended) on the cost of assets as referred to above.

C. INVENTORIES

- i) Finished Products : at lower of cost or net realisable value
- ii) Stock in process : at cost arrived by estimating percentage of completion.
- iii) Raw Materials : at lower of cost or estimated net realisable value (FIFO Basis)
- iv) waste and scrap : at net realisable value
- v) Stores, Packing Materials & Spares and Chemicals : at cost or below cost (FIFO Basis)

Costs have been calculated with reference to Conversion cost and the expenses incurred to bring the inventory to its present condition and location.

D. FOREIGN CURRENCY TRANSACTIONS

- i) All transactions in foreign currency, are recorded at the rate of exchange prevailing on the dates when the relevant transactions take place.
- ii) Balance in form of Current Assets and Current Liabilities in foreign currency outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing on the date of the Balance sheet, and Resultant gain or loss is accounted for in Profit and loss Account.
- iii) In respect of Forward Contracts for Foreign Exchange, the cost / premium is spread over the life of the contract.

E. RESEARCH & DEVELOPMENT (R & D)

Revenue expenses on Research and Development are charged to Profit and Loss Account and capital expenditure on R & D is added to Fixed Assets.

F. CONTINGENT LIABILITIES

Contingent liabilities are generally not provided for in the accounts and are shown separately in notes to the Accounts. (Refer note 1(O) and 2(A) of schedule 'K').

G. REVENUE RECOGNITION

Domestic Sales are accounted for at the time of despatch. Export sales are accounted with reference to the date of bill of lading. Sales figures are after deduction of usual Trade / Quantity Discounts, Returns, excise duty and taxes.

H. EXPORT BENEFITS:

Export benefits are accounted for on accrual basis based upon estimated benefits to accrue.

I. GOVERNMENT GRANTS

Government grants/subsidy in relation to the project and not related to any fixed assets are credited to Capital Reserve.



J. EMPLOYEE BENEFIT

(i) Gratuity liability as per Gratuity Act has been provided for all the eligible employees on the basis of actuarial valuation are funded with LIC under Group Gratuity Scheme. Leave encashment benefit is accounted for on basis of estimated liability at the year end and not on the actuarial valuation basis in view of the fact that it will not materially affect in terms of total amount.

(ii) Employer's contribution to Employee's provident fund is accounted for on accrual basis and charged to the Profit and Loss Account.

K. EXCISE DUTY

Excise Duty payable on the closing stock, awaiting removal, has been accounted for and added to the value of closing stock.

L. DEFERRED TAXATION:

The company has adopted Accounting standard-22 (AS-22) as to 'Accounting for Taxation of income' issued by the Institute of Chartered Accountants of India.

M. IMPAIRMENT OF ASSETS

The Company, in accordance with the Accounting Standard 28 (AS-28) in respect of impairment of Assets, issued by the Institute of Chartered Accountants of India, has adopted the practice of assessing at each Balance Sheet date whether there is any indication that an asset may be impaired and if any such exists, then the company provides for the loss for impairment of Assets after estimating the recoverable amount of the assets.

N. PROVISIONS AND CONTINGENT LIABILITY

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligations. A disclosure of the contingent liability, if determinable, is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. But where there is a possible obligation but the likelihood of outflow of resources is remote, no provision / disclosure is made.

O i) FINANCE LEASES

In respect of assets acquired on or after 1st April, 2001, under finance lease the same are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the interest charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Interest component is charged to the Profit and Loss Account.

ii) OPERATING LEASE

The revenue for operating lease is recognised in terms of the agreement.

2. Notes on Accounts

A. Contingent liabilities, not provided for in respect of the following:

	AS AT YEAR ENDED 31ST MARCH, 2009 (Rs.)	AS AT YEAR ENDED 31ST MARCH, 2008 (Rs.)
i) Claims against the company not acknowledged as debt	1,080,850	1,080,850
ii) Disputed demands in respect of Excise duty	0	112,800
iii) Bills discount with Axis Bank Ltd	890,695	0

B Under the Micro, Small and medium Enterprise Development Act, 2006 Which came into force on October 2, 2006 certain disclosure are required to be made relating to Micro, Small and Medium Enterprise. The company is in the process of obtaining relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available, no disclosures could be made in the Accounts.

