

POLYMECHPLAST MACHINES LTD.



22nd Annual Report 2008-2009

A Promise to Commitment & Growing Satisfaction



TWENTY SECOND ANNUAL REPORT 2008 - 2009

BOARD OF DIRECTORS
Mr. K.R. Bhuva (Chairman & Managing Director) Mr. M.R. Bhuva (Executive Director) Mr. H.P. Bhuva (Executive Director) Mr. D.A. Pathak (Director) Mr. V.V. Vachharajani (Director) Mrs. H.D. Pathak (Director)
REGISTERED OFFICE & WORKS
"Gold Coin House" Plot No. 775, G.I.D.C. Industrial Estate, Makarpura, Vadodara - 390 010. Ph. : (0265) 2632210, 2631211 Fax : (0265) 2638434 E-mail : goldcoin@polymechplast.com Visit us at : www.polymechplast.com
SAVLI UNIT
Plot No. 50, 51, 52, 54, & 55 At Village : manjusar, Ta. : Savli, Dist. Vadodara.
MUMBAI BRANCH OFFICE
Polymechplast Machines Ltd. F-117, Gundecha Industrial Complex, Akurli Road, Kandivali (East), Mumbai - 400 101. Phone : (022) 28844777.
DELHI BRANCH OFFICE
Polymechplast Machines Ltd. M.G. House No. 01, Office No. 304, Plot No. 01, Wazipur industrial Estate, Community Centre, Delhi - 52 Ph. : (011) 65170869 Fax : (011) 27375178
KOLKATA BRANCH
Polymechplast Machines Ltd. Room No. 4-C, 4th Floor, Sunderam Building, 46-F Rafi Ahmed Kidwai Road, Kolkata - 16. Ph. : (033) 22298400 Fax : (033) 22216650
SURAT BRANCH
Polymechplast Machines Ltd. 224, Rajhans Point, Varachha Road, Surat Mobile : 09924247869

AUDITORS	
PARIKH MEHTA & ASSOCIATES Chartered Accountants 101, Shiv Shakti, 84, Sampatrao Colony, Behind Ivory Terrace, R. C. Dutt Road, Vadodara - 390 007.	
BANKERS	
STATE BANK OF INDIA S.M.E. Branch Manjalpur, Vadodara - 390 011.	
HDFC BANK LTD Arunoday Society, Alkapuri, Vadodara. - 390 007.	
REGISTRAR & SHARE TRANSFER AGENT	
MCS LTD. Neelam Apartment, 88, Sampatrao Colony, Above Chhapanbhog Sweets, Alkapuri, Vadodara - 390 007.	
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NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of the Company will be held on Saturday, the 8th August, 2009 at 11.00 a.m. at the Registered office of the Company at 775, G.I.D.C. Estate, Makarpura, Vadodara - 390 010 to transact the following business:

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2009 and the Profit and Loss Account of the Company for the year ended on even date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. V. V. Vachharajani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. M. R. Bhuva, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of the ensuing Annual General Meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), following resolution as a Special Resolution :-

"RESOLVED THAT the approval, be and is hereby accorded to the reappointment of Mr. K. R. Bhuva as a Managing Director of the Company for the further period of five years with effect from 1st February 2009 pursuant to Clause Nos. 122 to 126 of the Articles of Association of the Company and Section Nos. 198, 269, 309, 310 and other provisions, applicable, if any, read with Schedule XIII of the Companies Act, 1956 (hereinafter referred to as the 'Act') and subject to any other approval(s), permission(s) etc. from the requested authority(ies), if any, at a remuneration of Rs. 27,000/- per month for the period from 1st February, 2009 to 31st July, 2009, and Rs. 56,719/- per month with effect from 1st August, 2009 in addition to perquisites, benefits and such other terms and conditions as set out in the draft agreement for the purpose.

FURTHER RESOLVED THAT pursuant to Clause No. 123 of the Articles of Association, Mr. K. R. Bhuva shall neither be liable to retire by rotation nor he be reckoned with for the purpose of ascertainment of Directors liable to retire by rotation.

FURTHER RESOLVED THAT in case of absence or inadequacy of the profits in any financial year, aforesaid remuneration may be paid subject to the ceiling specified in the Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT the Board of Directors of the Company, shall be at liberty to revise the remuneration of Mr. K. R. Bhuva in case of amendment/modification/reenactment of the Act and rules framed thereunder or otherwise".

6. To consider and if thought fit, to pass with or without modification(s), following resolution as a Special Resolution :-

"RESOLVED THAT the approval, be and is, hereby accorded to reappointment of Mr. M. R. Bhuva as an Executive Director of the Company for the further period of five years with effect from 1st October, 2008 pursuant to Clause No. 101 of the Articles of Association of the Company and Section Nos. 198, 269, 309, 310 and any other provisions, applicable, if any, read with Schedule XIII of the Companies Act, 1956 (hereinafter referred to as the 'Act') and subject to any other approval(s), permission(s) etc. from the requisite authority(ies), if any, at a remuneration of Rs. 22,500/- per month for the period from 1st October, 2008 to 31st July, 2009 and Rs. 43,390/- per month with effect from 1st August, 2009 in addition to perquisites, benefits and such other terms and conditions as set out in the draft agreement for the purpose.

FURTHER RESOLVED THAT in case of absence or inadequacy of the profits in any financial year, aforesaid remuneration may be paid subject to the ceiling specified in the Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT the Board of Directors of the Company, shall be at liberty to revise the remuneration of Mr. M. R. Bhuva in case of amendment/modification/reenactment of the Act and rules framed thereunder or otherwise".

7. To consider and if thought fit, to pass with or without modification(s), following resolution as a Special Resolution :-

" RESOLVED THAT the Approval, be and is, hereby accorded to the reappointment of Mr. H. P. Bhuva as an Executive Director of the Company for the further period of five year with effect from 1st October, 2008 pursuant to Clause No. 101 of the Articles of Association of the Company and Section Nos. 198, 269, 309, 310 and any other provisions, applicable, if any, read with Schedule XIII of the Companies Act, 1956 (hereinafter referred to as the 'Act') and subject to any other approvals(s), permission(s) etc. from the requisite authority(ies), if any, at a remuneration of Rs. 22,500/- per month for the period from 1st October, 2008 to 31st July, 2009 and Rs. 55,447/- per month with effect from 1st August, 2009 in addition to perquisites, benefits and such other terms and conditions as set out in the draft agreement for the purpose.

FURTHER RESOLVED THAT in case of absence or inadequacy of the profits in any financial year, aforesaid remuneration may be paid subject to any ceiling specified in the Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT the Board of Directors of the Company, shall be at liberty to revise the remuneration of Mr. M. R. Bhuva in case of amendment/modification/reenactment of the Act and rules framed thereunder or otherwise "

For AND ON BEHALF OF THE BOARD

Date :1st June, 2009
Place : Vadodara

K. R. Bhuva
Chairman & Managing Director

NOTES

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXY FORMS MUST REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
3. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from 7th August, 2009 to 8th August, 2009 (both days inclusive).
4. Members are requested to notify immediately any change in their address to the Company.

For AND ON BEHALF OF THE BOARD

Date :1st June, 2009
Place : Vadodara

K. R. Bhuva
Chairman & Managing Director

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No.5

Your Directors reappointed Mr. K. R. Bhuva as a Managing Director of the Company for the further period of Five years with effect from 1st February, 2009 on the major terms and conditions including of remuneration and perquisites approved by remuneration committee as follows :

PARTICULARS	UPTO 31-7-2009	w.e.f. 1-08-2009
Monthly Salary	Rs. 27000/-.	Rs. 56,719.00 .
Commission	2.5 % on the Net Profit	NIL
House rent allowance	30% of the consolidated salary.	RS. 8,100/- P.M.
Leave Travel Concession (once in a year)	10% of basic salary	10% of basic salary
Conveyance	Nil	RS.800/- P.M.
Medical Reimbursement	Maximum or Rs. 15000/- p.a.. (for self and family)	Maximum of Rs. 1,250/- P.M. (for self and family)
Personal Accident Insurance	Premium not to exceed Rs. 4,000/- per month.	NIL
Reimbursement of Magazine Expenses	Upto Rs. 100/- per month	NIL
Tuition Fee	Rs. 1000/- P.M.	Rs. 1200/- P.M.
Leave and Leave Encasement	He will be entitled to leave encasement at the end of his tenure as per Company's policy.	He will be entitled to leave encasement at the end of his tenure as per Company's policy.
Exgratia Payment	Exgratia payment not exceeding 20% of the salary in accordance with the rules of the Company.	Exgratia payment As per company's policy.
Contribution to PF. superannuation and gratuity	Contribution to provident fund, Superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these singly put together are not taxable under the Income Tax Act: Gratuity payable should not exceed half a month salary for each completed year of services.	Contribution to provident fund, Superannuation and Annuity to the extent either singly or put together are not taxable under the Income Tax Act: Gratuity payable should not exceed half a month's salary for each completed year of services."
Other allowances	Provision of car for personal use and telephone including mobile phone at residence will be considered as perquisites.	Car facility provided by the Company for personal use and Car maintenance up to Rs.3000/- p.m.
	- Electricity expenses for residence will be paid by the Company.	Telephone including Mobile phone at residence will be considered as perquisites.
	- Moveable Assets like Air Condition will be installed by the Company.	NIL
	- Membership Fees to the club and for the credit card will be paid by the Company	Membership Fee RS. 350/-
	- In case of no profit or inadequacy of profit, the Company may pay him remuneration by way of salary and perquisites specified as above.	- In case of no profit or inadequacy of profit, the Company may pay him remuneration by way of salary and perquisites specified as above.

Draft Agreement, to be entered into between the Company and Mr. K. R. Bhuva relating to his reappointment, will be available for inspection to the members during the period from 10:30 a.m. to 12:30 p.m. on every working days except Saturdays and Sundays upto the date of the meeting. This shall be treated as requisite abstract pursuant to Section 302 of the Companies Act, 1956. Your Directors seek your approval to the resolution in Item No. 5 in the accompanying notice by way of Special Resolution. Except Mr. K. R. Bhuva and his relative Mr. M. R. Bhuva, no other Director shall be deemed to be interested or concerned in the resolution.

