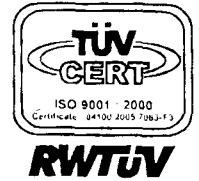


POLYMECHPLAST MACHINES LTD.



24th Annual Report 2010-2011

A Promise to Commitment & Growing Satisfaction



TWENTY FOURTH ANNUAL REPORT 2010 - 2011

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)
Ms. Preeti Pandya	(Company Secretary)
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	
BAMANGAM UNIT	
Plot No. 515,520,521 & 519A At & Post. Bamangam, Tal. Karjan, Dist. Vadodara	
MUMBAI BRANCH OFFICE	
Polymechplast Machines Ltd. D-103, Lata Annexe, Goyal Complex, Near National Park, On Western Express Highway Borivali (E), Mumbai - 400066.	
DELHI BRANCH OFFICE	
Polymechplast Machines Ltd. M.G. House No. 01, Office No. 304, Plot No. 01, Wazirpur industrial Estate, Community Centre, Delhi - 110052 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 - 700016. Ph. : (033) 22298400 Fax : (033) 22216650	

AUDITORS	
PARIKH MEHTA & ASSOCIATES Chartered Accountants 101, Shiv Shakti, 84, Sampatrao Colony, Behind Ivory Terrace, R. C. Dutt Road, Vadodara - 390 007.	
BANKERS	
INDIAN OVERSEAS BANK Makarpura Branch, Erda Road, Vadodara - 390 010.	
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 24th Annual General Meeting of the members of the Company will be held on Thursday, the 22nd September, 2011 at 11.00 a.m. at the Registered office of the Company at 775, G.I.D.C. Industrial 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, 2011 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. Devesh A. Pathak 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 pursuant to provisions of Section 198, 309, 310, 314 and other provision(s), applicable, if any, read with Schedule XIII of the Companies Act, 1956 and subject to statutory approval(s), if any, approval, be and is hereby accorded to the revision in remuneration to **Mr. K. R. Bhuva as Managing Director** of the Company at a basic salary **Rs. 60,000/-** per month with effect from **1st April, 2011**, for his residual term ending on 31st July, 2014 in addition to perquisites and benefits as set out in the explanatory statement with no change in other terms and conditions of his appointment. with liberty to the Board of Directors to vary the terms and conditions of remuneration as may be agreed to between the Board of Directors and **Mr. K. R. Bhuva**.

FURTHER RESOLVED THAT notwithstanding anything to the contrary herein contained, wherein in any financial year, during the currency of the tenure of **Mr. K. R. Bhuva as Managing Director**; the Company has no profit or its profits are inadequate, the company will pay remuneration by way of salary and perquisites as specified in the explanatory statement but within the limit under Schedule XIII of the Companies Act, 1956.

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

"RESOLVED THAT pursuant to provisions of Section 198, 309, 310, 314 and other provision(s) applicable, if any, read with Schedule XIII of the Companies Act, 1956 and subject to statutory approval(s), if any, approval, be and is, hereby accorded to the revision in remuneration to **Mr. M. R. Bhuva as Director** of the Company at a basic salary of **Rs.55,000/-** per month with effect from **1st April, 2011**, for his residual term ending on 31st July, 2013 in addition on to perquisites, and benefits as set out in the explanatory statement with no change in other terms and conditions of his appointment." With liberty to the Board of Directors to vary the terms and conditions of remuneration as may be agreed to between the Board of Directors and **Mr. M. R. Bhuva**.

FURTHER RESOLVED THAT notwithstanding anything to the contrary herein contained, wherein in any financial year, during the currency of the tenure of **Mr. M. R. Bhuva as whole time Director**; the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in the explanatory statement but within the limit under Schedule XIII of the Companies Act, 1956

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

“RESOLVED THAT pursuant to provisions of Section 198, 309, 310, 314 and other provision(s) applicable, if any, read with Schedule XIII of the Companies Act, 1956 and subject to statutory approval(s), if any, approval, be and is, hereby accorded to the revision in remuneration to **Mr. H. P. Bhuva** as a **Whole Time Director** of the Company at a basic salary of **Rs. 55,000/-** per month with effect from 1st April, 2011, for his residual term ending on **30th September, 2013** in addition to sites, and benefits as set out in the explanatory statement with no change in other terms and conditions of his appointment. with liberty to the Board of Directors to vary the terms and conditions of remuneration as may be agreed to between the Board of Directors and **Mr. H. P. Bhuva**.

FURTHER RESOLVED THAT notwithstanding anything to the contrary herein contained, wherein in any financial year, during the currency of the tenure of **Mr. H.P. Bhuva** as **Whole time Director**; the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in the explanatory statement but within the limit under Schedule XIII of the Companies Act, 1956.

For AND ON BEHALF OF THE BOARD

Date : 25th Aug., 2011
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 20th September, 2011 to 22nd September, 2011 (both days inclusive).
4. Members are requested to notify immediately any change in their address to the Company.

EXPLANATORY STATEMENT

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

Explanatory Statement

Item no. 5 to 7.

By keeping in view responsibilities shouldered as well as valuable contribution made by Mr. K. R. Bhuva, Managing Director and Mr. M. R. Bhuva as well as Mr. H. P. Bhuva, Executive Directors in the progress and especially turnaround of the Company, your Directors have approved revision in their remuneration as recommended by Remuneration Committee, with effect from 1st April, 2011 upto their residual tenure as detailed below:

Part-A Remuneration			
PARTICULARS	K. R. Bhuva	M. R. Bhuva	H. P. Bhuva
Monthly Salary	Rs. 60,000 p.m.	Rs.55,000 p.m.	Rs.55000 p.m.
Part-B Allowances & Perquisites			
House rent allowance	Rs. 18000 p.m.	Rs. 16,500 p.m.	Rs. 16500 p.m.
Leave Travel Concession (once in a year)	10% of basic salary	10% of basic salary	10% of basic salary
Conveyance	Rs. 800 p.m.	Rs. 800 p.m.	Rs. 800 p.m.
Medical Reimbursement	Maximum of Rs. 1,250 p.m. (for self and family)	Maximum of Rs. 1,250 p.m (for self and family)	Maximum of Rs. 1,250 p.m (for self and family)
Tuition Fee	Rs. 100/- p.m.	Rs. 200 p.m.	Rs. 300 p.m.
Part-C Retiral Benefits			
Leave and Leave Encashment	He will be entitled to leave encashment at the end of his tenure as per the Company's policy.	He will be entitled to leave encashment at the end of his tenure as per the Company's policy.	He will be entitled to leave encashment at the end of his tenure as per the Company's policy.
Exgratia Payment	Exgratia payment as per Company's policy Rs.700/-	Exgratia payment as per Company's policy Rs.700/-	Exgratia payment as per Company's policy Rs.700/-
Contribution to PF, superannuation & 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."	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."

Part-D

Other allowances	Car facility provided by the Company for personal use and car maintenance up to Rs. 3000/- p.m.	Car facility provided by the Company for personal use and car maintenance up to Rs. 3000/- p.m.	Car facility provided by the Company for personal use and car maintenance up to Rs. 3000/- p.m.
	Telephone, Internet including Mobile phone at residence will be considered as perquisites.	Telephone, Internet including Mobile phone at residence will be considered as perquisites.	Telephone, Internet including Mobile phone at residence will be considered as perquisites.
	Membership fee Rs. 350/- p.m. In case of no profit or inadequacy of profit, the Company may pay him remuneration by way of salary and perquisites specified herein.	Membership fee Rs. 600.00 p.m. In case of no profit or inadequacy of profit, the Company may pay him remuneration by way of salary and perquisites specified herein.	Membership fee Rs. 600.00 p.m. In case of no profit or inadequacy of profit, the Company may pay him remuneration by way of salary and perquisites specified herein.
	Electricity Bill of residence will be considered as perquisites	Electricity Bill of residence will be considered as perquisites	Electricity Bill of residence will be considered as perquisites

Your Directors seek your approval to the resolutions as set out in Item 5 to 7 of the accompanying notice as Special Resolution.