**POLYLINK POLYMERS (INDIA) LIMITED**

C. (I) Foreign exchange variation (Net) dealt with in the profit and loss account Rs. 32,96,790/- (Credit) (previous year Rs.5,00,263/- (Credit)), details of the same are as under :

Loss on F/c Loan	(244234)
Loss on Creditors	(335511)
Gain on Debtors	3876535
Total	<u>3296790</u>

(II) Unhedged Foreign Exchange Exposure : (a) Debtors Rs.58,08,450/-

- D. i) Selling and Distribution expenses include Rs.20.20 Lacs as Commission/Discount.(Previous year Rs.15.98 Lacs)
- ii) During the year Rs.0.15 lacs(net) has been credited to "Misc.expenses written off A/c ".and included in Misc.Expenses grouping.This included Rs.3.76 lacs (Previous year Rs.12.00 lacs) and Rs.4.87 lacs (Previous year Rs.38.66 lacs) on account of bad debts recovered and the other misc.amount written back respectively.Total amount written off during the year is Rs.8.48 lacs (Previous year Rs.52.35 lacs)
- iii) The company has identified certain fixed assets,which are not under use or are unusable / surplus, the relisable value (estimated by management) is lower by Rs. 15,99,586/- which has been provided.
- iv) write downs and Write offs :During the year the Company reviewed the recoverability of claims and upon such review following amounts were written off :

	Amount (Rs.in lacs)
Non Recoverable Duty Draw Back claim (written off)	40.85
Non-Recoverable VAT claim (Written off)	31.45
Total Rs.	<u>72.30</u>

v) Prior period adjustment includes the amount of interest provided by the company during the current year (Not provided in earlier years),as per the following details:

Year	Amount (Rs.in lacs)
2006-07	78.90
2007-08	75.29
Total Rs.	<u>154.19</u>

E. i) Stressed Assets Stabilization Fund (SASF),to whom IDBI assigned its debt recoverable from the company,has gave its approval of Negotiated Settlement (NS)(Letter dated June 27,2005 vide letter no.BY/SASF/POLPIL/906 and further amended by letter dated July 16,2005 vide letter No.BY/SASF/POLPIL/1146) at a sum of Rs.15.50 crores in full and final settelement of its principal,Interest and over due interest etc.accrued up to 31.03.2005,for which cut off date was determinded as 01.04.2005 ;against the total outstading of Rs.27,72,66,619/- and accordingly a sum of Rs.12,22,66,619/- was written back as Excess Provision (As Exceptional Income) in the year 2005-06. The said SASF has rescheduled, for time to time, repayment date,however up to 31.03.2009,the total amount of defaults on account of repayment is Rs.110.00 lacs.The company is contingently liable for past waivers in case of default.

ii) Interest is payable commencing from 1.1.2010 as past interest has been deffered to be paid by the said SASF

F. Though Company's entire net worth has been eroded ,it has prepared its accounts on a 'Going Concern Basis'as the management is hopeful that company can be revived in view of the Negotiated Settlement finalised with the Stressed Assets Stabilization Fund (SASF) to whom the IDBI has assigned its debt recoverable from the company and with the continued support of its promoters / promoter group companies as well as the proposed reference to BIFR

G. Debtors, Creditors and Advances are subject to confirmations.

H. Fixed Assets acquired under Finance Lease amounted to Rs.15,85,752/- Being the Assets acquired during the period being the Assets under finance lease and has been capitalised in the line with the requirement of Accounting Standard (AS-19).Depriciation for the year includes an amount of Rs.1,10,087/ - being depriciation charged on these Assets.



POLYLINK POLYMERS (INDIA) LIMITED

	FOR THE YEAR ENDED 31ST MARCH,2009	FOR THE YEAR ENDED 31ST MARCH,2008
Vehicle taken on lease		
Total Minimum Lease Payment at the year end	398,500.00	478,200.00
Present value of Minimum Lease Payment	386,188.16	435,137.86
Not later than one year		
Minimum Lease Payment	0.00	398,500.00
Present value of as on 31.03.2007	0.00	386,188.16
Later than one year but Not later than five year		
Minimum Lease Payment	0	0
Present value of as on 31.03.2009	0	0

Besides it, There are certain leasing arrangement for Office premises / House accomodation. Monthly charges in this respect are charged to P & L Account.