Item No. 6

Your Directors reappointed Mr. M. R. Bhuva as an Executive Director of the Company for the further period of Five years with effect from 1st November, 2008 on the major terms and conditions including of remuneration and perquisites approved by remuneration committee as follows :

PARTICULARS	UPTO 31-7-2009	w.e.f. 1-08-2009
Monthly Salary	Rs. 22,500/-	Rs. 43,390.00 .
Commission	1.5 % on the Net Profit	NIL
House rent allowance	30% of the consolidated salary.	Rs. 6,750/- P.M.
Conveyance	NIL	Rs.800/- P.M.
Leave Travel Concession (once in a year)	10% of basic salary	10% of basic salary
Medical Reimbursement.	Maximum or Rs. 15000/- p.a.. (for self and family)	Maximum of Rs. 1,250/- P.M. (for self and family)
Personal Accident Insurance	Premium not to exceed Rs. 4,000/- per month.	NIL
Reimbursement of Magazine Expenses	Upto Rs. 100/- per month	NIL
Tution Fee	Rs. 1000-00	Rs. 1200.00
Leave and Leave Encashment	He will be entitled to leave encasement at the end of his tenure as per the Company's policy.,	He will be entitled to leave encasement at the end of his tenure as per the Company's policy.,
Exgratia Payment	Exgratia payment As per company's policy..	Exgratia payment As per company's policy..
Contribution to PF. superannuation and gratuity	Contribution to provident fund, Superannuation and Annuity to the extent either singly or put together are not taxable under the Income Tax Act: Gratuity payable should not exceed half a month's salary for each completed year of services."	Contribution to provident fund, Superannuation and Annuity to the extent either singly or put together are not taxable under the Income Tax Act: Gratuity payable should not exceed half a month's salary for each completed year of services."
Other allowances	Car facility provided by the Company for personal use and telephone including mobile phone at residence will be Considered as perquisites. Electricity expenses for residence will be paid by the Company as actual.	Car facility provided by the Company for personal use and Car maintenance up to Rs.3000/- p.m.
	Telephone including Mobile phone at residence will be considered as perquisites	Telephone including Mobile phone at residence will be considered as perquisites.
	Nil	Membership fee Rs.600/- p.m.
	- Moveable Assets like Air Condition will be installed by the Company	NIL

Draft Agreement, to be entered into between the Company and Mr. M. R. Bhuva relating to his reappointment, will be available for inspection to the members during the period from 10:30 a.m. to 12:30 p.m. on every working days except Saturdays and Sundays upto the date of the meeting. This shall be treated as requisite abstract pursuant to Section 302 of the Companies Act, 1956. Your Directors seek your approval to the resolution in Item No. 6 in the accompanying notice by way of Special Resolution. Except Mr. M. R. Bhuva and his relative Mr. K. R. Bhuva, no other Director shall be deemed to be interested or concerned in the resolution.

Item No. 7

Your Directors reappointed Mr. H. P. Bhuvu as an Executive Director of the Company for the further period of Five years with effect from 1st November, 2008 on the major terms and conditions including of remuneration and perquisites approved by remuneration committee as follows :

PARTICULARS	UPTO 31-7-2009	w.e.f. 1-08-2009
Monthly Salary	Rs. 22,500/-.	Rs. 55,447.00
Commission	1.5 % on the Net Profit	NIL
House rent allowance	30% of the consolidated salary.	Rs 6,750/- P.M.
Conveyance	NIL	Rs. 800/- P.M.
Leave Travel Concession (once in a year)	10% of basic salary	10% of basic salary
Medical Reimbursement.	Maximum or Rs. 15000/- p.a.. (for self and family)	Maximum of Rs. 1,250/- P.M. (for self and family)
Personal Accident Insurance	Premium not to exceed Rs. 4,000/- per month.	NIL
Reimbursement of Magazine Expenses	Upto Rs. 100/- per month	NIL
Tution Fee	Rs. 1000-00	Rs. 1200.00 P.M.
Leave and Leave Encashment	He will be entitled to leave encasement at the end of his tenure as per the Company's policy.,	He will be entitled to leave encasement at the end of his tenure as per the Company's policy.,
Exgratia Payment	Exgratia payment As per Company's policy..	Exgratia payment As per Company's policy..
Contribution to PF. superannuation and gratuity	Contribution to provident fund, Superannuation and Annuity to the extent either singly or put together are not taxable under the Income Tax Act: Gratuity payable should not exceed half a month's salary for each completed year of services."	Contribution to provident fund, Superannuation and Annuity to the extent either singly or put together are not taxable under the Income Tax Act: Gratuity payable should not exceed half a month's salary for each completed year of services."
Other allowances	Car facility provided by the Company for personal use and telephone including mobile phone at residence will be Considered as perquisites.	Car facility provided by the Company for personal use and Car maintenance up to Rs.3000/- p.m.
	Electricity expenses for residence will be paid by the Company as actual.	Telephone including Mobile phone at residence will be considered as perquisites.
	- Moveable Assets like Air Condition will be installed by the Company	Nil
		Membership fee Rs.600/- p.m.

Draft Agreement, to be entered into between the Company and Mr. H. P. Bhuvu relating to his reappointment, will be available for inspection to the members during the period from 10:30 a.m. to 12:30 p.m. on every working days except Saturdays and Sundays upto the date of the meeting. This shall be treated as requisite abstract pursuant to Section 302 of the Companies Act, 1956. Your Directors seek your approval to the resolution in Item No. 7 in the accompanying notice by way of Special Resolution. Except Mr. H. P. Bhuvu, no other director shall be deemed to be interested or concerned in the resolution.

For AND ON BEHALF OF THE BOARD

Date :1st June, 2009
Place : Vadodara

K. R. Bhuvu
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,
Your Directors have pleasure in presenting their Twenty Second Annual Report together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2009.

(1) FINANCIAL AND WORKING RESULTS :

PARTICULARS	Ended on 31-3-2009 (Rs.)	Ended on 31-3-2008 (Rs.)
TOTAL INCOME	15,45,41,421	16,23,00,420
PROFIT BEFORE		
TAXATION & DEPRECIATION	24,21,999	99,75,509
(Less) : Depreciation	(16,65,551)	(17,73,221)
Add/(Less) : Deferred Tax	(59,937)	(5,23,750)
(Less) : Provision for Taxation	(40,000)	(8,00,000)
(Less) : Fringe Benefit Tax	(2,00,190)	(2,44,286)
(Less) : Prior year Adjustment	(34,079)	(1,17,286)
Profit After Taxation	4,22,242	65,16,966
(Less) : Balance Brought forward	(56,25,621)	(1,21,42,587)
BALANCE CARRIED		
TO BALANCE SHEET	(52,03,379)	(1,21,42,587)

(2) YEAR IN RESTROSPECT :

In spite of acute recession world over, total income of the Company has reduced from Rs. 16,23,00,420/- to Rs. 15,45,41,421/- Which works out to 4.78%. However it has badly exerted pressure on the margin of the company and net profit of the Company has dwindled down from Rs. 65,16,966/- to Rs. 4,22,242/- which works out to around 93.52%. Lower profit is mainly attributable to foreign exchange rate fluctuation expenses as well as sales promotion expenses in order to combat turbulent position.

However impact of recessionary forces has substantially reduced and the current year has commenced with positive note. Your Directors are optimistic for better results in the years to come.

(3) AUDITORS REPORT :

(i) Note no.11 of Schedule - 21(ii) Note no.3 of Schedule 15 and (iii) Note no. 4 of Schedule 15 are self explanatory in respect of Auditors' remarks vide Clause no.4(d) of the Auditors' Report relating to (i) As -26 for intangible assets (ii) As-15 for employee benefit and (iii) As-29 for provision, contingent assets and contingent liability respectively.

(4) DEPOSITS :

The Company has accepted/renewed fixed deposits in compliance with the Companies (Acceptance of Deposits) Rules, 1975.

(5) DIVIDENDS :

In view of carried forward losses, your directors do not recommend any dividend for the year under review.

(6) EXPORTS :

Global recessionary trend has affected export which has reduced around 65.55%. However with restoration of positive economic scenario, your Company is poised to bounce back.

(7) PARTICULARS OF EMPLOYEES :

There was no employee drawing remuneration of Rs. 24,00,000 p.a. or Rs. 2,00,000 p.m. for part of the year or more and hence no particulars have been furnished under Section 217(2A) of the Companies Act, 1956.

(8) ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of 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 is annexed and forms part of this report.

(9) DIRECTORS' RESPONSIBILITY STATEMENT :

- (I) Your Directors have followed the applicable Accounting Standards alongwith proper explanation relating to material departures, if any, while preparing the annual accounts;
- (II) Your Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for the period;

(III) Your Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(IV) Your Directors have prepared the Annual Accounts on a going concern basis.

(10) DIRECTORATE :

Mr. V. V. Vachharajani and Mr M. R. Bhuva retire at the ensuing Annual General Meeting and being eligible, offer themselves for their reappointment as retiring Directors.

(11) AUDITORS :

M/s. PARIKH MEHTA & ASSOCIATES, Chartered

Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible offer themselves for reappointment. You are requested to appoint Auditors and fix their remuneration.

(12) ACKNOWLEDGMENTS :

Your Directors wish to thank the Banks, Government Authorities, Customers, Suppliers and Shareholders for their continued support. Your Directors also take this opportunity to record their appreciation for the contributions made by all the employees to the operations of the Company during the year.

For AND ON BEHALF OF THE BOARD

Date :1st June, 2009
Place : Vadodara

K. R. Bhuva
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT, 2008-2009

Companies (Disclosure of the Report of Board of Directors) Rules, 1988.

A) CONSERVATION OF ENERGY :

Your Company has already taken sufficient steps for Energy Saving, the Company has fitted further Exhaust Ventilator in different shade. As well in all offices the electronics power saving tubes are fitted. Company is still looking forward for better ways to improve it.

B) TECHNOLOGY ABSORPTION :

Your Company is in continuous process of deputing people at various functioning level at appropriate various Seminars, International and Domestic Exhibitions, Technical Training Program etc. for getting acquainted with better technology.

Research and development (R&D) :

1. SPECIFIED AREA :

Development of

- v Development of Bigger capacity Blow Moulding Machine. The Machine Model PBM 50H.
- v Development of servo Motor technology in the Injection Moulding Machine to save the energy consumption of Machine.
- v Thriple colour Machine developed, result start and give good response.

2. BENEFITS DERIVED :

By this year company has extended further 3 year of ISO 9001 - 2000 Quality management system to provide better quality machine to the customer.