Mr. K. R. Bhuvu and Mr. M. R. Bhuvu, being related to each other, shall be deemed to be interested or concerned in the resolution as set out in Item no. 5 and 6. Mr. H. P. Bhuvu shall be deemed to be interested or concerned in the resolution as set out in Item no. 7. No other Director shall be deemed to be interested or concerned in any of the aforesaid resolutions.

Particulars as required under Schedule XIII of the Companies Act, 1956:

Statement in compliance with clause No. iv of sub paragraph B, paragraph 1, Section II, of part II of schedule XIII of the Companies Act, 1956

GENERAL INFORMATION

- | | | |
|---|---|-----------------------------|
| (1) Nature of Industry | : | Plastic Processing Machines |
| (2) Date or expected date of Commencement of Commercial Production Company | : | Already Commenced |
| (3) In case of new Companies, expected date of Commencement of activities as per project approved by financial institutions appearing in the prospectus | : | N.A. |

- (4) Financial performance based on given indicators (2010 -11) (in lacs)
- (a) Gross Turn Over : Rs. 2764.34
- (b) Gross Profit (before depreciation) : Rs. 189.54
- (c) Net Profit / (Loss) : Rs. 107.85
- (d) Effective Capital (paid up) : Rs. 635.14
- (e) Managerial Remuneration : Rs. 24.39
- (5) Export performance and net foreign exchange collaboration : Rs. 84.12 (Export Performance)
- (6) Foreign Investments or Collaborations, if any : No Collaboration
: N.A.

INFORMATION ABOUT THE APPOINTEE

Particulars	Mr. K. R. Bhuva	Mr. M. R. Bhuva	Mr. H. P. Bhuva
Background details	Exposure of around 25 Years	Exposure of around 20 Years	Exposure of around 20 Years
Past Remuneration	Rs. 46,812 p.m. plus perquisites	Rs. 36,426 p.m. plus perquisites	Rs. 44,464 p.m. plus perquisites
Recognition or awards	N.A.	N.A.	N.A.
Job Profile and his suitability	1) Chairman & Managing Director 2) Suitable in view of his continuous contribution	1) Executive Director 2) Suitable in view of his continuous contribution	1) Executive Director 2) Suitable in view of his continuous contribution
Remuneration Proposed	Rs. 60,000 p.m. plus perquisites	Rs. 55,000 p.m. plus perquisites	Rs. 55,000 p.m. plus perquisites
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be relating to the country of his origin)	N.A.	N.A.	N.A.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Related to Mr. M.R.Bhuvu	Related to Mr.K.R.Bhuvu	N.A.

OTHER INFORMATION

- : **Reasons of loss or inadequate profits:** Increased in administrative & selling expenses
- : **Steps taken or proposed to be taken for improvement:** Improvement and innovation in products as well as consolidation of marketing strategy
- : **Expected increase in productivity: 30% to 35%**

For AND ON BEHALF OF THE BOARD

Date : 11-5-2011
Place : Vadodara

K. R. Bhuvu
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Twenty fourth Annual Report together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2011.

(1) FINANCIAL AND WORKING RESULTS :

PARTICULARS	ENDED ON 31.03.2011 (Rs.)	ENDED ON 31.03.2010 (Rs.)
Total income	254664205	18,60,12,144
Profit Before Taxation & Depreciation	18954277	1,09,81,580
(Less:- Depreciation	(1817317)	(13,76,712)
Profit Before Tax	17136960	96,04,868
Add/(less) : Deferred Tax	(184754)	(90,209)
(Less): Provision for Taxation	(2800000)	(14,73,775)
(Less): Litigation Settlement Exp.	(3367573)	NIL
(Less) : Prior year adjustment	NIL	(8,45,394)
Profit After Taxation	10784633	71,95,490
(Less) : Balance Brought forward	NIL	(52,03,379)
BALANCE CARRIED TO BALANCE SHEET	10784633	19,92,111

(2) YEAR IN RESTROSPECT :

Your Directors are happy to inform you that during the year under review your Company has exhibited growth in its total income and net profit by around 37% and 50% respectively compared to previous year. It can be mainly attributed to judicious control on expenses including reduction in financial charges in addition to overall better performance.

(3) FUTURE PROSPECTS :

(i) Introduction of Hi-tech machine :

Your Company has introduced Hi-tech machine with servo power Technology enabling our customers to have substantial saving in electricity consumption and consequent reduction in their power bill. The Company has been getting encouraging response and expects to continue the same in the years to come.

(ii) Consolidation of marketing strength :

- (a) The Company is in process of opening full fledged branch office at Bangalore in the premises of its own.
- (b) The Company is in process of opening branch office at Chandigarh in addition to office at New Delhi in Northern Region.
- (c) The Company is increasing its workforce at Mumbai region office.
- (d) The Company would participate in International Exhibition at Plastindia 2012 ranking No. 1 in India and display its major products there. It would go a long way in boosting marketability of our products.

(iii) Export Promotion :

Extensive steps are being taken for export promotion.

(iv) Pending orders :

The Company has generally pending orders of average value of Rs. 6 crores on hand. Having regard to above, your Directors are optimistic of growth in its turnover by 30% to 35%

(4) AUDITORS REPORT :

Note No. 4 of **Schedule 21** (Notes on Accounts) is self explanatory in respect of Auditors Remark in **Clause (d)** of their Report relating to **As-29** (Provisions for contingent Assets and Liability)

(5) DEPOSITS :

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

(6) DIVIDENDS :

By keeping in view, long terms interest of the Company, your directors do not recommend any dividend for the year under review.

(7) EXPORTS :

During the year under review, the Company has attained export of Rs. 84,11,818/- as against Rs. 2,00,27,068/-

(8) PARTICULARS OF EMPLOYEES :

There was no employee drawing remuneration of Rs. 60,00,000 p. a. or Rs. 5,00,000 p. m. for the month of the year or more and hence no particulars have been furnished under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Rule, 1975)

(9) ENERGY, TECHNOLOGY ABSORPTION 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 in annexed and forms part of this report.

(10) DIRECTORS' RESPONSIBILITY STATEMENT :

(I) Your Directors have followed the applicable accounting standards along with 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.

(11) DIRECTORATE :

Mr. Devesh A. Pathak and **Mr. M. R. Bhuvu** retire at the ensuing Annual general Meeting and being eligible, offer themselves for their reappointment as retiring Directors.

(12) AUDITORS :

M/s. PARIKH MEHTA & ASSOCIATES, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting. The Company has been informed that their reappointment, if made would be within the limit of Section 224 (1) (b) of the Companies Act, 1956. You are requested to appoint Auditors and fix their remuneration.

(13) ACKNOWLEDGMENTS :

Your Directors wish to thank the Bank, 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 : 11-5-2011
Place : Vadodara

K. R. Bhuvu
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT, 2010-2011

The 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 in newly constructed assembly building by fitting exhaust ventilator fan electronic power saving lamp and tubes etc.