I DEFERRED TAXATION :

The institute of Chartered Accountants of India, has made mandatory, w.e.f. 1.4.2001, the Accounting standard-22(AS-22) in respect of 'Accounting for Taxation of Income' Accordingly, the company has computed deferred tax liability and assets as at 30.03.2006 and based upon the data available, it is to create deferred tax assets. However, no such assets has been recognised keeping in view of preadunce and as the company is not virtually certain supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

J There is no separate reportable segment as the company is predominantly engaged in only one segment, i.e., 'Polymers Compounding' therefore, Accounting standard-17 to Segment Reporting, issued by the Institute of Chartered Accountants of India, is not applicabl to it.

K EARNING PER SHARE:

	FOR THE YEAR ENDED 31ST MARCH,2009	FOR THE YEAR ENDED 31ST MARCH,2008
i) Profit (Loss) as per Profit & Loss Account (Rs.)	(52,887,143)	751,371
ii) No. of Equity Shares	15,510,500	15,510,500
iii) Basic Earning per share	(3.41)	0.05

L Disclosure pursuant to AS-15 (Revised)

(a) For Gratuity (Defined Benefit) (Funded with L.I.C as group gratuity policy)

	As on 31/03/2009	As on 31/03/2008
1 Assumptions		
Discount Rate	8.00%	7.50%
Salary Escalation	5.00%	5.00%
	(Rs. in lacs)	
2 Changes in present value of obligations	As on 31/03/2009	As on 31/03/2008
Present value of obligations as at beginning of year	18.98	14.94
Interest cost	1.52	1.12
Current Service Cost	2.76	2.76
Benefits Paid	(9.35)	2.91
Actuarial (gain)/Loss on obligations	(1.98)	4.35
Present value of obligations as at end of year	11.93	20.27
3 Changes in the fair value of plan assets	As on 31/03/2009	As on 31/03/2008
Fair value of plan assets at beginning of year	13.28	12.30
Expected return on plan assets	0.62	1.13
Contributions	1.35	2.76
Benefits paid	(9.35)	2.91
Actuarial Gain / (Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	5.90	13.28



4	Fair value of plan assets		
	Fair value of plan assets at beginning of year	13.28	12.30
	Actual return on plan assets	0.62	1.13
	Contributions	1.35	2.76
	Benefits Paid	(9.35)	2.91
	Fair value of plan assets at the end of year	5.90	13.28
	Funded status	(6.04)	(6.99)
	Excess of Actual over estimated return on plan assets	NIL	NIL
	(Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
5	The amounts to be in the balance sheet and statements of profit and loss		
	Present value of obligations as at the end of year	11.93	20.27
	Fair value of plan assets as at the end of the year	5.90	13.28
	Funded status	(6.04)	(6.99)
	Net Asset/(liability) recognised in balance sheet	6.04	6.99
6	Expenses Recognised in statement of Profit & loss		
	Current Service cost	2.76	2.76
	Interest Cost	1.52	1.12
	Expected return on plan assets	(0.62)	1.13
	Net Actuarial (gain)/Loss recognised in the year	(1.98)	4.35
	Expenses recognised in statement of Profit & loss	1.68	7.10

(b) For Provident fund Defined Contribution Plans

Total amount of Provident fund Expenses in recognised in the Profit & Loss Account is Rs. 8.24 lacs, (Previous year Rs.11.15 lacs)

M Related party disclosure as require by Accounting Standard-18 (AS-18) "Related Parties Disclosure" issued by the Institute of Chartered Accountants Of India are given below :

i) LIST OF RETLATED PARTIES :

A. Associate Companies :

-Kashipur Holdings Ltd
-India Glycols Ltd
-Lund & Blockley Pvt Ltd

B. Key Management Personnel

-Mr R.P.Goyal -Director(Finance & Commercial)
-Mr.P.R.Mukherjee - Director (Operations)

C. Enterprise over which key managerial personnel or their relatives have control Nil

ii) Details of Transaction with related parties during the year :

Sr. no.	Transaction Particular	Associated Companies (Rs.)	Key Management Personnel & Enterprises over which Key Management Personnel and/or their relatives have control	Total (Rs.)	Balance as on 31st Mar.2009 (Rs.)
1	Loan received	0 (15502974) *		0 (15502974) *	25502974 (25502974) *
2	Lease Rent of Car		200000 (480000) *	200,000 (480000) *	0 (0) *
3	Rent Received	540000 (540000) *		0 0	0 (0) *
4	Rent Paid	24000 (24000) *		24,000 (24000) *	24000 (24000) *
5	Advance Paid	39000 (123000) *		0 (123000) *	0 ** (123000) *

* Figures in brackets represents previous year.