1). Future plan :

Company is planning to make biggest 1000 size injection moulding machine with three colour injecting limit.

C) FOREIGN EXCHANGE EARNING AND OUTGO :

- 1) Expenditure in foreign currency
Rs.8,85,15,737/- (P.Y Rs.4,09,67,400/-) on account of Traveling / Supplier Payment.
- 2) Foreign Exchange Earning in Foreign currency, equivalent to Rs.2,59,16,708/- (Previous year Rs.1,91,28,329/-) against sale of machines & components / technical consultancy, supervision and installation charges.
- 3) The company has made the direct export worth of Rs 1,28,66,654/- (Previous Year Rs.3,73,49,619/-).

FORM - A

Form for Disclosure of Particulars with respect to conservation of Energy.

Power and fuel consumption :1. Electricity -(a) Purchased

	CURRENT H.O.	PREVIOUS H.O.
Unit	112394.00	121600.00
Total Amount	731698.89	763920.00
Rate / Unit (Rs.)	6.51	6.28

(b) Own generation

(i) Through diesel generator

Not Applicable

Not Applicable

(ii) Through steam turbine/
generator

Not Applicable

Not Applicable

2. Coal (Specify quality and
where used)

Not Applicable

Not Applicable

3. Furnace Oil

Not Applicable

Not Applicable

4. Others/ internal generation
(please give details)

Not Applicable

Not Applicable

B. Consumption per unit of production (Plastic processing machines i.e Injection & Blow
Molding Machines and their parts)

<u>Products</u>	Standards	Current Year (if any)	Previous Year
<u>(with details) Unit</u>	-	112394	121600
Furnace Oil	-	Nil	Nil
Coal (Specify quality)	-	Nil	Nil
Others (Specify)	-	Nil	Nil

By Order of the Board

Date : 1st June, 2009.
Place : Vadodara.**K. R. Bhuva**
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

(I) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that sound Corporate practices based on openness, credibility and accountability is essential for its long term success. These practices will ensure the Company, having regard to competitive exigencies, conduct its affairs in such way that would build the confidence of its various stakeholders in it and its Board's integrity.

(II) BOARD OF DIRECTORS

The Board of Directors comprises of six members, out of whom three are Executive Directors and three are Non-Executive Directors, who bring in wide range of skills and experience to the Board. The Company has an Executive Chairman and one half of the Board comprises of Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

Composition of Board of Directors as on 31-3-2009.

Name of Directors	Category	No. of Board Meeting Attended	Attendance at last AGM held on 18-8-2008
Mr. K. R Bhuva (Managing Director)	Promoter Executive	11	Yes
Mr. M. R. Bhuva (Wholetime Director)	Promoter Executive	11	Yes
Mr. H. P. Bhuva* (Wholetime Director)	Promoter Executive	2	No
Mr. D. A. Pathak	Independent Non-Executive	11	Yes
Mr. V. V. Vachharajani	Independent Non-Executive	11	No
Mrs. H. D. Pathak	Independent Non-Executive	11	Yes

*Mumbai based Wholetime Director.

No Director holds Directorship or membership of any committee in any other Company.

The meeting of the Board of Directors were held on 5th June, 2008, 14th June, 2008, 22nd July, 2008, 10th August, 2008, 11th August, 2008, 13th August, 2008, 27th September, 2008, 23rd October, 2008, 16th November, 2008, 20th January, 2009, 17th February, 2009.

The time gap between two meetings did not exceed four months. Leave of absence was granted by the Board of Directors who were absent at the respective Board Meeting(s).

The Board of Directors are presented with all the material financial information reflecting the corporate operations including Capital and Revenue budget of the year, annual achievements and analysis of variation, if any, by way of agenda papers. Agenda of the Board also includes minutes of Audit Committee, Remuneration Committee, Shareholders' / Investors' Grievances Committee and materially important show cause notices, demand, prosecution and penalty notices, if any. All other information as required under Clause 49 of the Listing Agreement is also made available to the Board.

Remuneration paid to the Executive Director

Particulars	Mr. K. R. Bhuva (Managing Director)	Mr. M. R. Bhuva (Whole time Director)	Mr. H. P. Bhuva (Whole Time Director)
Salary	3,24,835/-	2,71,000/-	2,71,000/-
Contribution to PF & Superannuation Fund	38,980/-	32,531/-	32,531/-
Other Benefits & Allowance	1,91,832/-	1,68,342/-	2,15,342/-
TOTAL	5,55,647/-	4,71,961/-	5,18,961/-

Remuneration paid to the Non-Executive Directors

Non Executive Directors are not being paid any remuneration except sitting fees as detailed below:

Name of Director	Sitting Fees:
Mr. D. A. Pathak	5,500/-
Mr. V.V. Vachharajani	5,500/-
Mrs. H. D. Pathak	5,500/-

Committees of the Board

The Board of Directors have constituted three committees in compliance of the Corporate Governance norms, viz. Audit Committee, Shareholders'/Investors' Grievances Committee and the Remuneration Committee. Minutes of these Committee Meetings are circulated and subsequently approved/noted by the Board.

III AUDIT COMMITTEE

Composition of the Audit Committee as on 31-3-2009.

The Audit Committee of the Board comprises of three Independent Non-Executive Directors as detailed below :

Sr.No.	Name of Directors	Designation	No.of meetings attended
1.	Mr. D. A. Pathak	Chairman	4
2.	Mr. V. V. Vachharajani	Member	4
3.	Mrs. H. D. Pathak	Member	4

The constitution of the Committee meets with the requirement of the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement pertaining to Audit Committee and its functioning. The terms of reference, role and scope of the Committee are in line with the aforesaid requirements.

Dates of Audit Committee Meetings.

The meeting of the Board of Directors were held 14th June, 2008, 22nd July, 2008, 23rd October, 2008, 20th January, 2009.

All the members of the Audit Committee have financial and accounting knowledge. The Audit Committee invites such of the executives as it considers appropriate to be present at its meetings. The Audit Committee Meetings are also attended by Managing Director, Whole time Director and the representatives of Statutory Auditor.

Mr. Dilip Shah acts as the Secretary of the Audit Committee.

(IV) REMUNERATION COMMITTEE

The remuneration policy of the Company is aimed at rewarding performance based on systematic and periodical review of achievements. The remuneration policy is in consonance with the prevailing industrial practices and laws.

Composition of the Remuneration Committee as on 31-3-2009.

Sr.No.	Name of Directors	Designation
1.	Mr. D. A. Pathak	Chairman
2.	Mr. V. V. Vachharajani	Member
3.	Mrs. H. D. Pathak	Member

One meeting was held during the year. All the above members including the Chairman of the Remuneration Committee are Non-executive and independent Directors.

Terms of reference

The remuneration and other terms of appointment of the Executive Directors are approved by the Board of Directors subject to approval of shareholders and/or the Central Government as the case may be.

The agreement with the Managing Director and whole time Director is contractual in nature. The Agreement may be terminated by either party giving three months' notice or remuneration in lieu thereof.

(V) SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE**Composition of Shareholders' /Investors' Grievance Committee as on 31st March, 2009.**

The Shareholders' /Investors' Grievance Committee constituted by the Board Comprises of Mr. D. A. Pathak as a Chairman, Mr. K. R. Bhuvra, and Mr. M. R. Bhuvra, as members. The Committee supervises the systems of redressal of investor Grievances and ensures cordial investor relations.

Mr. Dilip Shah, Sr. Secretarial Officer acts as a compliance officer of the company.

Terms of reference

The Board of Directors has delegated the power of overseeing transfer and transmission of shares and other matters like consolidation of Certificates, issue of duplicate share certificates, dematerialisation / rematerialisation of shares, as well as shareholders' / investors grievance resolution to the Committee. All these matters are dealt with by the Committee, which meets regularly every quarter.

In accordance with Clause 49(VI)(D) of the Listing Agreement with the Stock Exchange, the Committee has authorised Mr. M. R. Bhuvra, as authorised signatory to approve share transfers, transmissions, dematerialisation / rematerialisation of shares.

During the year, the Company has received 11 nos. of complaints from the shareholders, and all the complaints have been appropriately addressed and no complaints are pending at the end of the period.

(VI) GENERAL BODY MEETINGS

The last three Annual General Meetings (AGMs) of the Company were held at the Registered Office of the Company at Plot No. 775, GIDC, Makarpura, Baroda-390010, as detailed below:

Financial Year ended	Date	Day	Time	No.of Special Res.
31-3-2006	01-07-2006	Saturday	11-00 A. M.	NIL
31-3-2007	18-8-2007	Saturday	11-00 A.M.	NIL
31-3-2008	22-7-2008	Tuesday	11-00 A.M	3

Process of the Annual General Meeting

The Company advocates and follows a very transparent system of management and encourages shareholders' participation in the Annual General Meeting. The Company ensures that the Notice of the AGM, along with the Annual Report of the Company is despatched to the shareholders well in advance to enable them to participate in the meeting.

(VII) DISCLOSURES

1. During the year, the Company has not entered into any transaction of material nature with its promoters, directors or the management, their subsidiaries or their relatives etc. which may have potential conflict with the interests of the Company at large.
2. The Board has received disclosures from key personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.
3. There was no material non-compliance during the last three years by the Company on any matters and no penalties were imposed or strictures passed on the Company by Stock Exchanges, SEBI or by any Statutory Authority related to Capital Market.

(VIII) MEANS OF COMMUNICATION

1. The Quarterly financial results of the Company are forwarded to the Stock Exchanges immediately upon approval by the Board of Directors and are published in widely circulated national and local dailies.
2. The financial results and other information is proposed to be displayed in the Company's website www.polymechplast.com.
3. The aforesaid website of the Company also displays the official news releases of the Company
4. Management Discussion & Analysis also forms part of this Annual Report, which is being dispatched to the shareholders of the Company.

(IX) GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

The Twenty Second Annual General Meeting of the Company is scheduled to be held on :

Date & Time : 8th August, 2009 at 11-00 A. M.

Venue : Registered office at 775, GIDC, Makarpura, Vadodara-390010.

Book Closure Date : 7th August, 2009 to 8th August, 2009.

Dividend : NIL

Financial Calendar for 2009-10 (tentative)

The next financial year of the Company is 1st April, 2009 to 31st March, 2010.

