

Report on Corporate Governance
(Pursuant to Clause 49 of the Listing Agreement)

A. Mandatory Requirements

The Board of Directors of the Company gives due support to the principles behind the good Corporate Governance. Given below is a report on Corporate Governance:

1. Company's philosophy on code of Corporate Governance:

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence and customer satisfaction, maximizing long-term value for stakeholders, socially valued enterprise and caring for people and environment.

Statutorily, Corporate Governance involves transparency, full disclosure, independent monitoring the state of affairs and being fair to all shareholders. The company's philosophy of corporate governance is not only to meet statutory requirements but also to go beyond that and to attain a high level of transparency and accountancy in the functioning of the Company and the conduct of the business both internal and external. This is done with the sole view to enhance share holder's value.

2. Board of Directors:

2.1 Composition of the Board:

The Board of Directors of the Company comprised 7 Non Executive Directors. The Directors also comprised three independent directors. The Chairman is a Non executive director.

Name of Director	Category of Director
Mr. Chandresh Lotia**	Chairman & Managing Director
Mr. Manish Janani	Additional Director - Non Executive+
Mr. Dipan Patwa	Additional Director - Non Executive+
Mr. Jeeyan Patwa	Additional Director - Non Executive+
Mr. Ravindra Sanghavi	Additional Director - Non Executive+
Mr. Ajit Shah	Additional Director - Non Executive+
Mr. Manish Muchhala	Non Executive Director*
Mr. Ramanlal Trivedi	Non Executive Director*

* resigned w.e.f 23rd June, 2009

+ regularized in this AGM

**resigned 30/09/2009

2.2 Responsibilities of the Board:

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its powers to the executives of the company. The Board

reviews from time to time such delegated powers and their utilisation for effective functioning of the Company.

2.3 Meeting and Attendance Record of Directors:

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the year under review, the Board met 10 times on the following dates:

19/04/2008	05/05/2008	30/07/2008	01/09/2008
17/10/2008	28/10/2008	29/01/2009	
04/03/2009	20/03/2009	27/03/2009	

Attendance of Directors at Meetings of Board of Directors and last AGM:

Name of Director	Category of Directorship	No. of Meetings Attended	Attendance at the last AGM held on 30.09.2008
Mr. Chandresh Lotia	Chairman & Managing Director	10	YES
Mr. Manish Muchhala	Non Executive	9	YES
Mr. Ramanlal Trivedi	Non Executive	9	YES
Mr. Manish Janani	Additional Director - Non Executive	1	NO
Mr. Dipan Patwa	Additional Director - Non Executive	1	NO
Mr. Jeeyan Patwa	Additional Director - Non Executive	0	NO
Mr. Ravindra Sanghavi	Additional Director - Non Executive	0	NO

Mr. Ajit Shah	Additional Director - Non Executive	0	NO
Mr. Ajay Maloo	Executive Director	10	YES

2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Manish Muchhala and Mr. Ramanlal Trivedi, Directors of the Company who retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment.

Profile of Mr. Manish Muchhala, Director being appointed u/s 269 of the Companies Act, 1956

Name	Mr. Manish Muchhala
Date of Birth	01/06/1970
Date of Appointment	19/04/2008
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

Profile of Mr. Ramanlal Trivedi, Director being appointed u/s 269 of the Companies Act, 1956

Name	Mr. Ramanlal Trivedi
Date of Birth	25/02/1950
Date of Appointment	18/04/2007
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

2.5 Details of Directors who are as Chairman and Directors in other Public Companies

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the

Directors who are on the Board of the Company as on 31st March, 2009 and the same is reproduced herein below:

Sr. No.	Name of Director	No of Directorship in other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Mr. Chandresh Lotia	--	--	--
2.	Mr. Manish Muchhala	--	--	--
3.	Mr. Ramanlal Trivedi	--	--	--
4.	Mr. Manish Janani	--	--	--
5.	Mr. Dipan Patwa	--	--	--
6.	Mr. Jeeyan Patwa	--	--	--
7.	Mr. Ravindra Sanghavi	--	--	--
8.	Mr. Ajit Shah	--	--	--
9.	Mr. Ajay Maloo	--	--	--

3. COMMITTEE OF BOARD:

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956, comprises of three members viz. Mr. Chandresh Lotia, Mr. Manish Muchhala and Mr. Ramanlal Trivedi, who are well versed with finance, accounts, management and corporate affairs. Two members constitute the quorum of the said Audit Committee Meeting. Mr. Manish Muchhala is the Chairman of the committee.

