

**BOARD OF DIRECTORS**

Daud Ali, Managing Director  
Narendra Bhanawat, Executive Director  
Magan Lal Sharma, Director  
Mukesh Kumar Kothari, Director (w.e.f. 25-01-2010)

**COMMITTEE OF THE BOARD****AUDIT COMMITTEE**

Magan Lal Sharma - Chairman  
Narendra Bhanawat  
Mukesh Kumar Kothari

**SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

Magan Lal Sharma - Chairman  
Narendra Bhanawat  
Mukesh Kumar Kothari

**AUDITORS**

Sampati Lal Bohara & Co.  
Chartered Accountants

**BANKERS**

State Bank of Bikaner & Jaipur  
Dena Bank

**REGISTERED OFFICE & WORKS**

Kodiyat Road,  
Village : Sisarma  
District : Udaipur (Raj.)

**INVESTOR QUERIES**

email:-pilkodi@sancharnet.in  
email:-peacock\_investor@rediffmail.com

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## NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of PEACOCK INDUSTRIES LIMITED will be held at the registered office of the Company at Kodiyat Road, Village: Sisarma, District : Udaipur on Wednesday 21st day of July, 2010 at 10.00 AM to transact the following business :

### ORDINARY

- (1) To receive, consider and adopt the audited accounts of the Company for the year ended on March 31, 2010 alongwith the Report of the Directors' and Auditors' thereon.
- (2) To appoint a director in place of Mr. Magan Lal Sharma who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To appoint auditors and fix their remuneration.

### SPECIAL

- (4) To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as "the Act") (including any statutory modification or re-enactment thereof, for the time being in force), Mr. Narendra Bhanawat whose term of office as a wholetime Director designated as Executive Director of the Company expires on 28-05-2010, be and is hereby re-appointed as a wholetime Director designated as Executive Director of the Company for a further period of two years with effect from 29-05-2010 to 28-05-2012 on the terms and conditions including remuneration as are set out in the Agreement to be entered into between the Company and Mr. Narendra Bhanawat, a draft whereof duly initialled by the Chairman of this meeting for the purpose of identification is submitted to this meeting, with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board") to alter and vary the said terms of re-appointment and remuneration and/or Agreement in such manner as may be agreed to between the Board and Mr. Narendra Bhanawat but so that his remuneration shall not exceed the limits specified in Schedule XIII to the Act, (including any statutory modification or re-enactment thereof, for the time being in force) or any amendment and/or modifications that may hereafter from time to time be made thereto by the Central Government, without any further reference to the Company in general meeting.

"RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Narendra Bhanawat as a wholetime Director designated as Executive Director, the Company has no profits or its profits are inadequate, the salary and perquisites payable shall be as specified in the agreement referred to herein above".

"RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution".

- (5) To consider and, if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Mukesh Kumar Kothari, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 25-01-2010 and whose term expires at the Annual General meeting of the Company scheduled to be held on 21<sup>st</sup> day of July 2010, and for the appointment of whom the Company has received a notice under section 257 of the act from a member proposing the candidature for the office of a Director, be and is

hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation".

- (6) To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as "the Act") (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby approves the appointment of Mr. Daud Ali as a Managing Director of the Company for a period of Five years with effect from 01-04-2010 on the terms and conditions including remuneration as are set out in the Agreement to be entered into between the Company and Mr. Daud Ali, a draft whereof duly initialled by the Chairman of this meeting for the purpose of identification is submitted to this meeting, with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board") to alter and vary the said terms of appointment and remuneration and/or Agreement in such manner as may be agreed to between the Board and Mr. Daud Ali but so that his remuneration shall not exceed the limits specified in Schedule XIII to the Act, (including any statutory modification or re-enactment thereof, for the time being in force) or any amendment and/or modifications that may hereafter from time to time be made thereto by the Central Government, without any further reference to the Company in general meeting.

"RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Daud Ali as Managing Director, the Company has no profits or its profits are inadequate, the salary and perquisites payable shall be as specified in the agreement referred to herein above".

"RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution".

Registered Office :  
Kodiyat Road,  
Village : Sisarma  
Distt. : Udaipur  
Dated : 26-05-2010

By Order of the Board of Directors  
Sd/-  
NARENDRA BHANAWAT  
Executive Director

### Note :

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (2) The Register of Members and Share Transfer Books of the Company shall remain closed from 14.07.2010 to 21.07.2010 (both days inclusive).
- (3) The Securities and Exchange Board of India has mandated compulsory trading of the Company's equity shares in demat form with effect from 28.08.2000 for all the investors. The International Securities Identification number (ISIN) code is INE 600A01019.
- (4) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participants in securities market, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.



#### (i) Re-appointment of Directors

Particulars of persons seeking re-appointment at the ensuing annual general meeting pursuant to clause 49 (IV) of the listing agreement is given below :-

Name	Mr.Magan Lal Sharma	Mr.Narendra Bhanawat	Mr. Daud Ali	Mr.Mukesh Kumar Kothari
Age	52 Years	43 Years	49 Years	40 Years
Qualification	B.com.	B.com.	B.com.	M.com.
Experience	Vast experience in manufacturing of plastic processing line and finance activities	Vast experience in manufacturing of plastic processing line and finance activities	Vast experience in manufacturing of plastic processing line and finance activities	Vast experience in finance and other tax matter activities
Director of the Company Since	May, 2006	February, 2002	May, 1992	January, 2010
Other Directorship	Nil	01	Nil	Nil
Shareholding	Nil	Nil	12520	Nil

Registered Office :

Kodiyat Road,

Village : Sisarma

Distt. : Udaipur

Dated : 26-05-2010

By Order of the Board of Directors

Sd/-

NARENDRA BHANAWAT

Executive Director

Explanatory statement pursuant to section 173(2) of the Companies Act,1956 in respect of Item No. 4, 5 and 6 set out above is annexed hereto.

#### Item No. 4

The present term of appointment of Mr. Narendra Bhanawat as Wholetime Director designated as Executive Director will expire on 28-05-2010. The Board of Directors of the Company feels that for the sake of continuity of the present management and for efficient running of the company the service of Mr. Narendra Bhanawat should be available to the company for a further period of two years with effect from 29-05-2010. In terms of the provisions of the articles of association of the company. The Board of Directors at a meeting held on 26-05-2010 re-appointed him as a Wholetime Director designated as Executive Director for a further period of two years with effect from 29-05-2010. The terms and conditions of the re-appointment of the Wholetime Director designated as Executive Director are embodied in the agreement to be made between the Company and the Wholetime Director designated as Executive Director, inter alia, contains the following terms and conditions :-

NAME AND DESIGNATION : Mr. Narendra Bhanawat  
Wholetime Director designated as  
Executive Director

PERIOD : 29-05-2010 to 28-05-2012

Remuneration : Rs. 3500/- per month in the Scale of 3000 to 6000 per month. The Annual increments which will be effective from 1st June every year will be decided by the Remuneration committee of the Company and will be merit based and take into account the Company's performance.