The quarterly results will be taken on record by the Board of Directors as per the following schedule:

For quarter ending	End of the following month
June, 2009	July, 2009
September, 2009	October, 2009
December, 2009	January, 2010
March, 2010	April, 2010

Listing on Stock Exchange and the Stock Code Allotted

The Company's Equity Shares are presently listed at following Stock Exchanges:

1. The Vadodara Stock Exchange Ltd. (Regional Stock Exchange):
2. Bombay Stock Exchange Ltd.

- Stock Code : 526043
- ISIN No. : INE 809B01014

The Company has already paid Listing Fees upto 31-3-2009 to all the Stock Exchanges where the shares of the Company are listed.

Market Price Data

High, Low Market Price during each month and trading volumes of the Company's Equity Shares during the last financial year at Bombay Stock Exchange Ltd. (BSE) is tabled below:

Month	April, 2008	May, 2008	June, 2008	July, 2008	August, 2008	Sept, 2008
High (Rs.)	9.62	10.08	8.58	8.19	8.25	7.73
Low (Rs.)	7.01	8.60	7.13	6.78	7.30	6.77

Month	Oct., 2008	Nov., 2008	Dec., 2008	Jan., 2009	Feb., 2009	March, 2009
High (Rs.)	6.44	5.11	5.10	4.60	Nil	4.20
Low (Rs.)	5.02	4.86	4.40	3.81	Nil	3.55

Registrar and Share Transfer Agent (RTA)

The Company has complied with the SEBI direction of appointment of common agency for both the physical and electronic form of shareholding. M/s. MCS Limited Neelam Apartment, 88, Sampatrao Colony, Above Chhappanbhog, Alkapuri, Vadodara act as the Registrar and Transfer Agent (RTA) for the equity shares of the company for physical and electronic form.

Share Transfer System

Share transfers in prescribed form can be lodged with the RTA's address or at the registered office of the Company. The transfers are normally processed by the Registrar and Transfer Agent within 21 days from the date of receipt, if the documents are complete in all respects. Share transfers under objection are returned within two weeks.

The Committee meets regularly normally once in quarter to consider and oversee all the transfer proposals. All requests for dematerialisation of shares are processed and the confirmation

is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

Distribution of Share Holding as on 31st March, 2009.

Holdings Amount (Rs.)	Shareholders		Shares	
	Number	% to total	Number	% to Total
1 to 500	9640	86.7609	1652726	28.6360
501 to 1000	1154	10.3861	985997	17.0839
1001 to 2000	150	1.3500	235778	4.0852
2001 to 3000	46	0.4140	120829	2.0935
3001 to 4000	26	0.2340	93034	1.6120
4001 to 5000	15	0.1350	72400	1.2544
5001 to 10,000	36	0.3240	259130	4.4898
10,001 to 50,000	31	0.2790	738234	12.7910
50,001 to 1,00,000	6	0.0540	465704	8.0690
and above	7	0.0630	1147668	19.8851
Total	11111	100.00 %	5771500	100.00 %

Dematerialisation of Shares

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India-National Securities Depositories Ltd.

(NSDL) and Central Depository Services Ltd. (CDSL). Equity Shares of the Company representing of the Share Capital are dematerialized up to 31st March, 2009.

Shareholding Pattern as on 31st March, 2009.

Category	No. of Shares Held	% of Shares Holding
Promoters	19,61,418	33.98
Institutional Investors	Nil	-
b. Banks, FI's Insurance Companies	Nil	-
Private Corporate Bodies	2,12,596	3.69
NRI's / OCB's (other then Promoter Group)	99,950	1.73
Other Trust & Foundations	-	-
Indian Public	34 97 536	60.60
Total	57,71,500	100.00

Distribution of Share Holding as on 31st March, 2009.

- Number, of GDR outstanding

as at 31st March, 2009

: NIL

Plant Location of the Company

"Gold Coin House" PlotNo775,
G.I.D.C Industrial Estate,
Makarapura, Vadodara 390 010.

(X) COMPLIANCE

As stipulated by Listing Agreement with the Stock Exchanges, the Company has obtained the certificate regarding compliance

of Corporate Governance from M/s. P. Mehta & Associates, Practising Company Secretaries. which appears as a part of the Annual Report of the Company.

(XI) ADDRESS FOR CORRESPONDENCE

Shareholders' correspondence should be addressed to the Company's RTA's address. Members may also write to the Company's Registered Office mentioned above. Instructions regarding change of address, nomination and power of attorney executed by the Shareholders should be given directly to their respective Depository Participants.

Name of Director	Mr. V. V. Vachharajani	Mr. M. R. Bhuva
Date of Birth	1-10-1969	22-7-1963
Date of Appt.	9-9-2004	24-9-1998
Expertise	Company Secretary	Industrialist
Qualifications	B.Com., L.L.B., F.C.S., ICSAI.	Diploma in Pharmaceutical
List of Companies in which outside Directorship held as on 31st March, 2009	N. A.	N. A.
Chairman/Member of the Committee of the Board of the other Companies on which he is a Director as on 31st March, 2009	N. A.	N. A.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Prolonged global recessionary trends as well as fierce competition from China had badly affected Indian Plastic Processing and Plastic Industry. Demoralised Steel Industry- a source of raw material, for plastic processing industry had also adversely affected it. However, due to reducing impact of global recessionary trend on Indian Economy, encouraging sentiment in steel industry weakening China and quality upgradation in Indian Industry would once again put Indian Plastic Processing Industry in forefront.

The Company has developed some of the highly valued machines like Triple Colour Machine, colour less machines, Compressor less machines etc.

The Company works on the "constant quality upgradation" policy for developing the new machines.

OPPORTUNITIES AND OUTLOOK

Apart from participation in international exhibition, the company proposes to establish office setup / manufacturing set up abroad. The company also proposes to establish its own manufacturing tie up/ business channel partner. It would help in increasing sales as well as increasing profits consequent to reduction on overheads.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Global recessionary trends have marginally affected the total Income of the Company showing decrease from Rs. 16,23,00,420/- of the previous year to Rs. 15,45,41,421/- but have eaten away substantial profit of the company restricting it to Rs. 4,22,242/- as against Rs. 65,16,966/-

RISK MANAGEMENT

Market condition and variation in the prices of raw material coupled with Government Policy on exports constitute major external risk to the Company.

The Company utilizes steel as its raw material and increase in price of inputs without proportionate corresponding increase in the price of its finished goods may affect it adversely.

In order to meet the challenges of marketing conditions, the Company proposes to undertake an aggressive

advertisement campaign at all India level in all leading magazines.

INTERNAL CONTROL SYSTEM AND THEIR EFFICACY

The Company has an adequate system of internal control and checks supported and monitored by well-developed Management Information System to ensure and every business transaction is carried out effectively and efficiently as per laid down procedure and appropriately delegated authority.

The Company also has a system of Annual Business Plan including budget and significant variation for the annual plan and budget are reported on quarterly basis to the Board through the Audit Committee.

STATUTORY COMPLIANCES

Based on the review of the working of each department, adequate steps are taken to ensure legal compliance.

QUALITY THE HAND BEHIND OUR PROGRESS.

Quality of our products is the only thing which makes us to stand higher than our competitors. The company gives major thrust to the quality. We give value for money to our customers.

We give high quality products at affordable prices, we have achieved such reduced cost due to the benefit of economies of scale. We have been concentrating on the 'Advantage Model'.

Prompt after sales services has also helped in maintaining and widening the range of our present and prospective customers.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

The company is very keen in developing its Human Resource. The Company has been organising various seminars & workshops on Personality development for increasing productive Efficiency of the workers.

These seminars have helped the employees of the Company in achieving the higher efficiency leading to achievement of organisational goals of the Company as a whole.

It has also created an environment of proximity, entirety and mutual understanding among the employees in the Company.

CAUTIONARY STATEMENT

Statement in this management discussion and analysis detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking" statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that may make difference to the Company's operations include Global and Indian demand supply conditions, finished goods prices, feed availability and prices, cyclical demands and pricing in the Company's principal markets, changes in Government regulations, economic development within India and the countries within which the Company carries on business and other factors like litigation and labour negotiations.

CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Polymechplast Machines Limited, for the financial year began on 1st April, 2008 and ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchange in India.
The compliance of conditions of Corporate Governance is

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement as applicable.

We state that in respect of investor grievances received during the year ended 31st March, 2009 no investor grievance is pending against the Company for a period exceeding one month as per the records maintained by the Company.

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

For P. Mehta & Associates
Practising Company Secretary

Date : 1st June, 2009
Place : Vadodara

P. Mehta & Associates

PARIKH MEHTA & ASSOCIATES

Chartered Accountants

D. B. Parikh
M.Com., FCA

S.J. Mehta
B. Com., FCA,
Grad. CWA, DISA

Mrs. H.M. Desai
B.Com., FCA, LL.B
DISA

Mrs. T. A. Parikh
M.Com., FCA

A. D. Parikh
M.Com., ACA

Office : 101, Shiv Shakti, 84, Sampatrao Colony, Behind Ivory Terrace, R. C. Dutt Road, Vadodara - 390 007.
Tel No. (0265) 2343615 - 3057838 Fax No.: (0265) 3057834 E-mail : dilip_parikh@sify.com

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of **POLYMECHPLAST MACHINES LTD.** as on **31st March 2009**, and also the Profit and Loss Account for the period ended on that date annexed thereto and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
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 Issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of 'The Companies Act' 1956; except
 - (1) As-26: Intangible Assets (Refer Note No. 11 of "Schedule-21")
 - (2) As-15 : Employee Benefits (Refer Note NO.3 of "Schedule-15")
 - (3) As-29: Provisions, Contingent Assets and Contingent Liability (Refer Note-4 of "Schedule-21")
 - e. On the basis of written representations received from the directors, as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of 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, subject to our notes read thereon the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
 - b) in case of Profit and Loss Account, of the **profit** of the Company for the year ended on that date and
 - c) in case of Cash Flow statement, of the Cash Flows for the year ended on that date.

For PARIKH MEHTA & ASSOCIATES
Chartered Accountants

Ashish Parikh
Partner
Membership No. 116745

Place : Vadodara.
Date : 1-6-2009

ANNEXURE TO THE AUDITOR'S REPORT

REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

- i. (a) The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets. According to the information and explanation given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
- (b) No significant part of the fixed assets has been disposed off or revalued during the year.
- ii. (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and the nature of its business.
- (b) In our opinion, according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.
- (c) The company has maintained proper records of the inventory. As explained to us there is no material discrepancies noticed on physical verification of having regard to the size of the operations of the company.
- iii Loans granted or taken

Name of the parties	Amount Involved	Regularity in payment
Himmatbhai P. Bhuva	1,33,360.00	Yes
Kantilal R. Bhuva	18,488.22	Yes
TOTAL	1,51,848.22	

- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. In our opinion and according to the information and explanation given to us, there is no

continuing failure to correct major weakness in internal control.