B) TECHNOLOGY ABSORPTION :

Your Company has developed modified LOCKING UNIT for all models and strength of Injection Moulding Machine for better rigidity in the machine.

Research and Development (R & D):**1. SPECIFIED AREA :**

- i. Development of Servo variable pump control technology in the Injection Moulding Machine will result into the tremendous power saving to the end user
- ii. Development of two big size machines i.e. NP 250T and NP 350T machines.
- iii. By this year end, your Company is planning to develop another two Big models i.e. NP 200T and NP 450T machine.

2. BENEFITS DERIVED :

Now, the NEW ASSEMBLY WORKSHOP with overhead crane facility is in place which would enable the Company to manufacture 450T machine in order to have easier assembly work, better efficiency of worker and improved quality of work.

1. Future Plan :

After Renovation of Assembly shop the Company will take up another Assembly shop to be renovated to enhance the Assembly and manufacturing Capacity of machine model 450 T to 1000T capacity.

C) FOREIGN EXCHANGE EARNING AND OUTGO

1. Expenditure in foreign currency Rs. 4, 30, 42,733 (P.Y. Rs. 4, 84, 08,485) on account of traveling /supplier payment.
2. Foreign Exchange Earning in Foreign currency equivalent to Rs.1, 62, 72,184 (Previous year Rs. 1, 89, 61,202) against sale for machines & components/ technical consultancy, supervision and installation charges.
3. The Company has made the direct export worth of Rs. 84, 11,818 (Previous year Rs. 2, 00, 27,068).

FORM - A

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

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

	CURRENT H.O.	PREVIOUS H.O.
Unit	144908.00	133303.00
Total Amount	853238.00	978643.00
Rate / Unit (Rs.)	5.89	7.34

(b) Own generation**(i) Through diesel generation**

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

Not Applicable

Not Applicable

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

	Standards	Current Year (if any)	Previous Year
Products			
(with details) Unit	-	144908	133303
Furnace Oil	-	Nil	Nil
Coal (Specify quality)	-	Nil	Nil
Others (Specify quality)	-	Nil	Nil

For AND ON BEHALF OF THE BOARD

Date : 11-5-2011
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 are essential for its long term success. These practices will ensure the Company, having regard to competitive exigencies; conduct its affairs in such a way that would build the confidence of its various shareholders in it and its Board's integrity. Composition of Board of Directors as on 31.03.2011

Name of Director	Category	No. of Board Meeting Attended	Attendance at Last AGM held on 4th September, 2010
Mr. K. R. Bhuva (Managing Director)	Promoter Executive	17	Yes
Mr. M.R. Bhuva (Whole time Director)	Promoter Executive	17	Yes
* Mr. H.P. Bhuva (Whole time Director)	Promoter Executive	1	Yes
Mr. D. A. Pathak	Independent Non Executive	17	Yes
Mr.V.V.Vachcharajani	Independent Non Executive	17	Yes
Mrs. H. D. Pathak	Independent Non Executive	17	Yes

* Mumbai based Whole time Director

Mr. Devesh A. Pathak is a Director as well as member of the Audit Committee of M/s. All India origin chemists and Distributors Ltd.

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

The meetings of the Board of Directors were held on 8th April, 2010, 30th April, 2010, 8th May, 2010, 29th May, 2010, 15th June, 2010, 17th June, 2010, 30th July, 2010, 31st July, 2011, 12th August, 2010, 30th August, 2010, 4th September, 2010, 20th October, 2010, 30th October, 2010, 15th November, 2010, 29th January, 2011, 11th February, 2011 & 10th March, 2011

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).

(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 being 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.

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;/ Investor' Grievance Committee and materially important show cause notices,

demand, prosecution and penalty notice, 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 CMD & Executive Directors

Particulars	Mr. K. R. Bhuva (Managing Director)	Mr. M. R. Bhuva (Executive Director)	Mr. H. P. Bhuva (Executive Director)
Salary Rs.	5,61,752.00	4,37,120.00	5,33,576.00
Contribution to PF. & Superannuation Fund Rs.	67,410.00	52,454.00	64,629.00
Other Benefits & allowance.Rs.	2,15,975.00	1,87,812.00	2,03,958.00
Total Rs.	8,45,137.00	6,77,389.00	8,01,563.00

Remuneration paid to the Non Executive Directors

Non Executive Directors are not being paid any remuneration except sitting Fees as details below

Name of Director	Sitting Fees
Mr. Devesh A. Pathak	Rs. 8500.00
Mr. V.V.Vachharajani	Rs. 8500.00
Mrs. H. D. Pathak	Rs. 8500.00

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 noted by the Board

Sr. No.	Name of Directors	Designation	No. of Meetings Attended
1.	Mr. Devesh A. Pathak	Chairman	4
2.	Mr. V. V. Vachcharajani	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 meetings of the Audit Committee were held on 29th May, 2010, 31st July, 2010, 30th October, 2010 & 29th January, 2011

III AUDIT COMMITTEE

Composition of the Audit Committee as on 31.03.2011

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

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

All the members of the Audit Committee have financial and accounting knowledge. The Audit Committee invites such

of the executive as it considers appropriate to be present at its meeting. The Audit Committee Meetings are also attended by Managing Director, Executive Director and the representatives of Statutory Auditor. Mr. Dilip Shah, Compliance Officer 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.

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.

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, 2011

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

Composition of the Remuneration Committee as on 31.03.2011

Mr. Dilip Shah, Asst. Manager (Share & Legal) 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, dematerialization. Rematerialization 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 authorized Mr. M.R. Bhuva, as authorized signatory to approve share transfer, transmissions, dematerialization/ rematerialization of shares.

During the year, the Company has received 05 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, G. I. D. C., Makarpura, Vadodara- 390010 as details below:

Financial Year ended	Date	Day	Time	No. of Special Resolution
31.03.2008	22.07.2008	Tuesday	11.00 A. M	3
31.03.2009	08.08.2009	Saturday	11.00 A.M	3
31.03.2010	04.09.2010	Saturday	11.00 A. M	1

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 dispatched 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 partly 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 try 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 Exchange immediately upon approval by the Board of Directors and are published in national and local dailies
2. The financial results and other information are 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 Forth Annual general Meeting of the Company in scheduled to be held on :

Date & Time : 22nd September, 2011 at 11.00A. M

Venue : Registered Office at 775, G. I. D.C
Makarpura, Vadodara- 390010

Listing of Stock Exchange and the Stock Code Allotted

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

The Vadodara Stock Exchange Ltd. (Regional Stock Exchange):

Bombay Stock Exchange Ltd.

-- Stock Code : 526043

--ISIN : INE 809B01014

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-2010	May-2010	June, 2010	July, 2010	August, 2010	September, 2010
High (Rs)	8.40	9.30	12.92	12.35	11.50	10.04
Low (Rs.)	6.60	8.10	8.11	10.90	8.46	8.19
Month	October-2010	November-2010	Decembe-2010	January, -2011	February-2011	March-2011
High (Rs)	8.95	10.71	10.66	9.16	11.20	8.83
Low (Rs.)	7.61	8.11	8.65	8.36	8.70	7.14

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.