** Since the balance amount in party's account has been written off.

The remuneration to Related party vide note no.'N' below



N. MANAGERIAL REMUNERATION :

	FOR THE	FOR THE
	YEAR ENDED 31ST MARCH,2009 (Rs.)	YEAR ENDED 31ST MARCH,2008 (Rs.)
A. To Shri R.P.Goyal(Director Finance & Commercial) and Shri P.R.Mukherjee(Director Operation)		
(a) Salary	1,050,000	1,800,000
(b) Contribution to Provident Fund	126,000	216,000
(c) House Rent Allowance	383,250	499,500
(d) Special Allowances	36,750	220,500
(e) Medical Reimbursements	105,000	180,000
(f) Leave Travel Allowance	105,000	180,000
(g) Reimbursement of Electricity Charges	28,000	48,000
(h) Perks in the shape of Telephone & use of car		

Note: (I) The Central Government has approved the appointment, vide letter dated 9th January, 2004, of Shri R.P.Goyal Director(Finance & Commercial) and Dr.P.R.Mukherjee,Director (Operation) under section 269 & 198(4)/309(3)of the Companies Act,1956,with effect from 1st February 2003 and further ammended vide letter dtd.10.2.2006 and 14.2.2006.

(II) The above remuneration do not include provision of gratuity as the provision is an oveall basis.

(III) Dr.P.R.Mukherjee retired on 31st May,2008.His gratuity amount was Rs.5,62,500/-

B. Director's Meeting Fees

	FOR THE	FOR THE
	YEAR ENDED 31ST MARCH,2009 (Rs.)	YEAR ENDED 31ST MARCH,2008 (Rs.)
i) Shri U.S.Bhartia	40,000	36,000
ii) Shri J.S.Baijal	40,000	36,000
iii) Shri Ajay Bhargava	16,000	32,000
iv) Shri K.M.Lal	40,000	28,000

O. Additional Information :

1 Installed Capacity (only in respect of products meant for sale) Class of goods	Installed Capacity p.a. (MT)	
	As at 31st March,2009	As at 31st March,2008
XLPE, MDPE & Other plastic Compounds	18,523	18,523

Notes:- Installed capacity is as certified by the management being a technical matter and relied upon by the Auditors accordingly.

2 Particulars in respect of finished goods and other materials.

Particulars	FOR THE		FOR THE	
	YEAR ENDED 31ST MARCH,2009		YEAR ENDED 31 ST MARCH,2008	
	Qty .MT	Value (Rs.)	Qty .MT	Value (Rs.)
i) Opening Stock	233.285	16,418,177	192.488	13,952,471
XLPE, MDPE & Other Plastic Compounds				
Waste	31.110	961,093	95.705	5,566,203
ii) -Production	7726.681		9765.597	
XLPE, MDPE & Other Plastics Compounds				
* Excludes 505.800 MT Produce on job basis (Previous year 140.100 M.T.)				
Waste	61.793		67.883	
iii) Sales	7897.166	561,484,830*	9724.800	699,298,985*
XLPE, MDPE & Other Plastic Compounds				
Waste	80.567	1,256,991*	132.478	3,539,700*

* Gross including Excise Duties



POLYLINK POLYMERS (INDIA) LIMITED

iv)	Closing Stock	62.800	4,545,303	233.285	16,418,177
	XLPE, MDPE & Other Plastic Compounds				
	Waste	12.336	360,488	31.110	961,093

3 Raw Material Consumed

Particulars	FOR THE YEAR ENDED 31 ST MARCH,2009		FOR THE YEAR ENDED 31 ST MARCH,2008	
	Qty MT	Value Rs.	Qty MT	Value Rs.
LLDPE/LDPE	3813.101	275,197,000	5361.961	346,542,704
PP/PBT	1277.184	81,509,434	1274.235	80,389,203
HDPE	135.508	9,563,734	465.492	29,639,219
EVA	125.160	12,021,773	138.670	12,137,238
CARBON BLACK	73.198	7,268,138	73.916	6,503,266
FILLER (*24.000 MT used in Job work for other,Prev.Year 108.000 MT)	2397.286	7,737,322	2559.451	9,545,979
CHEMICALS & PROCESSING ADDITIVES		22,268,692		21,631,842
OTHERS		2,820,705		3,715,510
	7821.438	418,386,797	9873.725	510,104,961