- v. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956, and aggregating during the year to Rs.5 lack or more in respect of each party, have been made at a price which are reasonable having regard to prevailing market price as available with the company.
- vi. In our opinion and according to the information and explanation given to us, directives issued by the Reserve Bank of India and the provision of section 58A, 58AA or any other relevant provision of The Companies Act, 1956 and rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal U/S 58A and 58AA.
- vii. In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
- viii Maintenance of cost records u/s 209 (1)(d) of the Companies Act, 1956, is not applicable to the company.
- ix. (a) According to the information and explanation given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Investors Education & Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty etc.
- (b) Following disputed items are pending payment as on the balance sheet date:

Statutory Dues	Amount (Rs.)	Dispute pending with
Baroda Municipal Corporation Tax	2,14,417	Municipal Corporation Vadodara
Excise Duty	45,68,414	CESTAT - Mumbai
Commissioner of Income Tax	4,68,092	Comm. Appeal Vadodara
Under Written Commission	86,000	Civil Court Mumbai

- x. **Accumulated / Cash Losses**
In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered under our audit and has incurred cash losses in the immediately preceding financial year.
- xi. The company has not defaulted in repayment of dues to the financial institution or bank.
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. Chit Fund / Nidhi / Mutual Benefit Fund / Societies is not applicable to the company.
- xiv. The company does not deal in trading of shares etc. hence this clause is not applicable.
- xv. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. As per information and explanation given to us, term loans were applied for the purpose for which loans were obtained.
- xvii. According to the information and explanation given to us, the funds raised on short-term basis have not been applied for long-term investment and vice versa.
- xviii. We are informed that the company has not made any preferential allotment of shares to companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956.
- xix. The company has not issued debentures and hence requirement of reporting regarding creation of securities in respect of debentures issued does not arise.
- xx. Company has not raised any money by public issue during the year.
- xxi. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For PARIKH MEHTA & ASSOCIATES
Chartered Accountants

Ashish Parikh
Partner
Membership No.: 116745

Place : Vadodara.
Date : 1-6-2009

BALANCE SHEET AS AT 31th MARCH, 2009

	SCHEDULE	AS AT 31-3-2009 (Rs.)	AS AT 31-3-2008 (Rs.)
I. SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	50740500	50740500
Reserves and Surplus	2	0	0
Loan Funds			
Secured Loans	3	35945233	33646316
Unsecured Loans	4	6206100	3333397
	TOTAL	92891833	87720213
II APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	36155069	34852288
Less : - Depreciation		20705000	19039448
Net Block		15450069	15812840
Investments	6	22200	100
Current Assets, Loans and Advances			
Inventories	7	54187786	42054652
Sundry Debtors	8	51652216	48728995
Cash and Bank Balances	9	7949202	12066743
Loans and Advances	10	10705413	9133736
Deffered Tax Assets		2482476	2542413
		126977093	114526539
Less : Current Liabilities and Provisions			
Current Liabilities	11	51868064	46456338
Provisions	11	5775152	5530646
Deffered Tax Liability		1396091	1396091
		59039307	53383075
NET CURRENT ASSETS		67937786	61143464
Miscellaneous Expenditure	12	4278399	5138188
(to the extent not written off or adjusted)			
Profit and Loss Account (Debit Balance)		5203379	5625621
	TOTAL	92891833	87720213
Significant Accounting Policies	20		
Notes on Accounts	21		

AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR PARIKH MEHTA & ASSOCIATES
Chartered Accountants

Ashish Parikh
Partner
Membership No. 116745

PLACE : Vadodara
DATE : 1-6-2009

FOR & ON BEHALF OF BOARD OF DIRECTORS
FOR POLYMECHPLAST MACHINES LTD.

K. R. Bhuva
Chairman &
Managing Director

D. A. Pathak
Director

M. R. Bhuva
Executive Director

B. J. Vyas
Sr. Manager (F & A)

PLACE : Vadodara
DATE : 1-6-2009

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

PARTICULARS	SCHEDULE	Ended on 31-3-2009 (Rs.)	Ended on 31-3-2008 (Rs.)
(I) INCOME			
Sales		160568430	170559952
Less : Excise Duty, Ed Cess & S&HEC		7403788	9830528
Less : Value Added Tax / Sales Tax		2195145	1592100
Net Turnover		150969497	159137324
Other Income	13	3571924	3163096
(II) Increase / (Decrease) in stocks	14	6411307	(711927)
TOTAL		160952728	161588493
EXPENDITURE			
Raw Material Consumed	15	114209882	113587621
Personnel Expenses	16	11695661	12053959
Operating & Other Manufacturing Expenses	17	12906048	11694861
Administrative and Selling Expenses	18	12313118	7703578
Financial Charges	19	5081675	4541531
Depreciation	5	1665551	1773221
Miscellaneous expense written off		2324345	2031434
TOTAL		160196280	153386205
Profit From Continuing Operations Before Extraordinary & Prior Period Items & Tax		756448	8202288
Less : Litigation Settlement Expense		0	0
Prior Year adjustment		34079	117286
Profit From Continuing Operations Before Tax		722369	8085002
Less : Deferred Tax		59937	523750
Less : Provision for Fringe Benefit Tax		200190	244286
Less : Provision for Taxation		40000	800000
NET PROFIT		422242	6516966
Less : Balance Brought forward		(5625621)	(12142587)
BALANCE CARRIED TO BALANCE SHEET		(5203379)	(5625621)
Significant Accounting Policies	20		
Notes on Accounts	21		

AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR PARIKH MEHTA & ASSOCIATES
Chartered Accountants

FOR & ON BEHALF OF BOARD OF DIRECTORS
FOR POLYMECHPLAST MACHINES LTD.

Ashish Parikh
Partner
Membership No. 116745

K. R. Bhuvu
Chairman &
Managing Director

M. R. Bhuvu
Executive Director

D. A. Pathak
Director

B. J. Vyas
Sr. Manager (F & A)

PLACE : Vadodara
DATE : 1-6-2009

PLACE : Vadodara
DATE : 1-6-2009

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2009.

	AS AT 31-3-2009 (Rs.)	AS AT 31-3-2008 (Rs.)
SCHEDULE - 1		
AUTHORISED CAPITAL		
7500000 Equity Shares of Rs.10/-each	75000000	75000000
ISSUED SUBSCRIBED AND PAIDUP CAPITAL		
5771500 (Previous Year 5771500)		
Equity Shares of Rs.10/- each Fully paid up		
Rs. 10/- called up on 5771500		
Equity shares	57715000	
Less : Calles Unpaid	<u>6974500</u>	
(P.Y. Rs. 8014000/=)		
Total	50740500	50740500
SCHEDULE - 2		
RESERVES AND SURPLUS		
Revaluation Reserve		
As Per Last Balance Sheet	0	0
Less :- Transferred to Profit and Loss A/c	0	0
Net	0	0
Add : - General Reserve	0	0
Total	0	0
SCHEDULE - 3		
SECURED LOANS FROM BANK		
1. Cash Credit / Export Facilities	33158229	30938137
(Secured by Stock & Bookdepts & further Secured By personal guarantees of Directors and euitable Mortgage of Factory Building)		
3. Term Loan	0	0
4. Loans From Financial Institutations.	2787004	2708179
Total	35945233	33646316
SCHEDULE - 4		
UNSECURED LOAN		
Unsecured Loans from Others.	6094081	3221378
Interest Paid / payable on loan	112019	112019
Total	6206100	3333397

POLYMECHPLAST MACHINES LTD.,
DEPRECIATION SCHEDULE AS AT 31st March , 2009.
(SCHEDULE - 5 FIXED ASSETS)

(Rupees)

SR. NO.	ITEM DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 1-4-2008	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31-3-2009	AS AT 1-4-2008	PROVIDED DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31-3-2009	AS AT 31-3-2009	AS AT 31-03-2008
1	Land	3077483			3077483	0			0	3077483	3077483
2	Building										
	Factory Building	13544994	689145		14234139	6109064	465651		6574715	7659424	7435930
3	Plant & Machinery	2973336	12000		2985336	2303001	141803		2444804	540532	670335
4	Computer	4405823	550838		4956661	4254739	454089		4706828	247633	151084
5	Vehicle	4438381	49356		4487737	3079208	424772		3503980	983757	1359173
6	Furniture	986539	11001		997540	860054	62912		922966	74574	126485
7	Office Equipment	579876	2940		582816	188811	27637		216448	366368	391065
8	Electrical										
	Installation	1322824			1322824	763374	62834		626208	496616	559450
9	Testing Equipment	471915			471915	104319	22416		126735	345180	367596
10	Pattern Die & Mould	1384288			1384288	1364957			1364957	19331	19331
11	Air Conditioner	37217		12500	24717	11921	3438		15359	9358	25296
12	of Polymech Infotech Capital Work in Progress	1629613			1629613	0			0	1629613	1629613
	Total	34852289	1315280	12500	36155069	19039448	1665552		20705000	15450069	15812841
	Previous Year	333861239	1021130	30081	34852288	17290038	1773221	23811	19039448	15812840	16571201

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2009.