#### PERQUISITES :

(a) House rent allowance : Rs. 1000/- p.m.

Conveyance allowance : Rs. 1000/- p.m.

(b) Provident Fund as per rules

In the event of loss or absence or inadequacy of profits in any financial year of the Company, Mr.Narendra Bhanawat, Wholetime Director designated as Executive Director shall be paid the salary and perquisites as specified hereinabove as minimum remuneration.

The draft agreement between the Company and Mr.Narendra Bhanawat is available for inspection by the members of the Company upto the date of meeting at its registered office between 10.30 A.M. and 1.30 P.M. on any working day except Saturdays and holidays.

This may be treated as an abstract of the draft agreement between the Company and Mr. Narendra Bhanawat, pursuant to section 302 of the Companies Act,1956.

The proposed resolution is recommended for passing.

Mr. Narendra Bhanawat is deemed to be interested or concerned in the resolution which pertains to re-appointment and remuneration payable to him.

None of other Directors of the company is interested or concerned in the passing of the resolution.

#### Item No. 5

Mr. Mukesh Kumar Kothari was appointed by the Board of Directors of the Company with effect from 25-01-2010 as an Additional Director in terms of section 260 of the Companies Act,1956 and as per Articles of Association of the Company. he holds office as a Director only upto the date of Annual General Meeting and is eligible for re-appointment. As required under section 257 of the Companies Act,1956, a notice in writing (alongwith a deposit of Rs.500/-) has been received from a member signifying his intention to propose Mr. Mukesh Kumar Kothari as a Director of the Company at this Annual General Meeting.

Mr. Mukesh Kumar Kothari is a young and dynamic person having 20 years of experience in finance and other tax matter activities and his appointment will help the Company in attaining its target. In this regard the Directors recommended the resolution for your approval.

None of the Directors except Mr. Mukesh Kumar Kothari is concerned or interested in the resolution.

#### Item No. 6

The Board of Directors of the Company at their meeting held on 26-05-2010 approved the appointment of Mr. Daud Ali as Managing Director of the Company for a period of five years with effect from 01-04-2010, subject to the approval of the Shareholders at the general meeting. The proposed remuneration is within the limits of the Schedule XIII as amended to the Companies Act,1956 and the remuneration has been approved by the Remuneration Committee of the Company. The terms and conditions of the appointment of the Managing Director are embodied in the Agreement to be made between the Company and the Managing Director, inter alia, contains the following terms and conditions :-

NAME AND DESIGNATION : Mr. Daud Ali  
Managing Director

PERIOD : 01-04-2010 to 31-03-2015



**Remuneration :**

1. Salary : Rs.74000/- per month.
2. Perquisites :

**Part - A**

- (i) Gratuity not exceeding half month's salary for each completed year of service.
- (ii) Contribution to the Provident Fund, Superannuation Fund or Annuity funds will not be included in the computation of the ceiling on perquisites to the extent these ethics or put together are not taxable under the Income Tax Act, 1961.

**Part - B**

Provision of Car for use on the Company's business and telephone at the residence will not be considered perquisites. Personal long distance call and use of car for private purpose shall be billed by the Company to Managing Director.

In the event of loss or absence or inadequacy of profits in any financial year of the Company, Mr. Daud Ali, Managing Director shall be paid the salary and perquisites as specified hereinabove as minimum remuneration.

The proposed remuneration is within the limits of the schedule XIII as amended, to the Companies Act, 1956

The draft agreement between the Company and Mr. Daud Ali is available for inspection by the members of the Company upto the date of meeting at its registered office between 10.30 A.M. and 1.30 P.M. on any working day except Saturdays and holidays.

This may be treated as an abstract of the draft agreement between the Company and Mr. Daud Ali, pursuant to section 302 of the Companies Act, 1956.

Mr. Daud Ali will not be retired by rotation

The proposed resolution is recommended for passing.

Mr. Daud Ali is deemed to be interested or concerned in the resolution which pertains to appointment and remuneration payable to him.

None of other Directors of the Company is interested or concerned in passing of the resolution.

Registered Office :

Kodiyat Road,

Village : Sisarma

Distt. : Udaipur

Dated : 26-05-2010

By Order of the Board of Directors

Sd/-

NARENDRA BHANAWAT

Executive Director





## **ANNEXURE "A" TO THE DIRECTORS REPORT MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Directors have the pleasure of presenting the Management Discussion and Analysis Report for the year ended 31-03-2010.

### **A. INDUSTRIAL STRUCTURE AND DEVELOPMENT**

Your company is leading producer of plastic moulded furniture and other injection moulded articles and has a major share in the market. Your Company has seven injection moulding machines, out of which four are indigenous and three are imported and has many moulds/dies to manufacture plastic moulded furnitures.

Your Company has a total capacity of 9452.000 m.t. per annum. The company is facing severe liquidity crisis and presently capacity utilization is very lower. The capacity utilization of company will increase as soon as funds for working capital will be available. Due to shortage of funds machines and number of moulds remain idle. The company can utilise these only after availability of funds.

Total production during the period from 01.04.2009 to 31.03.2010 is 2326.37 m.t. against the production of 1899.55 m.t. in the preceeding year registering a growth of 22.47 %. The excess availability as compared to demand has led to severe competition in the market, which has led to the falling price of moulded furnitures.

### **B. OPPORTUNITIES AND THREATS.**

Plastic moulded furniture is replacing wooden and iron furniture day by day due to its low cost hence demand and scope of plastic moulded furniture is also increasing drastically.

The capacity utilization of your company is presently lower due to shortage of working capital, capacity utilization can be increased immediately after availability of funds. Company has to contend with the threat of increased competition from other plastic moulded furniture manufacturers also.

### **C. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.**

Your Company is manufacturing plastic moulded furnitures and storage bins. Plastic moulded furniture includes chairs, tables, sunlounger, trolleys etc.

The production of chairs, other articles and house hold articles for the period ended on 31.03.2010 is 2326.37 m.t.

### **D. OUTLOOK**

Margin in plastic moulded furniture are expected to go down on account of increase in supply and possible increase in raw material prices. Your Company is trying to increase its production as soon as working capital is available and is also trying to launch new model of chairs and other articles.

Your Company will endeavour to maintain, and enhance its position in the furniture market.

### **E. RISKS AND CONCERNS**

Hike in raw material price, reduction in selling prices and power cost are major issues requiring immediate attentions.

The company faces a threat from competitors, which can, with their new low cost machinery, make a dent in the specially market share of the Company.

Higher labour cost and distance from consumption centers put pressure on the Company financials.

### **F. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY.**

There exists a proper and adequate internal control system in the Company for all its activities including safeguarding and protecting its assets against any loss from its unauthorized use or disposition. All transactions are properly documented, authorized, recorded and reported correctly. All the transaction in the Company ensures that all the systems procedures are followed, authorized and recorded properly in the computer media. The system is continuously improved and its effectiveness is enhanced based on feedback from the field.