4 Value of imported and indigenous raw material, stores and spare parts consumed and percentage thereof :

Consumption of raw materials

	FOR THE YEAR ENDED 31 ST MARCH,2009		FOR THE YEAR ENDED 31 ST MARCH,2008	
	Rs.	%	Rs.	%
- Imported	31,014,947	7.41%	*23,672,063	4.64%
- Indigenous	387,371,849	92.59%	486,432,898	95.36%
	418386797	100.00%	510104961	100.00%

* Including Purchase in high seas Purchase.

Consumption of Packing , stores & spare parts:

	Rs.	%	Rs.	%
- Imported	419,404	3.89%*	997,299	8.34%
- Indigenous	10,369,621	96.11%	10,956,179	91.66%
	10789025	100%	11953478	100%

* Including Purchase in high seas Purchase.

	FOR THE YEAR ENDED 31 ST MARCH,2009 (Rs.)	FOR THE YEAR ENDED 31 ST MARCH,2008 (Rs.)
5 Expenditure in foreign currency		
- Foreign Travel	15,170	1,82,555
- Commission on Export Sale	2,86,111	5,94,187
- Interest on ECB Loan	78115	7,69,464
6 Value of imports on CIF basis		
- Raw material & chemicals (Includes Rs.84,78,802/-,Prev. year Rs.63,32,648/- in Transit)	3,32,89,199	1,66,13,131
- Spares	0	10,101
- Packing Material	0	803,376



7	Earning in foreign exchange		
	- FOB value of Export *	95,101,610	9,93,03,311
	* Excluding Deemed Exports Rs.77,23,475/- (Previous year Rs.16,65,664/-)		
P.	Previous period's figures have been regrouped/rearranged wherever considered necessary to confirm to this year's classification.		

IN TERMS OF OUR REPORT OF EVEN DATE.
FOR **K N GUTGUTIA & CO.**
CHARTERED ACCOUNTANTS

For and on behalf of the Board

B R GOYAL
PARTNER
M. NO.12172

U.S.BHARTIA
CHAIRMAN

NEW DELHI
DATE : 5th May, 2009

R. P. GOYAL
DIRECTOR (Finance & Comm.)

**BALANCESHEET ABSTRACT AND COMPANY'S GENERAL PROFILE**

I	Registration Details			
	Registration No.	32905	State Code	04
	Balance Sheet date	31.03.2009		
II	Capital raised during the year (Amount in Rs.Thousand)			
	Public Issue	NIL	Right Issue	NIL
	Bonus Issue	NIL	Preferential Allot	NIL
III	Position of Mobilization and development of funds(Amount in Rs.Thousand)			
	Total Liabilities	416663	Total Assets	416663
	Soucee of fund			
	Paid up capital	155105	reserve & Surplus	2500
	Secured Loans	179576	Unsecured Loans	43162
	Application of Funds			
	Net Fixed Assets	136768	Investment	Nil
	Net Current Assets	68841	Misc Expenditure	Nil
			(to the extenet not written off or adjustment)	
	Accumulated Profit / (Loss)	174734		
IV	Performance of the Company(Amount in Rs.Thousand)			
	Turnover	575513	Total Expenditure	628200
	Profit / (Loss) before Tax	(52687)	Profit / (Loss) after Tax	(52887)
	earning per Share (in Rs.)	(3.41)	Dividend (%)	NIL
V	Generic names of Three Principal Products / Services of the Company (As per Monetary terms)			
	<u>Item Code No.(ITC Code)</u>		<u>Product Description</u>	
	(i) 8556		Silane Grafted Polymeric Granuals	
	(ii) 39016000		Polythelene Granuals	
	(iii) 39023000		Propylene Granuals	

IN TERMS OF OUR REPORT OF EVEN DATE.