	AS AT 31-3-2009 (Rs.)	AS AT 31-3-2008 (Rs.)
SCHEDULE - 6		
INVESTMENT (AT COST)		
Non-Trade Investment (Unquoted)		
4 Fully paid up shares of Rs.25 each of THE MAKARPURA INDUSTRIAL ESTATE CO-OPERATIVE BANK LTD.	100	100
INVESTMENT IN GOLD/SILVER	22100	0
Total	22200	100
SCHEDULE - 7		
INVENTORIES		
(As taken, valued and certified by Management)		
Raw Materials	21389428	15667601
Finished Goods (Including Branch Stock)	16559313	6265691
Slow-Moving Goods	346763	346763
Work in process	15892282	19774597
Total	54187786	42054652
SCHEDULE - 8		
SUNDRY DEBTORS		
(Unsecured and Considered Good)		
More than six months	31964786	17981304
Less than six months	19687430	30747691
(Including Rs.- Nil - due from Company in which directors are interested (P.Y. Rs.Nil))		
	51652216	48728995
Less : - Provision for Doubtful Debts	0	0
Total	51652216	48728995
SCHEDULE - 9		
CASH AND BANK BALANCES		
1. Cash on hand	69867	360619
2. Balance with Scheduled Banks		
- In current accounts With S.B.S. (Maximum Balance Rs. 507426)(P.Y. Rs.1031471)	437659	123331
- In fixed deposits against (Margin Money of LC)	7418573	10269436
- In current accounts With H.D.F.C. (Maximum Balance Rs.2125474.00) (P.Y.. Rs.6383236.00)	20185	1310351
3. Balance with Non-Schedule Bank		
- THE SHAMRAO VITHALRAO CO-OPERATIVE BANK LTD. -Mumbai (Maxmimum Balance Rs.Nil) (P.Y. Rs.Nil)	0	0
- THE MAKARPURA INDUSTRIAL ESTATE CO-OPERATIVE BANK LTD. BARODA (Maximum Balance Rs.3057) (P.Y. Rs.3057)	2918	3006
Total	7949202	12066743

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2009.

	AS AT 31-3-2009 (Rs.)	AS AT 31-3-2008 (Rs.)
SCHEDULE - 10		
LOANS AND ADVANCES		
(Unsecured and Considered Good and recoverable in cash or kind or for value to be received)		
1. CENTRAL EXCISE ACCOUNT	1238933	849405
2. ADVANCE INCOME TAX	1620819	764025
3. ADVANCE TO SUPPLIERS	2798580	2946706
4. ADVANCE TO STAFF & WORKERS	357897	77004
5. DEPOSIT ACCOUNTS	2979016	2891006
6. OTHER ADVANCES	1710168	1605590
Total	10705413	9133736
SCHEDULE - 11		
CURRENT LIABILITIES		
SUNDRY CREDITORS		
(Due to Micro & Small Enterprise Refer Note 9)		
ADVANCES FROM CUSTOMERS	13150324	8458605
OTHER LIABILITIES	1075495	1721576
Total	51868064	46456338
PROVISIONS	5775152	5530646
Total	57643216	51986984
SCHEDULE - 12		
MISCELLANIOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Exhibition Expenses	4278399	5138188
Total	4278399	5138188

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31st March, 2009.

(Rupees)

	2008-2009	2007-2008
SCHEDULE - 13		
OTHER INCOME		
Miscellaneous Receipts	3571924	3163096
Total	3571924	3163096
SCHEDULE - 14		
Increase/(Decrease) in stocks		
Closing Stock of finished Goods (Incl.Branch Stock)	16559313	6265691
Closing Stock of work in Process	15892282	19774597
Total-A	32451595	26040288
Less :-		
Opening Stocks of finished Goods (Incl.Branch Stock)	6265691	11220374
Opening Stock of Work in Process	19774597	15531841
Total-B	26040288	26752215
INCREASE / (DECREASE) IN STOCKS (A-B)	6411307	(711927)
SCHEDULE - 15		
RAW MATERIAL CONSUMPTION		
Opening Stock of raw material	16014364	22168388
Add:--		
Purchases	115508623	107624914
Purchase Tax	12030	14143
Packing Material Expenses	9064	233753
Testing Expenses Machine	9056	97501
Central Excise Duty Exp.	517399	912988
Custom Duty Import	10654456	4306598
Service Tax Expenses	91679	0
	126802307	113189897
Less:--		
Excise Cenvat Credit	6721617	5597449
Education Cess Set Off on Excise	0	0
Education Cess Set Off on Ser.Tax	0	0
Input service Credit A/c	148981	158851
Input Service Credit on Stock	0	0
	6870598	5756300
	119931709	107433597
	135946073	129601985
Less : Closing stock of Raw Material	21736191	16014364
Consumption	114209882	113587621
Note : Closing stock of material includes Slow-Moving stock of Rs.3,46,763/= (P.Y.Rs.3,46,763/=) & Stock of Insurance Claim Rs.29,75,637/=		
SCHEDULE - 16		
PERSONAL EXPENSES :		
Salaries Wages Bonus	10518377	10640420
Contribution to provident and other funds	738709	794302
Employees Welfare Expenses	165736	236378
Gratuity	272839	382859
Total	11695661	12053959

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31st March, 2009. (Rupees)

	2008-2009	2007-2008
SCHEDULE - 17		
OPERATING & OTHER MANUFACTURING EXPENSES		
Labour charges	2519237	6923199
Power and fuel Expenses	393629	481723
Repairs to:		
Plant and Machinery	16042	110133
*Factory Building	168399	246893
Insurance Premium	554773	466494
Drawing & Design	80	665
Factory Expenses	37687	75690
Factory Licence Fee	4930	5190
Pattern Consume Expenses	13485	160140
Testing Expenses (Raw Material)	0	8100
Carting Charges	179932	376207
Freight Inward	723417	296019
Octroi	429	1175961
Import Expenses	1753123	1336956
Foreign Exchange Rate Fluctuation	6540885	31491
Total	12906048	11694861
SCHEDULE - 18		
ADMINISTRATIVE AND SELLING EXPENSES		
Printing & Stationery	403126	300617
Office Rent	493090	602880
Vehicle Expenses	420824	452108
Auditors Remuneration	56324	78626
Travelling and Conveyance	2159666	1410229
Postage, Telephone & Telegram	1034861	1119165
Professional Fees	477788	619523
Office & Sundry Expenses	223821	255012
Entertainment Expenses	114493	86955
Membership Fees	44870	30900
Legal Expenses	308556	132312
Filing Fee	8564	9004
Security Service Charges	28719	47310
Professional Tax (Co.)	5000	3500
Transportation Charges	5050	990
Sales Tax Expense	249150	0
Advertisement Expense	595104	238203
Sales Promotion	3677987	1675985
Listing Fee	19834	16350
Books & Periodicals	1735	20719
General Repairs	476692	192386
Brokrage & Commission	0	115000
Clearing Forwarding Agency Charges	264569	173456
Computer Expense	202707	168012
Total Carried Forward	11272530	7749242

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31st Mach, 2009.

	2008-2009	2007-2008
Total Brought Forward	11272530	7749242
Debit Credit Balance Written off	150275	(596127)
Electricity Expenses	562563	481478
Donation Expenses	5418	3500
Sitting Fees	16500	22500
Flood Damage Expenses	5351	5070
Plantation Exp.	152367	0
Goods Transport Agency Expenses	48127	37915
Custom Duty Exp.	98987	0
Income Tax Exp	1000	0
Total	12313118	7703578
SCHEDULE - 19		
FINANCIAL CHARGES		
Bank Interest	4543615	3950735
Sales Tax Interest	0	0
Service Tax Interest	100	200
Other Interest	596	32563
Interest on Unsecured Loan	112019	175742
Interest on Term Loan	0	73802
Bank Charges	1248460	854622
Vat Interest	218	0
Total	5905008	5087664
INTEREST RECEIVED :		
Interest Income of F.D.R. (Margine Money A/G L.C.)	814860	527007
Other Interest Income	8473	19126
	823333	546133
Net Financial Charges	5081675	4541531

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2009
SCHEDULE-20 SIGNIFICANT ACCOUNTING POLICIES
1. Method of Accounting :

The Financial Statements are prepared as a going-concern under historical cost convention on an accrual basis except those with significant uncertainty and in accordance with the Companies Act, 1956. Accounting Policies not stated explicitly otherwise are consistent with generally accepted accounting principles.

2. Revenue Recognition :

Sales includes inter-divisional transfers, sale of scrap, Sales Outsource Products and Invoices for price escalation as per Contracts with the relevant customers on accrual basis. Sales are net of excise duty, Sales tax, discount and rebates.

3. Fixed Assets :

Fixed Assets are stated at cost (net of cenvat) less accumulated depreciation up to the year. Expenditure incurred on improvement or replacement, which in the opinion of the management is likely to substantially increase the life of the assets and future benefits from it, is capitalized.

4. Depreciation :

Depreciation is charged on Straight Line basis at rates specified in Schedule XIV of the Companies Act. 1956. Depreciation on Addition/Deletion or Discarded Fixed Assets during the year is charged on monthly pro rata basis.

5. Investment :

Long-term investments are valued at cost.

6. Inventories :

Inventories of finished goods are valued at lower of costs or net realizable value inclusive of excise duty. Work in process is valued at cost representing material, labour and apportioned overheads as certified by the management. Other inventories are valued at cost.

7. Retirement Benefits :

The company has followed the traditional method of Accounting the Retirement Benefits i.e. Contribution to Provident Fund is accounted on actual liability determined by the management.

Provision for gratuity has been made on the basis of estimation of qualified period of services put in by the employees who are entitled for this benefit under the payment of Gratuity Act. The amount provided in the accounts is as per certificate given by the management.

Provision of leave salaries, is made for value of unutilized leave due to employees at the end of the year.

8. Foreign Currency Conversion :

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Assets and liabilities related to foreign currency transaction remaining unsettled at the year-end are translated into rupee at the year-end exchange rates. The exchange difference arising on foreign currency transactions including gain or loss are recognized in the profit and loss account.

9. Deferred Revenue Expenses :

In view of benefits likely to accrue over the years, management have decided to amortized the exhibition expenses incurred during the year over a period of five years.

10. Tax Expenses :

Tax Expenses include current tax, Fringe Benefit tax, & deferred tax, Current tax & fringe benefit tax have provided actual rates prevailing in the financial year as per Income tax act 1962.

Deferred Tax is recognized on timing difference: being the difference between taxable Incomes and accounting Income that originate in one period and are reversible in one or more subsequent period.

Deferred tax Assets & Liabilities are provided on the basis of virtual certainty of business. However the rate for calculating differed tax has applied which is enacted in the subsequent financial year as per income tax act 1962.

11. Impairment of Assets :

At the end of the year management identified all the assets and reviewed fair value/market value of the assets which is compared to carrying value/value in use of the assets, If Fair Value of Market Value is less than carrying value/value in use of assets than impairment has been provided and if the Fair Value or Market Value is more than its carrying value/value in use that no impairment provided in the books, Hence as per working said above at the end of the year impairment loss has been provided.

12. Financial Expenses :

Financial charges are charged to profit and loss account.

13. Product warranty expenses :

Product Warranty expenses has been accounted as and when actual liability is determined.