The above control is further supplemented by exhaustive scope of internal audit, which is carried out by ISO auditors. The policies, procedures and internal control are further reviewed by management on periodical basis.

### **G. FINANCIAL PERFORMANCES.**

Your company achieved a turnover of Rs.1920.98 lakhs during the year 2009-2010. The net loss after Tax etc. for the year amounted to Rs. 145.15 lakhs subject to provision for interest.

### **H. HUMAN RESOURCES.**

The industrial relation situation was cordial and harmonious and continues to be so at present. The Company has conducted computer training programme primarily to enhance the skill of the workforce. Your Company has the strength of 33 staffs and 49 workers.

### **Cautionary Statement :**

*The Statement in the "Management Discussion and Analysis Report" Section describes the Company's objectives, projections, estimates, expectations and predictions which may be "forward looking statements" within the meaning of the applicable securities laws and regulations and actual results might differ materially from those expressed or implied, depending on the economic and climatic conditions, Government policies and other incidental factors.*



**CORPORATE GOVERNANCE REPORT FOR THE PERIOD  
APRIL 1, 2009 TO MARCH 31, 2010  
ANNEXURE "B" TO THE DIRECTORS REPORT**

**A. COMPANY'S PHILOSOPHY**

Your Company firmly believes in philosophy of SERVING SOCIETY THROUGH INDUSTRY, with the PEACOCK culture being 'We live every moment of life in harmony with nature to create value for ourselves, our stakeholders and the society'.

We also believe in adopting the best global practices in the area of corporate governance and follows the principles of full transparency, accountability, responsibility and fairness, thereby protecting the interests of all its stakeholders.

**B. BOARD OF DIRECTORS :**

**(i) Composition of Board**

The Board of Directors consists of Four members ,One executive and three are non executive. Out of four Directors three are Independent which is 75% of the total strength of the board. The Company has no Chairman.

(ii) During the period April 2009 to March 2010, Five Board meetings were held, with atleast one meeting in every quarter and the maximum time gap between any two meetings was not more than four months at the following dates :-

(a) May 16, 2009 (b) May 28, 2009 (c) July 27, 2009 (d) October 26, 2009 (e) January 25, 2010.

The composition and other details are as under :-

Name of Director	Category of Director	No. of the other directorship held	Membership in committee of other Comp.-held	No. of Board meetings attended	Attendance in last AGM held Yes/No
Mr. Narendra Bhanawat	Independent Ex. Director	01	00	05	YES
Mr. Daud Ali	Director	00	00	05	No
Mr. Magan Lal Sharma	Independent Non Executive Director	00	00	05	YES
Mr. Mukesh Kumar Kothari*	Independent Non Executive Director	00	00	01	No

\*w.e.f. 25-01-2010

**(iii) Details of sitting fees etc. paid to Directors.**

No sitting fee was paid during 2009-2010 for attending meetings of the Board and/or committee thereof.

**(iv) Pecuniary Relationship**

Independent Non Executive Directors do not have any Pecuniary Relationship with the Company.

**C. AUDIT COMMITTEE**

The Audit committee was reconstituted on 25-01-2010. The details of the composition, category of members etc. of Audit Committee are as under :-

Name	Category	No. of Meetings held	No. of Meetings attended
Mr. Magan Lal Sharma (Chairman)	Independent Non Executive Director	04	04
Mr. Mukesh Kumar Kothari*	Independent Non Executive Director	01	01
Mr. Narendra Bhanawat	Independent Executive Director	04	04

\*w.e.f. 25-01-2010

Mr. Magan Lal Sharma, Mr. Narendra Bhanawat and Mr. Mukesh Kumar Kothari have expert knowledge of finance and accounting. The role, powers and functions of the Audit Committee are as stated in clause 49 of

the Listing Agreement and Section 292 A of the Companies Act, 1956. The committee reviews the financial statements and other important issues before they are recommended to the Board.

Minutes of each Audit Committee are placed before and discussed in the Board.

The Audit Committee meetings were held on 28th May, 2009, 27th July, 2009, 26th October, 2009 and 25th January, 2010. The necessary quorum was present at all the meetings and all the members attended all the meetings.

**D. REMUNERATION OF DIRECTORS :**

**(i) Remuneration to Non Executive Directors**

The remuneration, if any, of non-executive Directors shall be recommended by remuneration committee and decided by the Board of Directors.

**(ii) Remuneration of Directors**

Name Director	Salary	Benefits	Bonus	Stock option linked incentives	Performance period/severance fee	Service Contract /Notice
Mr. Narendra Bhanawat	40000	16800	Nil	Nil	Nil	*

\*N.A. / Notice period 3 months / N.A.

**Code of Conduct**

The Board of Directors of Peacock Industries Limited has laid code of conduct for all the directors and senior management. All Directors and designated personnel in the senior management cadre of the Company have affirmed compliance with their respective codes for the year under review. The declaration to this effect signed by Mr. Narendra Bhanawat, Executive Director is annexed to this report.

**E. BOARD PROCEDURE**

As per Corporate policy, most of the Statutory and material information is placed before the Board with a view to enable it to discharge its responsibilities efficiently in formulating the strategies and policies for the growth of the Company vis a vis its various stakeholders. The agenda and other relevant papers were circulated well ahead of the scheduled dates of the meeting. All major issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions. The Executive Director briefs the Board at every meeting on the overall performance of the Company. The important matters discussed at the meetings of the Audit Committee and the Share holders'/Investors Grievance Committee are also highlighted. Opinion and advices of the independent non-executive Directors are considered valuable guidance.

During the period April 2009 to March 2010, Five Board meetings were held. The maximum time gap between any two meetings was not more than four months.

There is no Director who is a member in more than ten committees or acts as a Chairman of more than five committees.

**F. MANAGEMENT**

**(i) Management Discussion and Analysis**

Management Discussion and Analysis is a part of this Annual report.

**(ii) Disclosures**

- For related party transactions please refer point no.12 of Schedule-14 to the accounts.
- There was no non-compliance of any provision of law by the Company, nor any penalty / stricture was imposed on the Company by Stock Exchange (s), SEBI or any other authority on any matter related to capital markets during the last three years.

**G. SHAREHOLDERS**

**(i) Shareholders/Investors Grievance Committee :**

The Shareholders/Investors Grievance committee was reconstituted on 25-01-2010. The details of the composition, category of members etc. of Shareholders/Investors Grievance committee is as under :-



The Shareholders/Investors Grievance Committee specifically looks into various issues relating to shareholders/ investor grievances relating inter alia to non-receipt of annual report, non delivery of shares after transfer/ delay in transfer/demat of shares etc.

The Company has also adopted a code of conduct for Prevention of Insider Trading in the Share of the Company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 1992. The Board has designated Mr. PC Talesra, as a Compliance officer and authorised the committee to monitor the compliance as required under the aforesaid regulations.