Book Closure Date: 20.09.2011 to 22.09.2011

Dividend: NIL

Financial Calendar for 2011-2012 (tentative)

The next financial year of the company is 1st April, 2011 to 31st March, 2012

The quarterly results will be approved by the Board of Directors as per the following schedule:

For quarter ending	End of following month
June, 2011	July, 2011
September, 2011	October, 2011
December, 2011	January, 2012
March, 2012	April, 2012

The Company has already paid Listing Fees up to 31.03.2012 to all the Stock Exchanges where the shares of the Company are listed

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 Dematerialization 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, 2011

Holding Amount (Rs.)	Shareholders		Shares	
	Shares	Folios	% shares	% Holders
1 to 500	1574097	9065	27.2736	86.1119
501 to 1000	984800	1149	17.0632	10.9148
1001 to 2000	228092	145	3.9520	1.3774
2001 to 3000	108516	42	1.8802	0.3990
3001 to 4000	93827	26	1.6257	0.2470
4001 to 5000	81000	17	1.4034	0.1615
5001 to 10000	276210	38	4.7858	0.3610
10,001 to 50,000	781370	32	13.5384	0.3040
50,001 to 1,00,000	372290	5	6.4505	0.0475
And above	1271298	8	22,0272	0.0760
Total	5771500	10527	100.000	100.000

Dematerialization 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, 2011

Share holding Pattern as on 31st March, 2011

Category	No. of Shares Held	% of shares Holding
Promoters	19,61,518	33.99
Institutional Investors	Nil	-
Banks, FI's Insurance Companies	Nil	-
Private Corporate Bodies	184909	3.20
NRI's OCB's (other than Promoter Group)	93565	1.62
Other Trust & foundations	Nil	-
Indian Public	3531508	61.19
Total	5771500	100.00

Distribution of Share Holding as on 31st March, 2011

--Number, of GDR outstanding: NIL ASAT 31st March, 2011

Plant Location of the "Gold Coin House" Plot No. 775
G. I. D.C. Industrial Estate
Makarpura, Vadodara- 390010

(X) COMPLIANCE

As stipulated by Listing Agreement with the Stock Exchange, the Company has obtained the certificate regarding compliance of Corporate Governance from Mr. Vimal Betai, Practicing Company Secretary, which appears as a part of the Annual Report of the Company

(XI) ADDRESS FOR CORRESPONDANCE

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 the respective Depository Participants.

Name of Director	Mr. M. R. Bhuva	Mr. Devesh A. Pathak
Date of Birth	18th January, 1965	3rd December, 1957
Date of Appt.	24th November, 1998	30th July, 2003
Expertise	Industrialist	Corporate Laws
Qualifications	Diploma in Pharmaceutical	B.Com, LL.B, F.C.S
List of Companies in which outside Directorship held as on 31st March, 2011	N.A	All Indian Origin Chemists & Druggists Ltd
Chairman/ Member of the Committee of the Board of the other Companies on which he is a Director as on 31st March, 2011	N.A	Vice Chairman of Audit Committee of all Indian Origin Chemists & Druggists Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian economy has successfully come out from the global recessionary trend. Demand, consumption and production of steel have increased during the year and India has emerged as a third largest manufacturer of steel in the world. It would help Plastic Processing Industry.

With the new assembly workshop in place, the Company would be able to manufacture 450T machine. It would also enable to Company to have easier assembly work, better efficiency of worker and improved quality of work. The Company continues to work on the policy of 'constant quality up gradation.'

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 achieving more sales as well as more profits consequent to reduction on overheads.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your Company has exhibited excellent results with total Income of Rs. 25,46,64,205/- and net profit of Rs. 1,07,84,633/- during the year under review as against Rs. 18,60,12,144/- and Rs. 71,95,490/- in the previous year.

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 the Company may not be able to pass on increase in price of inputs which 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 are 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 COMPLANCES

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.

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 have also helped in maintaining and widening the range of our present and prospective customers.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company has been organizing various seminar & 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 organizational 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 apart from morale boosting.

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 make a 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, 2010 and ended on 31st March, 2011 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, 2011 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

Date : 11-5-2011
Place : Vadodara

Vimal Betai
Practicing Company Secretary

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of **POLYMECHPLAST MACHINES LTD.** as on **31st March 2011**, 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
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 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - 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 2011.
 - 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 : 11/05/2011

ANNEXURE TO THE AUDITORS' 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.
- (b) 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.
- (c) 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 In our opinion, according to the information and explanation given to us, the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered under section 301 of the Companies Act 1956.
- 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 This clause is not applicable since the Maintenance of cost records as applicable to this company u/s 209 (1)(d) of the Companies Act has not been prescribed by the central government.
- 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, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess or any other statutory dues with the appropriate authorities to the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor, except Sales Tax as mentioned in the table below.

Name of Statute	Amount (Rs.)	Period to which the amount relates
Value Added Tax	10,118	2009-10

- (b) Following disputed items are pending payment as on the balance sheet date:

Statutory Dues	Amount (Rs.)	Dispute Pending with
Under Written Commission	86,000	Civil Court - Vadodara

- x. **Accumulated / Cash Losses**
There is no accumulated losses available to the company.
- xi. In our opinion, 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. This clause is not applicable to the company as the company is not engaged in the business of Chit Fund / Nidhi / Mutual Benefit Fund / Societies.
- xiv. This clause is not applicable to the company as the company is not engaged in dealing or trading in shares, securities, debentures and other investments.
- 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. According to the 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.
- xviii. According to the information and explanation given to us 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 during the year 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 : 11/05/2011

BALANCE SHEET AS AT 31th MARCH, 2011

	SCHEDULE	AS AT 31-3-2011 (Rs.)	AS AT 31-3-2010 (Rs.)
I. SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	50939000	50740500
Reserves and Surplus	2	12776744	1992111
Loan Funds			
Secured Loans	3	32362440	29362474
Unsecured Loans	4	181034	2686604
T O T A L		96259218	84781689
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	81861473	48694421
Less : - Depreciation		23899030	22081711
Net Block		57962443	26612710
Investments	6	382351	71589
Current Assets, Loans and Advance			
Inventories	7	57263784	50405086
Sundry Debtors	8	23741269	23741267
		33987951	
Cash and Bank Balances	9	9323895	7631357
Loans and Advances	10	5582529	10974228
Deffered Tax Assets		811420	996176
		96722895	103994798
Less : Current Liabilities and Provisions			
Current Liabilities	11	52341574	43034457
Provisions		6466897	4817005
		58808471	47851462
NET CURRENT ASSETS		37914424	56143336
Miscellaneous Expenditure	12	0	1954054
(to the extent not written off or adjusted)			
Profit and Loss Account (Debit Balance)		0	0
T O T A L		96259218	84781689
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

FOR & ON BEHALF OF BOARD OF DIRECTORS
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 : 11-5-2011

Place : Vadodara

Date : 11-5-2011

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st March, 2011.

PARTICULARS	SCHEDULE	Ended on 31-3-2011 (Rs.)	Ended on 31-3-2010 (Rs.)
I. INCOME			
Sales		276433670	204260037
Less : Excise Duty & Service Tax (Ed Cess & S&HEC)		24645876	13462829
Less: Value Added Tax / Sales Tax		6490986	4965741
Net Turnover		245296808	185831467
Other Income	13	9367397	180677
II. Increase / (Decrease) in stocks	14	16254455	(12475368)
T O T A L		270918660	173536776
EXPENDITURE			
Raw Material Consumed	15	191037001	116990908
Personnel Expenses	16	16260665	13772516
Operating & Other Manufacturing Expense	17	17917357	12190007
Administrative and Selling Expenses	18	24608097	13482409
Financial Charges	19	2141263	3795011
Depreciation	5	1817317	1376712
Miscellaneous expense written off		0	2324345
T O T A L		253781700	163931908
Profit/Loss From Continuing Operations Before		17136960	9604868
Extraordinary & Prior Period Items & Tax .			
Less : Litigation Settlement Expense		3367573	0
Less : Prior year adjustment		0	845394
Profit/Loss From Continuing Operations Before Tax		13769387	8759474
Less : Deferred Tax		184754	90209
Less : Provision for Taxation		2800000	1473775
NET PROFIT/LOSS		10784633	7195490
Less : Balance Brought forward		0	(5203379)
BALANCE CARRIED TO BALANCE SHEET		10784633	1992111
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

FOR & ON BEHALF OF BOARD OF DIRECTORS
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 : 11-5-2011

Place : Vadodara

Date : 11-5-2011

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2011.