SCHEDULE -21 NOTES ON ACCOUNTS:**1. Share Capital :**

Out of unpaid Call Money of Rs. 69,74,500/- as per previous year, Company has received Rs. Nil (P.Y. Rs. 10,39,500/-) from shareholders up to 31-3-2009. The balance amount of Rs.69,74,500/- (P.Y.Rs.69,74,500/-) are shown as unpaid call money (Directors unpaid call money is -- Nil --) in the Balance Sheet.

2. Loans :

Unsecured Loans : Unsecured loans includes Rs. 1,51,848/- from Directors & Rs. 60,66,252/- from Others.

3. The company has followed the traditional method of accounting for the Retirement Benefits i.e. Contribution to Provident Fund is accounted on actual liability determined by the management.

Provision for gratuity has been made on the basis of estimation of qualified period of services put in by the employees who are entitled for this benefit under the payment of Gratuity Act. The amount provided in the accounts is as per certificate given by the management.

Provision of leave salaries, is made for value of unutilized leave due to employees the end of the year. (Quantification is not possible as per AS-15(Revised))

4. Product warranty expenses have been accounted as & when paid & no provision of such expenses have been made at the year end. The procedure is not in the line of AS-29, "Provisions, Contingent Assets and Contingent Liability" provided by the institute of chartered Accounts of India. Further the quantification is not possible in this regards.**5. Segment Information**

The Company has identified two reportable segments- viz. Trading Activity & Manufacturing Activity.

(1) Primary Segment Information :

Sr. No.	Particulars	Trading Activity	Manufacturing Activity	Unallocated Expenses	Total
1	Segment Revenue External Turnover Other Income	7,89,41,170	7,20,28,326	0 35,71,924	15,09,69,496 35,71,924
2	Segment Result (before Interest, Depreciation, Taxes & other adjustments) Less - Interest Exp. - Depreciation - Extra ordinary Exp. - Others Profit before Tax Current Tax Deferred Tax Net Profit after Tax	16,11,894 0 0 0 0 16,11,894 0 0 16,11,894	20,79,666 0 0 0 0 20,79,666 0 0 20,79,666	35,71,924 50,81,675 16,65,551 0 34,079 -32,09,381 0 59,937 -32,69,318	72,63,484 50,81,675 16,65,551 0 34,079 4,82,179 0 59,937 4,22,242

As per Accounting Standard on Segment Reporting (AS - 17) issued by the institute of Chartered Accountants of India, the company has reported segments information on consolidated basis.

(2) Secondary Segement Information :

a. Segment Revenue - External Turnover :

- Within India	13,81,02,842
- Outside India	1,28,66,654
- Total Revenue	15,09,69,496

b. Segment Assets (Gross) :

- Within India	3,61,55,068
- Outside India	-
- Total Revenue	3,61,55,068

6. Related Party Disclosures :

Name of Related Parties & Description of Relationship :

1. Key Management Personnel :

Mr. K. R. Bhuva
Mr. M. R. Bhuva
Mr. H. P. Bhuva
Mr. D. A. Pathak
Mr. V. V. Vachharajani
Mrs. H. D. Pathak

2. Relatives of Key Management Personnel :

Mrs. V. R. Bhuva

3. Enterprises over which management or relative of key management personnel have significant influence

Plastomech Equipments Pvt. Ltd.
Plastico

Transactions	Key Management Personnel	Relative of Key Management Personnel	Significant influence	Total
Directors Remuneration	1282064	Nil	NIL	1282064
Loan Received	Nil	NIL	NIL	NIL
Loan Repaid	Nil	NIL	NIL	NIL
OPENING BALANCE				
Unsecured Loan	151848	NIL	1847975	1999823
CLOSING BALANCE				
Loan Payable	151848	Nil	1847975	1999823

7. Earning Per Share :

Nominal value of ordinary share : Rs. 10/-
Paid up Equity Share Capital : Rs. 5,07,40,500/-
No. of Shares : No. 50,74,050/-
Net Profit/Loss : Rs. 4,22,242/-
Basic / Diluted earning per share : Rs. 0.08

8. Polymech Infotech :

Company has INFORMATION TECHNOLOGY DIVISION which is already registered with STPI- Gandhinagar and Custom-Vadodara as 100 % EOU Project. However due to slack marketing condition for Information Technology Company has not commenced the commercial operation and decided to sale its assets. The sale consideration is credited to work in progress account under the head Fixed Assets, amounting to Rs. Nil during the year. Further during the year company has transferred from infotech Division to regular company's block of assets & claimed depreciation accordingly.

9. The Company is in the process of identifying the small scale units and Micro, Small & medium Enterprises and hence .
 (a) Interest, if payable as per Interest on Delayed Payment to Small Scale and Ancillary Industrial Undertakings Ordinance, 1993 and the Micro, Small and Medium Enterprises Development Act.2006 is not ascertainable.
 (b) and Amount payable to small-scale units is not ascertainable.

10. **DEFERRED TAX :**
 Deferred Tax is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are reversible in one or more subsequent period.

Particulars	Deferred Tax Assets	Deferred Tax Liability
A Difference of depreciation between Books & Taxation for current year	45,030	-
B Gratuity for current year	7,478	-
C Leave Encashment	541	-
D Bonus & Exgratia	6,888	-
Total	59,937	-

11. In view of benefits likely to accrue over the years, Management has decided to treat Exhibition Expenses incurred during the year amounting to Rs. 51,38,188/-(P.Y. Rs.58,40,952/-) as Deferred Revenue Expenditure & amortized over a period of five years. Same is not line with AS - 26 Intangible Assets issued by ICAI. Further Company has accounted the exp of warrantee as and when claimed by the customer. Same is also not line with AS-26 for which no quantification is possible.

12. **Remuneration to Directors :**

	2008-2009 (Rs.)	2007-2008 (Rs.)
REMUNERATION TO CHAIRMAN & MANAGING DIRECTOR		
<u>Mr. K. R. Bhuva</u>		
Remuneration including Other Allowance & Perquisites	4,67,267	4,22,440
Contribution to provident fund	38,980	38,880
REMUNERATION TO EXECUTIVE DIRECTORS		
(a) <u>Mr. M. R. Bhuva</u>		
Remuneration including Other Allowances & Perquisites(NET)	3,95,030	3,68,400
Contribution to Provident Fund	32,531	32,400
(b) <u>Mr. H. P. Bhuva</u>		
Remuneration including Other Allowance & Perquisites(NET)	4,19,767	3,68,400
Contribution to Provident Fund	32,531	32,400

13. **Auditors Remuneration :**

	2008-2009 (Rs.)	2007-2008 (Rs.)
Audit Fees	40,000	40,000
Taxation Matters	25,000	25,000
Other Services	5,000	5,000
Management Consultancy	Nil	Nil
Total	70,000	70,000

NOTE : THE ABOVE FEES ARE EXCLUDING SERVICE TAX.

14. Additional information pursuant to provisions of paragraphs 3, 4C and 4D of Part II of Schedule-VI of the Companies Act, 1956 :

a) In respect of Plastic Processing Machines Manufactured by the Company

	2008-2009		2007-2008	
	Qty. Nos.	Rs.	Qty. Nos.	Rs.
i) Licensed Capacity	N.A	Nil	N.A.	Nil
ii) Installed Capacity	120	-	120	-
iii) Opening Stock	2	4,40,500	2	4,40,500
iv) Production	68	-	88	-
v) Closing Stock:	4	23,09,351	2	4,40,500

	2008-2009		2007-2008	
	Qty.	Amnt.(Rs.)	Qty.	Amnt.(Rs.)
b) Sales of Machine(Indigenous) :-				
i) Plastic Processing Machine manufactured by the Company	63	5,25,86,325	76	5,26,00,848
ii) Plastic Processing Machine (High Sea Sales)	32	3,72,52,097	34	3,05,90,799
iii) Plastic Processing Machine (Re- Sale)	16	1,87,20,032	11	99,94,536
iv) Textile Embroidery Machine (High Sea Sales)	32	1,27,12,829	11	58,45,617
v) Textile Embroidery Machine (Re-Sale)	01	2,00,000	11	49,76,673
2) Sales of Machine (Export & Re-Export)				
i) Sales of Machine Export	03	85,04,400	11	2,97,40,928
3) Sales of Components (Indigenous)				
i) Plastic Processing Parts Manufacturing by the company.	Various	40,79,805	Various	33,82,719
ii) Plastic Processing Parts (High Sea Sales)	Various	1,62,000	Various	11,19,120
iii) Plastic Processing Parts (Re-Sales)	Various	53,36,744	Various	86,80,911
iv) Textile Embroidery Parts (Re-Sales)	Various	1,31,976	Various	
4) Sales of Components (Export)				
i) Sales of Components Export	Various	64,16,654	Various	76,08,691
5) Service Charges				
i) Service Charges		47,35,812		45,96,841
6) Sales of Scrap				
i) Sales of Scrap		1,30,8224		
TOTAL SALES	147	15,09,69,496	154	15,91,37,324

c) Consumption of Materials :-

	2008-2009		2007-2008	
	Qty.*	Amount (Rs.)	Qty.	Amount (Rs.)
1. (a) Raw Materials Stainless Steel, Mild Steel and Casting (Qty. tons)	Various }	11,42,09,882	Various }	11,35,87,621
(b) Machine Parts & Machinery Parts		11,42,09,882		11,35,87,621

* It is not practicable to furnish quantitative information in view of large number of item which differ in size & nature

15. Imported and Indigenous Raw Materials Consumption.

	<u>Amount/Rs</u>		<u>Amount/Rs.</u>	
a) Imported (Including Custom Duty & other related charges)	9,67,28,605	84.69%	5,78,73,648	50.95%
b) Indigenous Consumption	1,74,81,277	15.31%	5,57,13,973	49.05%
	11,42,09,882	100.00%	11,35,87,621	100.00%
	2008-2009		2007-2008	
c) Expenditure in foreign currency	Rs. 8,84,43,122/-		Rs. 4,05,60,452/-	
Payment to Supplier / Traveling Expenses	Rs. 72,615/-		Rs. 4,06,948/-	
d) Earning in Foreign currency on account of Technical Consultancy and supervision & installation charges and Sales of Machine & Components Rs.2,63,18,835/- (P.Y.Rs. 1,91,28,329/-). (out of the above realised - 5,15,975.00 US\$) (P.Y. 4,02,968 US\$).				
e) The company has made the Direct Export worth of Rs.1,28,66,654/- (Previous year Rs. 3,73,49,619/-) and Export through Other Parties worth of Rs. Nil respectively.				