The Shareholders/Investors Grievance Committee has following members, meetings and attendance of members during the financial year :-

Name	Category	No. of Meetings held	No. of Meetings attended
Mr. Magan Lal Sharma (Chairman)	Independent Non Executive Director	04	04
Mr. Narendra Bhanawat	Independent Executive Director	04	04
Mr. Mukesh Kumar Kothari*	Independent Non Executive Director	01	01

\*w.e.f. 25-01-2010

The Board has designated Mr. P.C.Talesra as a compliance Officer.

#### (ii) Share Transfer Committee :

The Company's shares are traded in the dematerialised form on stock exchanges. To expedite the transfer in physical segment, the Company has constituted a Share Transfer Committee in February, 1993. The Committee approves share transfer and transmission, issue of duplicate certificates and reviews all other matters connected with securities.

The committee presently comprises of the following persons.

Mr. Magan Lal Sharma (Chairman)	Independent Non Executive Director
Mr. Narendra Bhanawat	Executive Director
Mr. Mukesh Kumar Kothari*	Independent Non Executive Director

\*w.e.f. 25-01-2010

Share Transfer and Complaints received and redressed during the year:-

Complaints			Share Transfer		
Received from	Received & cleared	Pending	Particulars	No of shares	
Direct to the Company	34	34	Nil	No. of Shares received for transfer	13700
Through SEBI/ROC	01	01	Nil	No. of Shares transferred	13700
Through Stock Exchange(s)	05	05	Nil	No. of Shares Pending*	Nil
Investors Association	Nil	Nil	Nil	No. of Shares returned due to objection	Nil

\* Pending due to no objection letter sent to transferor.

#### H. General Body Meetings :

(i) Location, date and time when General Body Meetings were held in the last three years :

Year	Date	Time	Type of Meeting	Location	No. of Special Resolution passed
2006-2007	29-06-07	10.00 a.m.	AGM	Kodiyat Road, Sisarma, Udaipur	00
2007-2008	04-07-08	10.00 a.m.	AGM	Kodiyat Road, Sisarma, Udaipur	01

2008-2009	15.07.09	10.00 a.m.	AGM	Kodiyat Road, Sisarma, Udaipur	00
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#### I. POSTAL BALLOT SYSTEM

No special resolution was put through postal ballot last year and nor is any proposed for this year

#### J. MEANS OF COMMUNICATION

The quarterly/Half yearly/Annual un-audited/Audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors and displayed on company's website :- [www.peacockindustries.com](http://www.peacockindustries.com)

Management Discussion and Analysis Report for the year ended 31st March, 2010 is in this Annual Report.

#### K. GENERAL SHAREHOLDER INFORMATION :

##### i. Annual General Meeting :

Day, Date and Time	Wednesday, 21-07-2010 at 10.00 A.M.
Venue	Peacock Industries Limited, Kodiyat Road, VIII: Sisarma, Udaipur (Raj)-313 001

##### ii. Financial Calendar : Financial Reporting for

Financial year	April 1 to March 31
Board Meeting for consideration of accounts for the year ended March 31, 2010	May 26, 2010
Board Meeting for consideration of unaudited results for the first three quarters of the current financial year viz. April 01, 2010 to March 31, 2011	Within 45 days from the end of the relevant quarter as stipulated under the listing agreement with the Stock Exchanges.
Audited results, if any, for the current year ending March 31, 2011	Within 60 days from the end financial of the last quarter as stipulated under the Listing Agreement with Stock Exchanges.

iii. Date of Book Closure : 14-07-2010 to 21-07-2010 (both days inclusive)

iv. Dividend payment data : Not Applicable

##### v. Listing on Stock Exchanges :

Name of Stock Exchange	Stock Code No.
The Stock Exchange, Mumbai (BSE)	500327
National Stock Exchange of India Ltd. (NSE)	PEACOCKIND
Jaipur Stock Exchange Ltd	000
The Calcutta Stock Exch. Association Ltd	000
The Delhi Stock Exchange Association Ltd	000

The Listing Fee have been paid except in the case of Jaipur Stock Exchange Ltd, Jaipur, The Calcutta Stock Exchange Association Ltd, Calcutta and Delhi Stock Exchange Association Ltd, Delhi.

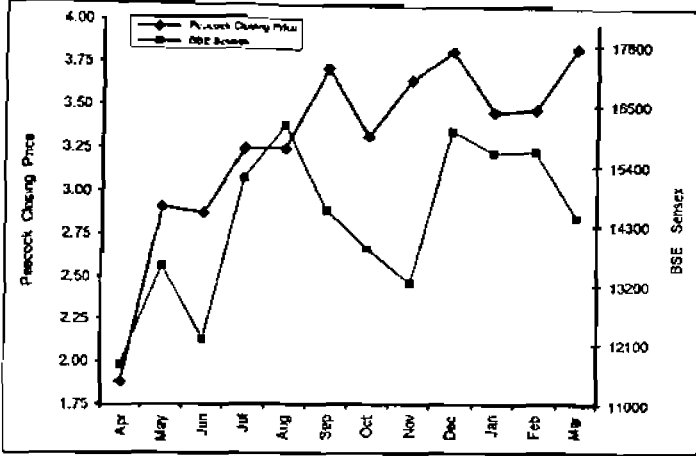
##### vi. Market Price Data : Mumbai Stock Exchange

Month	High	Low	Month	High	Low
April	2.28	1.51	May	2.65	1.85
June	3.34	2.12	July	3.55	2.03
August	3.39	2.72	September	3.55	2.58
October	3.03	2.61	November	2.80	2.20
December	3.41	2.25	January	4.00	3.20
February	3.53	2.97	March	3.61	2.70





###### vii. Performance in comparison to broad based indices as BSE Sensex.



###### viii. Registrar & Transfer agent :

All the physical share transfer work is done in-house at the Share Department at the registered office of the Company at Udaipur and for Demat work the Company has appointed a registrar.

###### Address for Correspondence :

For Demat Shares	For Physical Shares
Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West) MUMBAI - 400 078 E-mail : <a href="mailto:lsri@linkintime.co.in">lsri@linkintime.co.in</a> Tel No. : 022-25963838 Fax No. : 022-25946969	Peacock Industries Limited Kodiyat Road, Vill: Sisarma Udaipur (Rajasthan) 313 001 E-mail : <a href="mailto:pikodi@sancharnet.in">pikodi@sancharnet.in</a> Tel.No. : 0294-2432271-72 Fax No. : 0294-2430411

###### ix. Share Transfer System :

Presently, the Share transfer which are received in physical form are processed and the share certificates returned within a period of 15-20 days from the date of receipt, subject to the documents being valid and complete in all respect.

Shares held in dematerialized form are electronically traded in the depository and the registrar periodically receive from the depository the beneficiary holdings so as to enable them to update their records for sending all corporate communications and other matters.

Physically shares received for dematerialisation are processed and complete within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to depository participants under advise to the shareholders.