	AS AT 31-3-2011 (Rs.)	AS AT 31-3-2010 (Rs.)
SCHEDULE - 1		
AUTHORISED CAPITAL		
7500000 Equity Shares of Rs.10/-each	75000000	75000000
ISSUED SUBSCRIBED AND PAID UP CAPITAL		
5771500 (Previous Year 5771500)		
Equity Shares of Rs.10/- each Fully paid up		
Rs. 10/- called up on 5771500		
Equity shares	57715000	
Less : Calls Unpaid (P.Y. Rs. 6974500)	<u>6776000</u>	50740500
Total	50939000	50740500
SCHEDULE - 2		
RESERVES AND SURPLUS		
Profit & Loss account As Per Last Balance Sheet	1992111	0
Add :- Transferred from Profit and Loss A/c	10784633	1992111
Total	12776744	1992111
SCHEDULE - 3		
SECURED LOANS FROM BANK		
1. Cash Credit / Export Facilities (Secured by Stock & Booklets & further Secured By personal guarantees of Directors and suitable Mortgage of Factory Building).	31630408	22556704
3. Term Loan	0	6040767
4. Overdraft Against Fixed Deposits(HDFC Bank Ltd.)	732032	765003
Total	32362440	29362474
SCHEDULE - 4		
UNSECURED LOAN		
Unsecured Loans From Directors	139848	2262527
Unsecured Loans From Others	41186	424077
Total	181034	2686604

POLYMECHPLAST MACHINES LTD.,
DEPRECIATION SCHEDULE AS AT 31st March , 2011.
SCHEDULE - 5 FIXED ASSETS

(Rupees)

SR. NO.	ITEM DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 1-4-2010	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31-3-2011	AS AT 1-4-2010	PROVIDED DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31-3-2011	AS AT 31-3-2011	AS AT 31-03-2010
1	LAND										
	1) Land	3077483	33303934	930026	35451391	0	0	0	0	35451391	3077483
2	BUILDING										
	1) Building Old(Makarpura,H.O)	25643572	13385604	16778000	22251176	7050135	554847	0	7604982	14646194	18593437
3	Plant & Machinery	2558961	3000076	30220	5528817	2444805	180329	0	2625134	2903683	114156
4	Computer	5177611	205639	0	5383250	4918731	195357	0	5114088	269162	258880
5	Vehicle	7082463	50529	169566	6963426	4012523	673634	0	4686157	2277269	3069940
6	Furniture	1024743	454594	0	1479337	973506	74025	0	1047531	431806	51237
7	Office Equipment	840016	196346	0	1036362	251111	44590	0	295701	740661	588905
8	Electrical Installation	1322824	141295	0	1464119	889042	65631	0	954673	509446	433782
9	Testing Equipment	471915	312748	0	784663	149151	23654	0	172805	611858	322764
10	Pattern Die & Mould	1384288	0	0	1384288	1364957	0	0	1364957	19331	19331
11	Air Conditioner	110544	24100	0	134644	27751	5251	0	33002	101642	82793
	Total	48694420	51074865	17907812	81861473	22081712	1817318	0	23899030	57962443	26612708
	Previous Year	36155069	12970490	431138	48694421	20705000	1376711	0	22081711	26612710	15450069

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2011.

	AS AT 31-3-2011 (Rs.)	AS AT 31-3-2010 (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	382251	71489
Total	382351	71589
SCHEDULE - 7		
INVENTORIES		
(As taken, valued and certified by Management)		
Raw Materials	21033102	30428859
Finished Goods	20541311	7485513
Work in process	15689371	12490714
Total	57263784	50405086
SCHEDULE - 8		
SUNDRY DEBTORS		
(Unsecured and Considered Good)		
More than six months	14924965	18392736
Others	8816293	15595212
(Including Rs.-- Nil -- due from Company in which directors are interested (P.Y. Rs.NIL))		
Sub-Total	23741258	33987948
Less : - Provision for Doubtful Debts	0	0
Total	23741258	33987948
SCHEDULE - 9		
CASH AND BANK BALANCES		
1. Cash on hand	41899	46555
2. Balance with Scheduled Banks		
- In current accounts With Nationalised Bank (Maximum Balance Rs12487504) (P.Y. Rs.2685864)	213057	1096398
- In current accounts With H.D.F.C Bank Ltd. (Maximum Balance Rs.3368639) (P.Y. Rs.6144871)	193909	168046
- In Saving Capital Gain accounts With IOB (Maximum Balance Rs.25834053)	619564	0
- In fixed deposits with Bank of Baroda	46798	42539
- In fixed deposits with HDFC Bank	3500000	3500000
- In fixed deposits with Indian Overseas Bank	4705956	0
- In fixed deposits with State Bank of India	0	2775000
3. Balance with Non-Schedule Bank		
- THE MAKARPURA INDUSTRIAL ESTATE CO-OPERATIVE BANK LTD.BARODA (Maximum Balance Rs.2831) (P.Y. Rs.2918)	2712	2819
Total	9323895	7631357

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2011.

	AS AT 31-3-2011 (Rs.)	AS AT 31-3-2010 (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	17430	849229
2. ADVANCE INCOME TAX	169469	1724358
3. ADVANCE TO SUPPLIERS	2654652	4788511
4. ADVANCE TO STAFF & WORKERS	132380	133194
5. DEPOSIT ACCOUNTS	2136391	3089792
6. OTHER ADVANCES	472207	389144
Total	5582529	10974228
SCHEDULE - 11		
CURRENT LIABILITIES		
SUNDRY CREDITORS	24224650	27571007
(Due to Micro & Small Enterprise Refer Note 9)		
ADVANCES FROM CUSTOMERS	21202984	11839718
OTHER LIABILITIES	6913940	3623732
	52341574	43034457
PROVISIONS	6466897	4817005
Total	58808471	47851462
SCHEDULE - 12		
MISCELLANIOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Exhibition Expenses	0	1954054
Total	0	1954054

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31st March, 2011.