16. The Insurance Claim of the Company for stock of materials damaged due to heavy rainfall & rainwater entering in factory premises in the year 1997-98 and the case is awarded by the Arbitration Court still it is not settled with the Insurance Company. The said amount of stock is reflected as non-moving items under the Schedule of Inventories.

17. Debtors, Loans & Advances and Creditors balances are subject to confirmations.

18. Previous year's figures have been recast/restated wherever necessary.

19. Contingent Liabilities :

1. The Commissioner of Central Excise and Customs, Baroda has raised demand for Rs. 45,68,414/- which the company has disputed.
2. No provision has been made on which case is pending under labour court, as the judgement are awaited and for which amount could not be ascertained.
3. No provision has been made for underwriting commission payable by the company for which cases are pending in various civil court amounting to Rs. 86,000/-.
4. The Asst. Comissioner of Income Tax, Baroda has raised demand for Rs.4,68,092/- for the Asst. Year 2006-2007.

Signature to Schedule 1 to 21

AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR PARIKH MEHTA & ASSOCIATES
Chartered Accountants

Ashish Parikh
Partner
Membership No. 116745

PLACE : Vadodara
DATE : 1st June, 2009

FOR POLYMECHPLAST MACHINES LTD.

K. R. Bhuvra
Chairman &
Managing Director

D. A. Pathak
Director

M. R. Bhuvra
Executive Director

B. J. Vyas
Sr. Manager (F & A)

PLACE : Vadodara
DATE : 1st June, 2009

POLYMECHPLAST MACHINES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

Particulars	Year ended 31-03-2009	Year ended 31-03-2008
A. Cash Flow from Operating Activities :	(Rs. in Lacs)	
Net Profit / (Loss) before tax and extra ordinary items Adjusted for :	4.22	82.02
Add : Depreciation	16.66	17.73
Miscellaneous Expenditure Written Off	21.43	20.31
Interest on Borrowing	46.56	42.33
Interest Received	(8.23)	(5.46)
Prior Year Adjustment	0.34	0
Provision of FBT	2.40	0
Deffered Tax	0.59	0
(Profit)/Loss on sale of Asset	0.00	0.05
Foreign Exchange Fluctuation	54.99	(0.31)
Profit on sale of Investments	0	0
 Operation Profit before Working Capital Charges Adjustment for :	 138.97	 156.67
Trade & Other Receivable	(29.23)	(219.58)
Deffered Tax	(0.59)	0
Loans and Advances	(15.71)	(15.47)
Inventories	(121.33)	68.66
Trade Payable & Other Liabilities	(56.56)	83.93
 Cash generated from Operations	 28.65	 74.21
Exhibition Exp. (Misellaneous Expenditure) paid to be consider	(14.64)	42.51
Prior Year Adjustments	0.34	0
Net Cash from Operation Activities ...	A (13.66)	31.70
 B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets & Capital Work in Progress	(13.15)	(10.21)
Interest Received	8.23	5.46
Sale of fixed Asset	0.12	0.25
Purchase of Investment	0.22	0
 Net Cash used in Investing Activities ...	B (5.01)	(4.50)
 C. Cash Flow from Financing Activities :		
Increase in Share Capital	0	10.40
Interest Paid	(46.56)	(42.33)
Foreign Exchange Fluctuation Gain / Loss NET	(54.99)	(0.31)
Proceeds of Loan(Net)	51.72	36.24
 Net Cash used in Financing Activities ...	C (49.82)	4.62
Net Increase / Decrease in cash and cash equivalents	(A+B+C) (41.18)	31.82
cash & Cash Equivalents on the year opening	120.67	88.55
cash & Cash Equivalents on the year end	79.49	120.67
Note : Figures in Brackets represents out flows		

FOR PARIKH MEHTA & ASSOCIATES

Chartered Accountants

Ashish Parikh

Partner

Membership No. 116745

PLACE : Vadodara

DATE : 1-6-2009

FOR POLYMECHPLAST MACHINES LTD.

K. R. Bhuva
Chairman &
Managing Director

D. A. Pathak
Director

M. R. Bhuva
Executive Director

B. J. Vyas
Sr. Manager (F & A)

PLACE : Vadodara

DATE : 1-6-2009

AUDITORS' CERTIFICATE

To
The Board of Directors,
Polymechplast Machines Limited
Gold Coin House, Plot No. 775
GIDC Industrial Estate
Makarpura, Vadodara - 390 010

We have examined the attached Cash Flow Statement of POLYMECHPLAST MACHINES LTD. for the year ended 31st March, 2009. The Statement has been prepared by Company in accordance with requirements of listing agreement clause 32 with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company Covered by our report 1-6-2009 to the members of the Company.

For Parikh Mehta & Associates
Chartered Accounts

Place : Vadodara.
Date : 1-6-2009

(Ashish Parikh)
Partner

**Statement pursuant to Part - IV of Schedule - V of The Companies Act , 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I Registration Details

Registration No.

9	5	1	7
---	---	---	---

 State Code

0	4
---	---

Balance Sheet Date

3	1	-	0	3
---	---	---	---	---

 -

2	0	0	9
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II Capital Raised During the year (Amount in Rs. Thousands)

Public Issue	Right Issue										
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>			N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>			N	I	L
		N	I	L							
		N	I	L							
Bonus Issue											
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>			N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>			N	I	L
		N	I	L							
		N	I	L							

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

Total Liabilities	Total Assets												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>5</td><td>1</td><td>9</td><td>3</td><td>1</td></tr></table>	1	5	1	9	3	1	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>5</td><td>1</td><td>9</td><td>3</td><td>1</td></tr></table>	1	5	1	9	3	1
1	5	1	9	3	1								
1	5	1	9	3	1								
Source of Funds	Reserve & Surplus												
Paid up Capital	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	0	0	0	0	0							
0	0	0	0	0									
Secured Loans	Unsecured Loans												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>5</td><td>9</td><td>4</td><td>5</td></tr></table>	3	5	9	4	5	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>6</td><td>2</td><td>0</td><td>6</td></tr></table>	0	6	2	0	6		
3	5	9	4	5									
0	6	2	0	6									
Application of Funds	Investments												
Net Fixed Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>2</td><td>2</td></tr></table>	0	0	0	2	2							
0	0	0	2	2									
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>5</td><td>4</td><td>5</td><td>0</td></tr></table>	1	5	4	5	0	Misc. Expenditure							
1	5	4	5	0									
Net Current Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>4</td><td>2</td><td>7</td><td>8</td></tr></table>		4	2	7	8							
	4	2	7	8									
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>6</td><td>7</td><td>9</td><td>3</td><td>8</td></tr></table>	6	7	9	3	8								
6	7	9	3	8									
Accumulated Losses													
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>5</td><td>2</td><td>0</td><td>3</td></tr></table>		5	2	0	3								
	5	2	0	3									

IV Performance of Company (Amount in Rs. Thousands)

Turnover (including other income)	Total Expenditure														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>5</td><td>4</td><td>5</td><td>4</td><td>1</td></tr></table>	1	5	4	5	4	1	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>5</td><td>4</td><td>1</td><td>1</td><td>9</td></tr></table>	1	5	4	1	1	9		
1	5	4	5	4	1										
1	5	4	1	1	9										
+ - Profit / Loss Before Tax*	+ - Profit / Loss After Tax*														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>+</td></tr></table> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>7</td><td>2</td><td>2</td></tr></table>		+	0	0	7	2	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>+</td></tr></table> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>4</td><td>2</td><td>2</td></tr></table>		+	0	0	4	2	2
	+														
0	0	7	2	2											
	+														
0	0	4	2	2											
+ - Earning Per Share in Rs.	Dividend Rate %														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>+</td></tr></table> <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>.</td><td>0</td><td>8</td><td>3</td></tr></table>		+	0	.	0	8	3	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-- Nil --</td></tr></table>	-- Nil --						
	+														
0	.	0	8	3											
-- Nil --															

V Generic Names of Three Principal Products / Services of the Company :

(As per monetary terms)

Item Code No.

8	4	7	7	1	0	0	0
---	---	---	---	---	---	---	---

(ITC Code)

Product Description

Plastic Processing Machines

As per our report of even date attached.

ASPER OUR REPORT OF EVEN DATE ATTACHED

FOR PARIKH MEHTA & ASSOCIATES

Chartered Accountants

Ashish Parikh

Partner

Membership No. 116745

FOR POLYMECHPLAST MACHINES LTD.**K. R. Bhuva**
Chairman &
Managing Director**M. R. Bhuva**
Executive Director**D. A. Pathak**
Director**B. J. Vyas**
Sr. Manager (F & A)

PLACE : Vadodara

DATE : 1-6-2009

PLACE : Vadodara

DATE : 1-6-2009

POLYMECHPLAST MACHINES LIMITED

Registered Office : 775, G.I.D.C. Estate, Makarpura, Vadodara - 390 010

PROXY

DP ID : *	
Client ID : *	

Master Folio No.	
No. of Shares :	

I/We _____

Of _____

Being a Member(s) of Polymechplast Machines Limited hereby appoint

of _____

or failing him, _____

of _____

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Saturday, 8th August, 2009 and at any adjournment thereof.

As witness my/our hand this _____ day of _____

Signature

Affix a Rs. 1/- Revenue Stamp
--

Note:

1. Proxy must reach the Company's Registered Office not less than 48 hours before the meeting.
2. Admission restricted to Members/Proxy holders only.
*In case of shareholders holding shares in dematerialised form.

ADMISSION SLIP

PLEASE FILL THE ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Share holders may obtain additional slip at the venue of the meeting.

DP ID : *	
Client ID : *	

Master Folio No.	
No. of Shares :	

Name and Address of the Shareholder

No. of Share (s) Held :

I hereby record my presence at the 22nd Annual General Meeting of the Company to be held on Tuesday 8th August, 2009 at 11:00 a.m. at 775, G.I.D.C. Eastate, Makarpura, Vadodara-390010.

*In Case of shareholder holding shares in dematerialised form.

Signature of Shareholder/proxy



VADODARA UNIT



SAVLI UNIT

If Undelivered Please return to :
POLYMECHPLAST MACHINES LIMITED
Regd. Office : "Gold Coin House"
Plot No. 775, G.I.D.C., Makarpura,
Vadodara - 390 010. GUJARAT, INDIA