###### x. Distribution of Shareholding and Shareholding pattern as of 31-03-2010.

###### (a) Distribution of Shareholding

Shareholding of Shares	No. of Share holders	% of Total	Share Allotted	% of Total
Upto - 500	6626	64.35	1572917	10.15
501 - 1000	1745	16.95	1604238	10.35
1001 - 2000	875	08.50	1468390	09.47
2001 - 3000	328	03.19	876099	05.65
3001 - 4000	157	01.52	575788	03.71
4001 - 5000	205	01.99	1000827	06.48
5001 - 10000	229	02.22	1750220	11.29
10001 - ABOVE	132	01.28	6651521	42.92
<b>TOTAL</b>	<b>10297</b>	<b>100.00</b>	<b>15500000</b>	<b>100.00</b>

###### (b) Shareholding Pattern

Category	No. of Shares	% Share holding
Promoters :		
Indian Promoters	918450	5.93
NRI Promoters	0	0.00
Indian Public	11502177	74.21
NRI	108364	0.70
Overseas Corporate Bodies	32400	0.21
Bodies Corporate	2163297	13.95
Financial Institutions/Banks	749012	4.83
Mutual Funds	26300	0.17
<b>Total</b>	<b>15500000</b>	<b>100.00</b>

###### xi. Dematerialisation of Shares and Liquidity :

Trading of the Company's shares is compulsorily in dematerialised form for all investors since August 28, 2000, equity shares representing 97.19% have been dematerialised with the following depositories :

Description	ISIN NO.	Depositories
Equity Shares	INE600A01019	NSDL & CDSL

The liquidity of shares is normal.

###### xii. LOCATION OF PLANT : Kodiyat Road, Village: Sisarma, Udaipur

###### xiii. ADDRESS FOR COMMUNICATION

Peacock Industries Limited,  
Kodiyat Road, Village : Sisarma, Dist-Udaipur (Raj ) 313 001  
Phone No. : 0294-2432271-72 Fax No. : 0294-2430411  
E-mail : [pikodi@sancharnet.in](mailto:pikodi@sancharnet.in)

###### xiv. EXCLUSIVE E-MAIL ID FOR REDRESSAL OF INVESTORS COMPLAINTS :-

In terms of Clause 47 (f) of the Listing Agreement, please use the following contacts for redressal of Investors complaints.

E-mail : [peacock\\_investor@rediffmail.com](mailto:peacock_investor@rediffmail.com)



## Auditors Certificate on Compliance of Conditions of Corporate Governance.

To,  
The Board of Directors  
Peacock Industries Limited,  
Kodiyat Road, Sisarma  
Udaipur

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Peacock Industries Limited ('the company'), for the year ended March 31, 2010, as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the 'guidance note on certificate of Corporate Governance' issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us and on the basis of our examination described above, the company has complied with the condition of Corporate Governance as stipulated in clause 49 of the above mentioned listing agreement.

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

For SAMPATILAL BOHARA & COMPANY  
Chartered Accountants

Sd/-  
SUDHIR MEHTA

PLACE : UDAIPUR  
DATE : 26.05.2010

Partner  
Membership No. 400920

## CODE OF CONDUCT DECLARATION

I, Narendra Bhanawat, Executive Director of Peacock Industries Limited to the best of my knowledge and belief hereby declare that all Board members and senior management personnel have affirmed compliance with the Company's code of conduct for the year ended March 31, 2010.

Sd/-  
NARENDRA BHANAWAT  
(Executive Director)

Place : Udaipur  
Date : 26-05-2010

## CEO/CFO Certification

A certificate from the Director and the Finance head on the financial statements of the Company was placed before the Board.

## AUDITORS' REPORT

To the members of  
Peacock Industries Limited

We have audited the attached Balance Sheet of PEACOCK INDUSTRIES LIMITED as at 31st March, 2010, the Profit and Loss Account and also the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statement are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. :

We conducted our audit in accordance with auditing standards generally accepted in India. These standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the

financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that :-

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, We enclose in the Annexure 'A' a statement on the matters specified in the said order.
2. Further to our comments in the annexure referred to above, We report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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) Attention is invited to schedule-14 :
    - (i) Note No.5 Regarding, interest, penal interest etc. of Rs.370.71 lakhs and Rs.404.89 lakhs (Pr.Yr. Rs.370.71 and 404.89 Lakhs) debited by Banks and Institutions are not provided.
    - (ii) Note No.6 Regarding interest on bills payable and intercorporate deposit and loans of Rs.238.72 lakhs (Pr.Yr. Rs.245.73 lakhs), is not provided.
  - e) 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.
  - f) On the basis of written representations received from the Directors as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes and accounting policies given in schedule-14, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - i) In the case of the Balance Sheet, the state of affairs of the Company as at 31st March, 2010;
    - ii) In the case of the Profit and Loss Account of the loss of the Company for the year ended on that date; and
    - iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For SAMPATILAL BOHARA & COMPANY  
Chartered Accountants

Sd/-  
SUDHIR MEHTA

PLACE : UDAIPUR  
DATE : 26.05.2010

Partner  
Membership No. 400920



## ANNEXURE "A" TO THE AUDITORS REPORT

- 1) (a) It has been informed to us that records showing full particulars, including quantitative details and situation of its fixed assets has been misplaced by the Company and company has not provided any details of the fixed assets to us for verification. However management claims that they have broadly physically verified all the major assets of the Company at such intervals as considered appropriate by the management. In view of this we are unable to express opinion about the discrepancies on physical verification and its adjustment in the books of account, if any.
- (b) The Company has not disposed off any substantial part of its fixed assets, which has any effect on its going concern during the year.
- 2) (a) As explained to us that the inventory has been physically verified during the year by management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business;
- (c) In our opinion the company is maintaining proper records of inventory, no material discrepancies were noticed on physical verification of the inventory.
- 3) The Company has not taken/granted loans from/to companies covered in the register maintained under section 301 of the Companies Act, 1956 (1 of 1956).
- 4) In our opinion and according to the information and explanations given to us during the course of the audit, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods.
- 5) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered into Registers maintained under section 301 of the Companies Act, 1956, and exceeding the value of Rs.5.00 lacs in respect any party.
- 6) The Company has not accepted any deposits from public within the meaning of section 58A and hence the directives issued by Reserve Bank Of India and the provisions of section 58 A, 58 AA or any other relevant provisions of the Act and rules framed there under are not applicable.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) We are informed that the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the products of the Company
- (9) (a) The undisputed statutory dues except provident fund, sales tax and income tax have been regularly deposited with appropriate authorities.
- (b) We are informed that Rs.218.62 lacs were out standing as at 31st March, 2010 towards undisputed statutory dues in respect of income tax, sales tax, wealth tax, custom Duty, excise duty, cess for a period of more than six months from the date they become payable.
- (c) We are informed that followings were out standing as at 31st March, 2010 towards disputed statutory dues :-

Particulars	amount (Rs. In Lacs)	Remarks
Excise Duty	108.22	Pending at Commissionerate, Jaipur-II (Raj.)
Penalty Imposed By Enforcement Directorate	200.00	Pending at Rajasthan High Court Jaipur

- 10) The accumulated losses of the company are more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered under our audit and during the immediately preceeding financial year.