FOR K N GUTGUTIA & CO.
CHARTERED ACCOUNTANTS

For and on behalf of the Board

B R GOYAL
PARTNER
M. NO.12172U.S.BHARTIA
CHAIRMANNEW DELHI
DATE : 5th May, 2009R. P. GOYAL
DIRECTOR (Finance & Comm.)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2009**

01.04.2008 TO 31.03.2009	01.04.2007 TO 31.03.2008
(Amount in Rs)	(Amount in Rs)

A. CASH FLOW FROM OPERATING ACTIVITIES :

Net Profit (Loss) Before Tax and Extraordinary items	(52887143)	751371
Adjustment for : Depreciation	18132298	18352217
Interest (Dr.)	27674444	11653061
Interest for prior period	15419250	0
Write Back of Interest	0	(7890300)
Bad Debts Written off /Advances Written off	(863248)	(1325366)
Loss on Sale/Write off of Fixed Assets	146377	220144
Provision for Impairment of fixed Assets	1599586	
Unrealised Foreign Exchange (Gain) / Loss	(175334)	(500263)
Operating profit before working capital changes	<u>9046230</u>	<u>20509493</u>
Adjustment for :		
(Increase)/Decrease in Debtors and Other Current Assets	39598152	1406977
(Increase)/Decrease in Inventories	33818037	(11189822)
Increase/(Decrease) in Trade & other Payables and Provisions	(1537800)	11827435
	<u>71878389</u>	<u>2044590</u>
Net Cash Inflow/(outflow) from Operating Activities (A)	<u>80924619</u>	<u>23305454</u>

B. CASH FLOW FROM INVESTING ACTIVITIES :

Purchase of Fixed Assets & Capital Advances	(4691406)	(3424578)
Proceeds from sale of Fixed Assets	629000	250000
Net Cash Inflow/(outflow) from Investing Activities (B)	<u>(4062406)</u>	<u>(3174578)</u>

C. CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds from / (payment) of long term/short term borrowing	(2751863)	(28599608)
Interest of IDBI (Accrued but not due)	(15419250)	0
Increase /(Decrease) in unsecured loan (Net)	(31482405)	20285205
Interest (Dr.)	(27674444)	(11653061)
Net cash Inflow/(outflow) from financing activities (C)	<u>(77327962)</u>	<u>(19967464)</u>
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)	<u>(465749)</u>	<u>163412</u>
Cash and cash equivalents at the beginning of the year (Opening Balance)	3822251	3658839
Cash and cash equivalents at the closing of the year (Closing Balance)	3356502	3822251

Note :Previous period's figures have been regrouped / rearranged wherever considered necessary to confirm to make them comparable

IN TERMS OF OUR REPORT OF EVEN DATE.

FOR K N GUTGUTIA & CO.
CHARTERED ACCOUNTANTS

For and on behalf of the Board

B R GOYAL
PARTNER
M. NO.12172

U.S.BHARTIA
CHAIRMAN

NEW DELHI
DATE : 5th May,2009

R. P. GOYAL
DIRECTOR (Finance & Comm.)



**FORM OF PROXY
POLYLINK POLYMERS (INDIA) LIMITED)**

Registered Office : 229-230, Village - Valthera, Taluka - Dholka, Dist. : Ahmedabad - 387 810

DP ID*	
Client ID*	

Registered Folio No.	
----------------------	--

I/WE _____
of _____ in the district
_____ being member/s of the above named Company hereby appoint
Mr./Mrs. _____ of _____ in the
district of _____ or failing him /her Mr./Mrs. _____ of
_____ in the district of _____
as my / our proxy to vote for me/us on my behalf at the ANNUAL GENERAL MEETING to be held on Saturday
13th June, 2009.

Signed this _____ day of _____ 2008

Signature _____



* Applicable for members holding shares in dematerialised form

1. This proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
2. members who hold the shares in the dematerialised form are requested to quote their DP ID and Client ID for identification.

POLYLINK POLYMERS (INDIA) LIMITED)

Registered Office : 229-230, Village - Valthera, Taluka - Dholka, Dist. : Ahmedabad - 387 810

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Full name of the
Member attending : _____

Name of Proxy : _____

I hereby record my presence at the 16th Annual General Meeting being held at the Registered Office of the Company on Saturday 13th June, 2009.

Registered Folio No.	
DP ID*	
Client ID*	
No. of Shares held	

Member's Proxy's Signature
(To be signed at the time of handing over this slip)

* Applicable for members holding shares in dematerialised form

Note : Persons attending the Annual General meeting are requested to bring their copies of Annual Report

Book - Post

If undelivered, please return to
POLYLINK POLYMERS (INDIA) LIMITED
229-230, Village - Valthera,
Taluka - Dholka,
Dist. : Ahmedabad-387 810