	2010-2011	2009-2010
SCHEDULE - 13		
OTHER INCOME		
Rent Income	608316	1380000
Miscellaneous Receipts		
Loss due to accident	0	(1244156)
Duty Draw Back	0	44833
Profit on sale of Assets	8758632	0
Total	9366948	180677
SCHEDULE - 14		
Increase/(Decrease) in stocks		
Closing Stock of Finished Goods	20541311	7485513
Closing Stock of Work in Process	15689371	12490714
Total-A	36230682	19976227
Less :-		
Opening Stocks of Finished Goods	7485513	16559313
Opening Stock of Work in Process	12490714	15892282
Total-B	19976227	32451595
INCREASE / (DECREASE) IN STOCKS (A-B)	16254455	(12475368)
SCHEDULE - 15		
RAW MATERIAL CONSUMPTION		
Opening Stock of raw material	30428859	21736191
Add:--		
Purchases	183870044	128071095
Purchase Tax	217676	169665
Packing Material Expenses	10631	5099
Testing Expenses Machine	88	0
Input Tax Credit A/c	0	45884
Central Excise Duty Exp.	2854619	608376
Custom Duty Import	9352793	2781450
Service Tax Expenses	10192	0
CST TAX OGS PURCHASE	674731	0
	<u>196990774</u>	<u>131681569</u>
Less:--		
Excise Cenvet Credit	15349530	5997993
Input Service Credit A/c	0	-
	<u>15349530</u>	<u>5997993</u>
	181641244	125683576
Less : Closing stock of Raw Material	212070103	147419767
Consumption	21033102	30428859
	191037001	116990908
Note : Closing stock of material includes Stock of Insurance Claim Rs.29,75,637/=		
SCHEDULE - 16		
PERSONAL EXPENSES :		
Salaries, Wages and Other Pay & Allowances	13341597	12167855
Bouns & Exgratia	518528	818544
Contribution to provident and other funds	1002074	797775
Employees Welfare Expenses	137333	111047
Gratuity	1261133	(122705)
Total	16260665	13772516

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31st March, 2011.

	2010-11	2009-10
SCHEDULE - 17		
OPERATING & OTHER MANUFACTURING EXPENSES		
Labour charges	11612194	10107199
Power and fuel Expenses	510724	548470
Repairs to:		
Plant and Machinery	279337	14235
Factory Building	244057	161147
Insurance Premium	53699	66394
Factory Expenses	126576	73557
Factory Licence Fee	1850	7570
Testing Exp of Raw Material	1588	0
Pattern Consume and Drawing & Design Exp.	0	47555
Carting Charges	828849	562892
Freight Inward & Octroi	909267	488524
Import Expenses	2354693	1227201
Foreign Exchange Rate Fluctuation (Net)	(782932)	(1813748)
Excise Duty On Finished Goods	1777455	699011
Total	17917357	12190007

SCHEDULE - 18**ADMINISTRATIVE AND SELLING EXPENSES**

Printing & Stationery	792338	410512
Office Rent	189250	510390
Vehicle Expenses	414290	556751
Auditors Remuneration	88240	105300
Travelling and Conveyance	2219948	1466644
Postage Telephone & Telegram	1009049	930380
Professional Fee	966319	659868
Office & Sundry Expenses	480559	562696
Entertainment Expenses	25866	22868
Membership Fee	36017	31295
Legal Expenses & Income Tax Exp	485949	33070
Filing Fee	22213	21236
Security Service Charges	419970	99221
Professional Tax (Co.)	4925	4900
Transportation Charges	0	45290
Sales Tax Expense	500	88109
Advertisement Expense	333708	81404
Sales Promotion	13007781	5051004
Listing Fee	20681	20682
Books & Periodicals	2508	1441
General Repairs	689539	351573
Penalty Exp	5000	20000
Clearing Forwarding Agency Charges	213752	194031
Computer Expense	277711	411733
Debit Credit Balance Written off	2031488	521103
Electricity Expenses	685497	602992
Donation Expenses	20310	5011
Sitting Fees	25500	13500
Plantation Exp	26985	164252
Goods Transport Agency Expenses	112204	64304
Custom Duty Exp	0	430849
Total	24608097	13482409

 SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31st March, 2011.

	2010-11	2009-10
SCHEDULE - 19		
FINANCIAL CHARGES		
Bank Interest	2887726	3196158
Interest Paid to Others	76	2750
Interest on Unsecured Loan	38568	424077
Bank Charges	484642	826845
Total	3411012	4449830
INTEREST RECEIVED :		
Interest Income of F. D. R. (Margine Money A/G L.C)	971531	604007
Other Interest Income.	0	50812
Interest on IOB Capital Gain A/c	298218	0
	1269749	654819
Net Financial Charges	2141263	3795011

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31st MARCH, 2011.

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 include inter-divisional transfers, sale of scrap, Sales Outsource Products and Invoices for price escalation as per Contracts with the relevant customers on accrual basis.

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 :

Provident Fund : The Company has schemes of Retirement Benefits for provident Fund, in respect of which, the company's contribution are charged to Profit and Loss Account. The contributions towards Provident Fund are made to Statutory Authority.

Gratuity scheme : Liabilities for Gratuity is provided through a policy taken from Life Insurance Corporation of India (LIC) by an approved trust formed for the purpose. The contribution to the trust is made on the basis of actuarial valuation made by LIC to cover the year's liability and such contribution is charged to the Profit & Loss A/c.

Leave Encashment : Liability for leave encashment is provided in accordance with the rules of the company at prevailing salary rate for the entire unavailed leave balance as at the balance sheet date.

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 :

Till the Financial Year 2009-10 exhibition expense was amortized over a period of five year from the Financial years from the Financial year 2010-11 Management has decided to not to amortize the exhibition expenses incurred during the year over a period of five years and charge it to profit & loss year in the year in which it has been incurred.

Exhibition expenses incurred during the year is charged to Profit and Loss Account amounting to Rs. 27,49,422/- (P.Y. NIL) and exhibition expense relating to previous year, amounting to Rs. 19,54,054/- to the extent not amortised, has been charged to profit & loss account in the current year. Due to the same change in accounting policy, profit has been lowered by Rs.37,62,781/-

10. Tax Expenses :

Tax Expenses include current tax & deferred 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. 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 it's carrying value/value in use than 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. 1,98,500/- (P.Y.Rs.Nil/-) from shareholders up to 31st March, 2011. The balance amount of Rs. 67,76,000/- (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. 1,39,848/- from Directors & Rs. 41,186/- from Others.

3. Employees Benefit Plans :

Provident Fund :

The company makes contribution towards Employee's Provident Fund, Amount of Rs. 7.55 lacs (P.Y. 6.72 lacs) is recognized as expense and included in REMUNERATION AND BENEFITS TO EMPLOYEES (Schedule-16) in the Profit & Loss Account.

Gratuity scheme :

The company makes contributions to " The Trustees Polmechplast Machines Ltd, Employees" Group Gratuity Assurance Scheme", administered by LIC, a funded defined benefit plan for qualifying employees. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, Vesting occurs upon completion of five years of service.

1. Amount to be recognised in Balance Sheet	Amount (Rs.)	2. Exp. to be recognised in Income Statement	Amount (Rs.)
Present Value of Funded Obligations	3749084	Current Service Cost	128402
Fair Value of Plan Assets	1708181	Interest on obligation	208368
Present value of unfunded obligations	0	Expected Return on Plan Assets	-78458
Unrecognised past service cost		Net actuarial losses (gains) recognised in the year	807720
Net Liability	2040903	Past Service Cost	195101
Amounts in the Balance Sheet		Loss(gains) on curtailments and settlements	0
Liability	3749084	Expenses to be recognised in P & L A/C	1261133
Assets	1708181		
Net Liability	2040903		

3. Change in Benefit Obligation	Amount (Rs.)	4. Fair Value of Plan Assets	Amount (Rs.)
Opening Defined Benefit Obligation on 1/04/2010	2604594	Opening fair value of plan assets as on 01/04/2010	242762
Service Cost for the year	128402	Expected Return	78458
Past Service Cost	0	Actuarial gains and(losses)	0
Interest cost for the year	208368	Assets distributed on settlement	0
Actuarial losses(gains)	807720	contribution by employer	1386961
Benefits paid	0	Assets acquired in an amalgamation in the nature of purchase	0
Closing defined benefit obligation on 31/03/2011	3749084	Exchange differences on foreign plans	0
		Benefits paid	0
		Closing balance of fund as on 31/03/2011	1708181

Leave Encashment:

Provision of leave salaries, is made for value of unutilized leave due to employees at 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 Accountants 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. The following table shows the distribution of the Company's consolidated sales by Trading Activity & Manufacturing Activity.