- 11) In our opinion and according to the informations and explanation given to us, the company has defaulted in repayment of dues of Rs. 8198.87 lacs to a financial institution, bank.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- 13) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- 14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- 15) During the year company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) During the year company has not taken term loans.
- 17) During the year no fund raised either on short term or on long term basis.
- 18) During the year company has not made any preferential allotment of shares.
- 19) During the year company has not issued debentures.
- 20) During the year the company has not raised money by public issues.
- 21) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For SAMPATILAL BOHARA & CO.  
Chartered Accountants

Sd/-  
(SUDHIR MEHTA)  
Partner  
Membership No. 400920

Place : Udaipur  
Date : 26-05-2010



# **BALANCE SHEET AS AT 31st MARCH, 2010**

	SCHEDULE	AS AT MARCH 31, 2010		AS AT MARCH 31, 2009	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>I SOURCES OF FUNDS :</b>					
1. Shareholders' Fund :					
(a) Share Capital	1	155000000		155000000	
(b) Reserves and Surplus	2	<u>56113123</u>		<u>56113123</u>	
			211113123		211113123
2. Loan Funds :					
(a) Secured	3				
(i) Term Loan		428002464		428002464	
(ii) Working Capital Borrowings		391884873		391884873	
(b) Unsecured	4	<u>113298004</u>		<u>118798004</u>	
			933185341		938685341
<b>TOTAL</b>			<u>1144298464</u>		<u>1149798464</u>
<b>II APPLICATION OF FUNDS :</b>					
1. Fixed Assets :	5				
(a) Gross Block		754885420		754770224	
(b) Less : Depreciation		<u>226649869</u>		<u>202254751</u>	
(c) Net Block			528235551		552515473
2. Investments	6		31000		31000
3. Current Assets, Loans and Advances :					
(a) Inventories	7	24087067		11348356	
(b) Sundry Debtors	8	3913344		3894305	
(c) Cash and Bank Balances	9	854838		2192269	
(d) Loans and Advances	10	8398500		8187956	
		<u>37253749</u>		<u>25622886</u>	
<b>Less : Current Liabilities and Provisions</b>	11	<u>377261504</u>		<u>369895734</u>	
		<u>377261504</u>		<u>369895734</u>	
<b>Net Current Assets</b>			-340007755		-344272848
4. Profit and Loss Account			956039668		941524839
<b>TOTAL</b>			<u>1144298464</u>		<u>1149798464</u>
Accounting policies and notes to the Accounts	14				

As per our report of even date

The Schedules referred to above form an integral part of the Balance Sheet

for SAMPATILAL BOHARA & CO.  
Chartered Accountants

for and on behalf of the Board of Directors

Sd/-  
(SUDHIR MEHTA)  
Partner  
Membership No. 400920

Sd/-  
NARENDRA BHANAWAT  
Executive Director

Sd/-  
MAGAN LAL SHARMA  
Director

Place : Udaipur  
Date : 26.05.2010.



# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

PARTICULARS	2009-2010		2008-2009	
	AMOUNT (Rs.)	AMOUNT (Rs.)	AMOUNT (Rs.)	AMOUNT (Rs.)
<b>A Cash Flow From Operating Activities</b>				
Net Profit before tax		-14514829		-2788723
Add - Provision for Depreciation		24395118		11556926
Add : Provision for Gratuity		-348116		419328
Less: Gratuity paid		0		-2027339
		<u>9532173</u>		<u>7160192</u>
Operating profit before working capital changes				
Adjusted for :				
Receivables	-19039		-833386	
Inventories	-12738711		-952415	
Loans and Advances	-210544		1745405	
Trade Payables	<u>7795191</u>		<u>-2522831</u>	
		<u>-5173103</u>		<u>-2563227</u>
Cash Generated From Operations		4359070		4596965
Cash From Operating Activities		4359070		4596965
Fringe Benefit Tax paid		81305		67027
Net Cash From Operating Activities		<u>4277765</u>		<u>4529938</u>
<b>B. Cash Flow From Investing Activities</b>				
Purchases of Fixed Assets		<u>115196</u>		<u>139648</u>
Net Cash Used in Investing Activities		<u>115196</u>		<u>139648</u>
<b>C. Cash Flow From Financing Activities</b>				
Repayment of Borrowing		5500000		3775000
Net Cash Used in Financing Activities		<u>5500000</u>		<u>3775000</u>
Net Increase in Cash and Cash Equivalents		-1337431		615290
Cash and Cash Equivalents Opening Balance		2192269		1578979
Cash and Cash Equivalents Closing Balance		<u>854838</u>		<u>2192269</u>

As per our report of even date

for SAMPATILAL BOHARA & CO.  
Chartered Accountants

Sd/-  
(SUDHIR MEHTA)  
Partner  
Membership No. 400920

Place : Udaipur  
Date : 26.05.2010

for and on behalf of the Board of Directors

Sd/-  
NARENDRA BHANAWAT  
Executive Director

Sd/-  
MAGAN LAL SHARMA  
Director

The Schedules referred to above form  
an integral part of the Balance Sheet



## SCHEDULE TO THE ACCOUNTS

### SCHEDULE - 1

#### SHARE CAPITAL

##### AUTHORISED

25000000 (Pr. Yr. 25000000) Equity Shares of Rs.10/- each

AS AT MARCH 31,  
2010  
(Rs.)

AS AT MARCH 31,  
2009  
(Rs.)

250000000

250000000

##### ISSUED AND SUBSCRIBED

15500000 (Pr. Yr. 15500000) Equity Shares of Rs.10/- each fully paid up

155000000

155000000

155000000

155000000

### SCHEDULE - 2

#### RESERVES AND SURPLUS

Share Premium Account

As per the last Balance Sheet

State Investment Subsidy

53600000

53600000

2513123

2513123

56113123

56113123

### SCHEDULE - 3

#### SECURED LOANS

Working Capital from Banks

Term Loan from Financial Institutions

391884873

391884873

428002464

428002464

819887337

819887337

a) Working Capital from Banks: Secured against hypothecation of stocks of raw materials, goods in process, finished goods, consumables and debtors and also personally guaranteed by the directors of the company.

b) Term Loans from Institutions : Secured by way of equitable mortgage by deposit of title deeds of immovable properties and also by way of hypothecation of movable properties, except prior charge on specific movable properties created in favour of the Bankers, and guaranteed by the directors of the company.

All of the above stated charges/Mortgage unless otherwise stated, in favour of institutions/banks rank pari passu inter se.

### SCHEDULE - 4

#### UNSECURED LOANS

From Others

113298004

118798004

113298004

118798004

### SCHEDULE - 5

#### FIXED ASSETS

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	ASAT 01.04.2009 (Rs.)	ADDITION DURING THE YEAR (Rs.)	DEDUCTION DURING THE YEAR (Rs.)	UP TO 31.03.2010 (Rs.)	ASAT 01.04.2009 (Rs.)	ADDITION DURING THE YEAR (Rs.)	DEDUCTION DURING THE YEAR (Rs.)	UP TO 31.03.2010 (Rs.)	ASAT 31.03.2010 (Rs.)	ASAT 31.03.2009 (Rs.)
1) FREE HOLD LAND	1142737	0	0	1142737	0	0	0	0	1142737	1142737
2) BUILDING	64693056	0	0	64693056	8546437	4321662	0	12868099	51824957	56146619
3) PLANT AND MACHINERY	676737081	0	0	676737081	190851171	18841784	0	209692955	467044126	485885910
4) D.G.SET	1832000	0	0	1832000	520504	195082	0	715586	1116414	1311496
5) OFFICE EQUIPMENT	7333302	115196	0	7448498	1307003	762208	0	2069211	5379287	6026299
6) FURNITURE AND FIXTURE	2157500	0	0	2157500	749312	274382	0	1023694	1133806	1408188
7) VEHICLES	874548	0	0	874548	280324	0	0	280324	594224	594224
TOTAL	754770224	115196	0	754885420	202254751	24395118	0	226649869	528235551	552515473
Previous Year	754630576	139648	0	754770224	190697825	11556926	0	202254751	552515473	563932751

**SCHEDULE TO THE ACCOUNTS - CONTINUED****SCHEDULE - 6****INVESTMENTS**

(Long term investment)

**UNQUOTED**

Government Securities

National Savings Certificate

(pledged with Commercial Taxes Department)

AS AT MARCH 31,  
2010  
(Rs.)AS AT MARCH 31,  
2009  
(Rs.)

31000

31000

3100031000**SCHEDULE - 7****INVENTORIES**

Stores and Spare Parts

Raw Material

Work-In-Process

Finished Goods

Packing Material

2578400

1912757

5383527

3684869

1968641

1024628

13031435

3976943

1125064

749159

2408706711348356**SCHEDULE - 8****SUNDRY DEBTORS**

(Unsecured, Considered Good)

More than six months

Less - Provision for doubtful debts

Others

33757315

0

33757315

0

3375731533757315

3913344

3894305

39133443894305**SCHEDULE - 9****CASH AND BANK BALANCE**

Cash in hand

Balance With Scheduled Banks

231588

73498

623250

2118771

8548382192269**SCHEDULE - 10****LOANS AND ADVANCES**

(Unsecured but considered good)

Advances Recoverable In Cash or in Kind or

for value to be Received

Security and Other Deposits

Prepaid Expenses

Fringe Benefit tax

Balance in PLA

CENVAT Credit Receivables Account

5557602

6968683

2508647

1008713

82712

44423

0

57338

1001

1001

248538

107798

83985008187956**SCHEDULE - 11****CURRENT LIABILITIES**

Sundry Creditors for Goods, Services and Exp.

Other Current Liabilities

Provision for fringe benefit tax

Provision for Gratuity

23920116

38461644

353341388

331004669

0

81305

0

348116

377261504369895734**SCHEDULE - 12****OTHER INCOME**

1) Bad debts written off recovered.

2) Interest on FDR

0

750000

0

54038

0804038



## SCHEDULE - 14

### ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES :

##### A) Basis of Preparation of Financial Statements

- The financial statements have been prepared under the historical cost convention, in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the Company.
- Accounting policies not specifically referred to other wise are consistent with generally accepted accounting principles followed by the Company.

##### B) Fixed Assets and Depreciation

- Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. All cost, including financing costs till commencement of production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations relating to specific borrowings attributable to the fixed assets are capitalised.
- Depreciation
  - The Company has not provided depreciation on fixed assets for the period from 01.08.98 to 31.03.2006. However depreciation has been provided on the fixed straight line method in the manner laid down in schedule XIV to the Companies Act, 1956 till 31.07.98 and from 01.04.2006 to 31.03.2010.
  - No write off is made in respect of leasehold land.

##### C) Inventories

- The valuation is on the basis of F I F O method.
- Raw Materials, Stores and Spare Parts, Colours and Pigments etc. and Stock in transit are valued at cost.
- Finished Goods and Work-in-Process are valued at estimated cost or net realisable value whichever is lower.
- Scrap is valued at net realisable value.
- Traded goods are valued at cost.

##### D) Excise Duty

- The excise duty payable on stock of finished goods not cleared from the excise bonded warehouse is included in expenses and in the value of such stocks.
- Credit of the 'CENVAT' availed is adjusted towards the cost of raw material and fixed assets.
- The Central Excise Duty related to finished goods cleared during the year is deducted from sales value.

##### E) Employee Retirement Benefits

- Gratuity is accounted for on actuarial valuation basis.
- Company's contribution to Provident Fund etc. during the year are charged to the Profit and Loss Account.
- Benefits in terms of accumulated leaves and gratuity are accounted for on accrual basis.

##### F) Foreign Exchange Transaction

- Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- Foreign Currency transactions remaining unsettled at the end of the year are translated at the contracted rates, when covered by foreign exchange contracts and at year end rates in all other cases.
- Gains and losses on foreign exchange transaction/translation other than those relating to fixed assets are recognised to the respective accounts in the Profit and Loss Account. Gain or loss on transaction of the long term liabilities incurred to acquire fixed

assets is related as an adjustments to the carrying cost of such fixed assets.

##### G) Sales

Sales are accounted for taking into consideration the basic price as well as Central Excise Duty but excluding Sales Tax/vat.

##### H) Expenses

Material known liabilities except interest on borrowings are provided for on the basis of available informations/estimates and liabilities not provided are given in the Balance Sheet by way of note.

#### NOTES TO THE ACCOUNTS:

##### 2. Contingent Liabilities Not Provided For :

	(Rs. in lakhs)	
	As at 31st March, 2010	As at 31 st March, 2009
(a) Guarantee issued by the banks in respect of import of Capital Goods under EPCG	49.75	49.75
(b) Excise Duty	108.22	108.22
(c) Penalty imposed by the Enforcement Directorate	200.00	200.00
3. Claims against the company on account of lease rentals, bills payable and unsecured loan of Rs. 435.10 lakhs relating to the year 97-98 not acknowledged as debts.		
4. The balances of sundry debtors, sundry creditors, secured loans, unsecured loans, loans and advances are subject to confirmation and reconciliation.		
5. The Company has not provided interest, penal interest and liquidated damages, additional interest, interest on interest, interest in excess of documented rate of Rs.370.71 lakhs (Pr.Yr.Rs. 370.71 lakhs) debited by Banks and Rs.404.89 lakhs (Pr.Yr.Rs. 404.89 lakhs) debited by institutions since the same is under verification and require reconsideration, consequently loss, reserves and liabilities for the current year are more/less as the case being by Rs.775.60 lakhs (Pr.Yr.Rs.775.60 lakhs).		
6. The Company has not provided interest in the case of inter corporate deposits, loans, bills Payable of Rs.238.72 lakhs (Pr. Yr. Rs.245.73 lakhs) in the books of account since the same is under verification and require reconsideration, consequently profit, reserves and liabilities for the current year are more/less as the case being by Rs. 238.72 lakhs (Pr. Yr. Rs. 245.73 Lakhs).		
7. The Company has not provided depreciation on its fixed assets for the period from 01.08.98 to 31.03.2006. Total depreciation not provided in the books of accounts till 31.03.2006 is Rs.4585.73 Lakhs (Pr. Yr. 4717.27 Lakhs). The Company has provided depreciation for the year 2006-2007 and for the year 2009-2010 in the current year.		
8. The Company has not received any information from their suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 hence disclosures, if any relating to amounts unpaid at the year end together with interest payable as required under the said act could not be disclosed. The Management is of opinion that interest, if any on such account will not be material.		
9. The figures for the previous year have been regrouped/rearranged to the extent necessary.		
10. The Company has been declared sick by the Board For Industrial And Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 vide its order Dtd. 21.12.98. In the last hearing held at BIFR on 22.02.2007, BIFR has recommended Winding up of the company inspite that revival plan of the company is lying with IDBI (QA) and QA has not called joint meeting of secured creditors even after direction of BIFR. However company preferred an appeal at AAIFR. AAIFR vide its order Dtd. 23.04.2007 has stayed order		