(1) Primary Segment Information :

Sr. No.	Particulars	Trading Activity	Manufacturing Activity	Consolidated Total
1	Segment Revenue External Turnover	1,52,04,597	23,00,92,211	24,52,96,808
2	Segment Result (before Interest, Depreciation, Taxes & other adjustments)	9,71,915	73,88,654	83,60,569
	Add : Other Income			93,67,397
	Less - Other Items			
	- Interest Exp			21,41,263
	- Depreciation			18,17,317
	Profit before Tax			1,37,69,386
	Current Tax			28,00,000
	Deferred Tax			1,84,754
	Net Profit after Tax			1,07,84,632

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 Segment Information :**a. Segment Revenue - External Turnover :**

-	Within India	23,68,84,990
-	Outside India	84,11,818
-	Total Revenue	24,52,96,808

b. Segment Assets (Gross) :

-	Within India	3,31,67,053
-	Outside India	-
-	Total Revenue	3,31,67,053

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	27,36,540	Nil	Nil	27,36,540
Loan Received	Nil	Nil	Nil	Nil
Loan Repaid	Nil	Nil	Nil	Nil
OPENING BALANCE	139848	Nil	17847	157695
Unsecured Loan	Nil	Nil	Nil	Nil
CLOSING BALANCE	139848	Nil	17847	157695
Loan Payable	139848	Nil	17847	157695

7. Earning Per Share :

Nominal value of ordinary share	:	Rs. 10/-
Paid up Equity Share Capital	:	Rs. 5,09,39,000/-
No. of Shares	:	No. 50,93,900/-
Net Profit/Loss	:	Rs. 1,07,84,633/-
Basic / Diluted earning per share	:	Rs. 2.12

8. The Company 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 - units is not ascertainable.

9. DEFERRED TAX :

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.

Particulars	Deferred Tax Assets	Deferred Tax Liability
A Difference of depreciation between Books & Taxation for current year	-	48,735
B Gratuity for current year	-	1,37,648
C Leave Encashment	-	-
D Bonus & Exgratia	1,629	-
Total	1,629	1,86,383
Net Deferred Tax Liability.....		1,84,754

10. During the year, to comply with the AS.26, it has been decided to charge Exhibition Expense to Profit and Loss Account as and when incurred,

Exhibition expenses incurred during the year is charged to Profit and Loss Account amounting to Rs, 27,49,422/- (P.Y.NIL) and exhibition expense relating to previous year, amounting to Rs,19,54,054/- to the extent not amortised, has been charged to profit & loss account in the current year.

Due to the same change in accounting policy, profit has been lowered by Rs. 37,62,781/-

12. Remuneration to Directors :

	2010-2011 (Rs.)	2009-2010 (Rs.)
REMUNERATION TO CHAIRMAN & MANAGING DIRECTOR		
<u>Mr. K. R. Bhuva</u>		
Remuneration including Other Allowance & Perquisites(NET)	9,12,491	7,51,527
Contribution to provident fund	81,675	67,410
REMUNERATION TO EXECUTIVE DIRECTORS		
(a) <u>Mr. M. R. Bhuva</u>		
Remuneration including Other Allowances & Perquisites(NET)	7,20,548	5,98,232
Contribution to Provident Fund	62,482	52,454
(b) <u>Mr. H. P. Bhuva</u>		
Remuneration including Other Allowance & Perquisites(NET)	8,79,500	7,11,334
Contribution to Provident Fund	79,844	64,029

12. Auditors Remuneration :

	2010-2011 (Rs.)	2009-2010 (Rs.)
Audit Fees	70,000	70,000
Taxation Matters	30,000	30,000
Other Services	10,000	10,000
Management Consultancy	40,000	40,000
Total	1,50,000	1,50,000

NOTE : THE ABOVE FEES ARE EXCLUDING SERVICE TAX.

13. 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

	2010-2011		2009-2010	
	Qty. Nos.	Rs.	Qty. Nos	Rs.
i) Licensed Capacity	N.A	Nil	N.A.	Nil
ii) Installed Capacity	257	-	205	-
iii) Opening Stock	3	23,29,059	4	23,09,351
iv) Production	185	-	158	-
v) Closing Stock:	4	40,20,236	3	23,29,059

	2010-2011		2009-2010	
	Qty.	Amnt.(Rs.)	Qty.	Amnt.(Rs.)
b) Sales				
Sales of Machine(indigeneous) :-				
i) Plastic Processing Machine manufactured by the Company	178	22,26,53,222	146	14,96,78,544
ii) Plastic Processing Machine (High Sea Sales)	01	32,83,565	02	16,25,818
iii) Plastic Processing Machine (Re- Sale)	01	28,00,000	00	00
iv) Textile Embroidery Machine (High Sea Sales)	00	00	02	10,25,130
v) Textile Embroidery Machine (Re-Sale)	00	00	03	14,02,858
2) Sales of Machine (Export & Re-Export)				
i) Sales of Machine Export	04	75,36,966	06	1,89,98,857
3) Sales of Components (Indigeneous)				
i) Plastic Processing Parts Manufacturing by the company.	Various	62,50,869	Various	66,55,310
ii) Plastic Processing Parts (High Sea Sales)	Various	5,04,471	Various	00
iii) Plastic Processing Parts (Re-Sales)	Various	10,79,595	Various	36,51,486
iv) Textile Embroidery Parts (Re-Sales)	Various	00	Various	00
4) Sales of Components (Export)				
i) Sales of Components Export	Various	8,74,852	Various	10,28,211
5) Service Charges				
i) Service Charges		3,13,268		17,26,791
6) Sales of Scrap				
i) Sales of Scrap		00		38,462
TOTAL SALES	184	24,52,96,808	159	18,58,31,467

c) Consumption of Materials :-

	2010-2011		2009-2010	
	Amount (Rs.)	Qty.	Amount (Rs.)	Qty.
(a) Raw Materials Stainless Steel, Mild Steel and Casting (Qty. tons)	19,10,37,001		11,69,90,908	
(b) Machine Parts & Machinery Parts	Various		Various	
	19,10,37,001		11,69,90,908	

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

14. Imported and Indigenous Raw Materials Consumption.

	Amount/Rs		Amount/Rs.	
a) Imported (Including Custom Duty & other related charges)	5,52,19,481	28.91%	2,67,23,223	22.84%
b) Indigenous Consumption	13,58,17,520	71.09%	9,02,67,684	77.16%
	19,10,37,001	100.00%	11,69,90,907	100.00%
	2010-2011		2009-2010	
c) Expenditure in foreign currency	Rs.4,23,30,851/-		Rs.4,80,22,783/-	
Payment to Supplier / Traveling Expenses	Rs.7,11,882/-		Rs.3,85,702/-	

d) Earning in Foreign currency on account of Technical Consultancy and supervision & installation charges and Sales of Machine & Components Rs.1,62,72,184/- (P.Y.Rs.1,89,61,202/-). (out of the above realised -3,51,879.78 US\$ & 7500 EUR (P.Y. 4,01,883 US\$).

e) The company has made the Direct Export worth of Rs.84,11,818/- (Previous year Rs.2,00,27,068/-) and Export through Other Parties worth of Rs.-Nil- (Rs. Nil) respectively.