of BIFR. The management feels that result will come in to company's favour. In view of this the accounts had been prepared on a going concern basis.

11. In view of the Accounting Standard-17 Segmental Reporting issued by the Institute of Chartered Accountants of India, the operation of the company is considered as single segment hence segment reporting is considered not applicable.

12. In view of the Accounting Standard-18 issued by the Institute of Chartered Accountants of India, The nature of transactions held with related party are as follows :-

(i) List of related parties :-

Key Management Personnel

Mr. Narendra Bhanawat - Executive Director

(ii) Transaction with Related Parties details of remuneration to Key Management Personnel are disclosed at point no.15.

13. In view of the Accounting Standard-20 issued by the Institute of Chartered Accountants of India, The details of earning per share are as under :-

(i) Basic and diluted earnings per share is Rs. (0.93), Pr.yr. is Rs. (0.19).

(ii) The loss for the year has been used as the numerator and 1,55,00,000 numbers of Equity Shares (both for basic and diluted) being fully paid up has been considered as the denominator.

14. As required by Accounting Standard No.-22 "Accounting for Taxes on Income" issued by Institute of Chartered Accountants Of India, The Company has not recognised deferred tax as the company has heavy unabsorbed depreciation and carry forward of losses under tax law and there is no convincing evidence that sufficient future taxable income will be available against which such deferred tax can be realised.

15. Remuneration under the section 198 of the companies Act, 1956, paid/ payable to the Managing Director :-

	Year ended 31.03.2010	Year ended 31.03.2009
(a) Salary	40000.00	27000.00
(b) Perquisites	16800.00	12240.00
(c) Sitting Fees	-	2000.00

16. Additional information pursuant to the provision of para 3.4C & 4D of Part II Schedule VI to the Companies Act, 1956:

A) Licenced & installed capacity and production as certified by the management as per IDBI appraisal.

	Year ended March 31,2010 (MT)	Year ended March 31,2009 (MT)
i) Licenced capacity	N.A.	N.A.
ii) Installed capacity	9452.00	9452.00
iii) Production	2326.37	1899.55

(B) Opening & Closing Stock of Finished Goods, Turnover of the Goods produced:  
(As certified by the management)

(Rs. In Lakhs)

Product	Opening Stock		Turnover		Closing Stock	
	Qty. MT.	Value	Qty.MT.	Value	Qty.MT	Value
Moulded	56.53 (65.07)	39.77 (49.53)	2210.31 (1908.09)	1915.28 (1687.36)	172.59 (56.53)	130.31 (39.77)

(Figures in brackets indicate previous year's figures).

(C) Opening, Closing Stock, Purchase and Turnover of the Goods Traded :  
(As certified by the management)

(Rs. In Lakhs)

Product	Opening Stock		Purchase		Turnover		Closing Stock	
	Qty. MT.	Value	Qty. MT.	Value	Qty.MT.	Value	Qty.MT	Value
Plastic	00.00	00.00	7.89	4.66	7.89	5.70	00.00	00.00
Granuals	(00.00)	(00.00)	(9.30)	(6.08)	(9.30)	(6.08)	(00.00)	(00.00)

(Figures in brackets indicate previous year's figures).



**D) (I) Raw Materials Consumed:**

(As certified by the management)

(Rs. in lakhs)

Items	Unit	2009-2010		2008-2009	
		Qty.	Value	Qty.	Value
Polymer Chips & Other Additives	M.T.	2351.64	1424.81	1915.25	1153.64
Whereof:			%		%
Imported		-	-	-	-
Indigenous		100.00	1424.81	100.00	1153.64
		<u>100.00</u>	<u>1424.81</u>	<u>100.00</u>	<u>1153.64</u>
<b>(II) Stores and Spare Parts Consumed</b>					
Imported		Nil	Nil	Nil	Nil
Indigenous		100.00	37.28	100.00	26.08
		<u>100.00</u>	<u>37.28</u>	<u>100.00</u>	<u>26.08</u>

E) Value of Imports on C.I.F. Basis

F) Remittance in foreign currency on account of Dividend

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

**I. Registration Details**

Registration No. 8576

State Code 17

Balance Sheet date 31.03.2010

**II. Capital raised during the year (Amount in Rs. Thousands)**

Public Issue	Right Issue	Bonus Issue	Private Placement
NIL	NIL	NIL	NIL

**III. Position of Mobilisation and Deployment of Funds**

(Amount Rs. Thousands)

Total Liabilities	: 1144298	Total Assets	: 1144298
Source of Funds			
Paid-up Capital	: 155000	Reserves & Surplus	: 56113
Secured Loans	: 819887	Unsecured Loans	: 113298
Application of Funds			
Net Fixed Assets	: 528236	Investments	: 31
Net Current Assets	: -340008	Misc. Expenditure	: NIL
Accumulated Losses	: 956040		

**IV. Performance of the Company**

(Amount in Rs. Thousands)

Turnover	: 192098	Total Expenditure	: 191626
Profit/Loss Before Tax	: -14515	Profit/Loss After Tax	: -14515
Earning per share in Rs.	: -0.93	Dividend @	: NIL

**V. Generic Names of Two Principal Products/Services of Company (as per the monetary terms)**

Item Code No. (ITC Code)	: 9403.70
Product Description	: Furniture of Plastics
Item Code No.(ITC Code)	: 3926.90
Product Description	: Other Articles of Plastics

Signature to Schedule 1 to 14  
for SAMPATILAL BOHARA & CO.  
Chartered Accountants

Sd/-  
(SUDHIR MEHTA)  
Partner  
Membership No. 400920

Place : Udaipur  
Date : 26.05.2010

for and on behalf of the Board of Directors

Sd/-  
NARENDRA BHANAWAT  
Executive Director

Sd/-  
MAGAN LAL SHARMA  
Director