15. Contingent Liabilities :

- a) 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.
- b) 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/-.

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.

Signature to Schedule 1 to 18

AS PER OUR ATTACHED REPORT OF EVEN DATE

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 : 11-5-2011

Place : Vadodara
Date : 11-5-2011

POLYMECHPLAST MACHINES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011 (Rs. in Lacs)

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
A. Cash Flow from Operating Activities :		
Net Profit / (Loss) before tax and extra ordinary items Adjusted for :	171.37	96.05
Add : Depreciation	18.17	13.77
Miscellaneous Expenditure Written Off	-	23.24
Miscellaneous Written Off	-	-
Interest on Borrowing	29.26	36.23
Interest Received	(12.70)	6.55
Extraordinary Item	-	-
Provision of FBT	-	-
Deffered Tax	-	(0.90)
(Profit)/Loss on sale of Asset	(87.59)	-
Foreign Exchange Fluctuation	(7.83)	(18.14)
Profit on sale of Investments	-	-
Operation Profit before Working Capital Charges Adjustment for :	110.68	156.80
Trade & Other Receivable	102.47	176.64
Deffered Tax	-	(0.90)
Loans and Advances	53.92	2.69
Inventories	(68.59)	37.83
Trade Payable & Other Liabilities	109.57	(97.21)
Cash generated from Operations	<u>308.05</u>	<u>275.85</u>
Less : Exhibition Exp. (Miscellaneous Expenditure)		
Litigation Expenses	33.68	-
Net Cash from Operation Activities ...	A <u>274.37</u>	<u>275.85</u>
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets & Capital Work in Progress	(510.75)	(129.70)
Interest Received	12.70	6.55
Sale of fixed Asset	258.20	-
Purchase of Investment	(3.11)	(0.49)
Extraordinary Item (Insurance claim)	-	-
Net Cash used in Investing Activities ...	B <u>(242.96)</u>	<u>(123.64)</u>
C. Cash Flow from Financing Activities :		
Increase in Share Capital	1.99	-
Interest Paid	(29.26)	(36.23)
Foreign Exchange Fluctuation Gain / Loss NET	7.83	(18.14)
Loan received	4.96	(101.20)
Net Cash used in Financing Activities ...	C <u>(14.48)</u>	<u>156.39</u>
Net Increase / Decrease in cash and cash equivalents	(A+B+C) <u>16.93</u>	<u>(3.18)</u>
cash & Cash Equivalents on the year opening	76.31	79.49
cash & Cash Equivalents on the year end	93.24	76.31
Note : Figures in Brackets represents out flows		

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 : 11-5-2011

Place : Vadodara
Date : 11-5-2011

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, 2011. 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 11-5-2011 to the members of the Company.

For Parikh Mehta & Associates
Chartered Accounts

Place : Vadodara.
Date : 11-5-2011

(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
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 State Code

0	4
---	---

 Balance Sheet Date

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

2	0	1	1
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II Capital Raised During the year (Amount in Rs. Thousands)

Public Issue	Right Issue								
<table border="1"><tr><td> </td><td>N</td><td>I</td><td>L</td></tr></table>		N	I	L	<table border="1"><tr><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"><tr><td> </td><td>N</td><td>I</td><td>L</td></tr></table>		N	I	L	<table border="1"><tr><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"><tr><td>1</td><td>5</td><td>5</td><td>0</td><td>6</td><td>8</td></tr></table>	1	5	5	0	6	8	<table border="1"><tr><td>1</td><td>5</td><td>5</td><td>0</td><td>6</td><td>8</td></tr></table>	1	5	5	0	6	8
1	5	5	0	6	8								
1	5	5	0	6	8								
Paid up Capital	Reserve & Surplus												
Source of Funds <table border="1"><tr><td>5</td><td>0</td><td>9</td><td>3</td><td>9</td></tr></table>	5	0	9	3	9	<table border="1"><tr><td>1</td><td>2</td><td>7</td><td>7</td><td>7</td></tr></table>	1	2	7	7	7		
5	0	9	3	9									
1	2	7	7	7									
Secured Loans	Unsecured Loans												
<table border="1"><tr><td>3</td><td>2</td><td>3</td><td>6</td><td>2</td></tr></table>	3	2	3	6	2	<table border="1"><tr><td>0</td><td>0</td><td>1</td><td>8</td><td>1</td></tr></table>	0	0	1	8	1		
3	2	3	6	2									
0	0	1	8	1									
Net Fixed Assets	Investments												
Application of Funds <table border="1"><tr><td>5</td><td>7</td><td>9</td><td>6</td><td>2</td></tr></table>	5	7	9	6	2	<table border="1"><tr><td>0</td><td>0</td><td>3</td><td>8</td><td>2</td></tr></table>	0	0	3	8	2		
5	7	9	6	2									
0	0	3	8	2									
Net Current Assets	Misc. Expenditure												
<table border="1"><tr><td>3</td><td>7</td><td>9</td><td>1</td><td>4</td></tr></table>	3	7	9	1	4	<table border="1"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	0	0	0	0	0		
3	7	9	1	4									
0	0	0	0	0									
Accumulated Losses													
<table border="1"><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									

IV Performance of Company (Amount in Rs. Thousands)

Turnover (including other income)	Total Expenditure														
<table border="1"><tr><td>2</td><td>5</td><td>4</td><td>6</td><td>6</td><td>4</td></tr></table>	2	5	4	6	6	4	<table border="1"><tr><td>2</td><td>4</td><td>3</td><td>8</td><td>8</td><td>0</td></tr></table>	2	4	3	8	8	0		
2	5	4	6	6	4										
2	4	3	8	8	0										
Profit / Loss Before Tax *	Profit / Loss After Tax *														
<table border="1"><tr><td>+</td><td>-</td></tr></table> <table border="1"><tr><td>1</td><td>3</td><td>7</td><td>6</td><td>9</td></tr></table>	+	-	1	3	7	6	9	<table border="1"><tr><td>+</td><td>-</td></tr></table> <table border="1"><tr><td>1</td><td>0</td><td>7</td><td>8</td><td>5</td></tr></table>	+	-	1	0	7	8	5
+	-														
1	3	7	6	9											
+	-														
1	0	7	8	5											
Earning Per Share in Rs.	Dividend Rate %														
<table border="1"><tr><td> </td><td>+</td></tr></table> <table border="1"><tr><td>2</td><td>.</td><td>1</td><td>2</td></tr></table>		+	2	.	1	2	<table border="1"><tr><td>--</td><td>Nil</td><td>--</td></tr></table>	--	Nil	--					
	+														
2	.	1	2												
--	Nil	--													

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

(As per monetary terms)

Item Code No.

8	4	7	7	3	0	0	0
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(I T C Code)

Product Description

Plastic Processing Machines

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR PARIKH MEHTA & ASSOCIATES
Chartered Accountants

Ashish Parikh
Partner
Membership No. 116745

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 : 11-5-2011

Place : Vadodara
Date : 11-5-2011

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 Thursday, 22nd September, 2011 and at any adjournment thereof.

As witness my/our hand this _____ day of _____

Signature

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.

Affix a Rs. 1/- Revenue Stamp
--

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 24th Annual General Meeting of the Company to be held on Thursday, 22nd September, 2011 at 11:00 a.m. at 775, G.I.D.C. Estate, Makarpura, Vadodara-390010.

*In Case of shareholder holding shares in dematerialised form.

Signature of Shareholder/proxy

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