The Audit Committee of the Board of Directors of the Company, Inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

TERMS OF REFERENCE:

The scope of activities of the Audit Committees include the following :

- A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.
- C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries abased on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions i.e transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.
- D. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- E. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department. Reporting structure, coverage and frequency of internal audit.
- F. Discussion with internal auditors any significant findings and follow up there on.
- G. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the board.
- H. Discussions with external auditors before the audit commences, the nature and scope of audit, as well as conduct post audit discussions to ascertain any area of concern.
- I. Reviewing the company's financial and risk management policies.
- J. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividend) and creditors.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following

Board Meeting for recode. The Board of Directors, regularly apprised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III)(E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committee were held during Financial Year 2008-09. The dates on which the said meetings were held as follows:

05/05/2008	30/07/2008	17/10/2008	29/01/2009
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The necessary quorum was present at the meetings.

3.2 Remuneration Committee:

The remuneration committee of the Company comprises of Mr. Mr. Chandresh Lotia, Mr. Manish Muchhala and Mr. Ramanlal Trivedi.

The Remuneration Committee reviewing the overall compensation policy, service agreements and other employments and other employment conditions of Managing / Whole time Directors and Managing Director etc.

There was no meeting of Remuneration Committee during the Financial Year 2008-09.

3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

Sr. No.	Name	Position
1	Mr. Ramanlal Trivedi	Chairman
2	Mr. Manish Muchhala	Member
3	Mr. Chandresh Lotia	Member

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2009 is given below):

Complaints Status: 01.04.2008 to 31.03.2009

- Number of complaints received so far : 0
- Number of complaints solved : 0
- Number of pending complaints : 0

Compliance Officer:

Mr. Chandresh Lotia is Compliance Officer for the purpose of complying with various provisions of Securities and Exchange Board of India (SEBI), Listing Agreement with Stock Exchanges, Registrar of Companies and for monitoring the share transfer process etc.

4. GENERAL BODY MEETINGS:

(a) The location and time, where last three years Annual General Meetings are as follows:

Year	Venue	Date	Time
2005-2006	B 1 Harikrupa Apt, Nr. Naranpura Railway Cross, Exchange C G Road, Naranpura, Gujarat India - 380013	30/09/2006	12.30 p.m.
2006-2007	B 1 Harikrupa Apt, Nr. Naranpura Railway Cross, Exchange C G Road, Naranpura, Gujarat India - 380013	29/09/2007	11.00 a.m.
2007-2008	B 1 Harikrupa Apt, Nr. Naranpura Railway Cross,	30/09/2008	11.00 a.m.

	Exchange C G Road, Naranpura, Gujarat India - 380013		
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- (b) All the resolutions including special resolutions set out in the respective notices were passed by the shareholders. The following special resolutions were passed in previous Three Annual General Meeting for the year:

ONE POSTAL BALLOT RESOLUTION PASSED DURING THE YEAR 2008-09

(a) The Company has passed resolution through Postal Ballot and declared at the meeting of Board of Directors held on 19/04/2008 for change in management of the Company under Second proviso to Regulation 12 of SEBI (Substantial Acquisitions of Shares & Takeovers) Regulations, 1997.

2008

Special Resolution in regard to Regularize Mr. Manish Muchhala as director of the company.

2007

Special Resolution in regard to (1) Regularize Mr. Ramanlal Trivedi as director of the company (2) Regularize Mr. Chandresh Lotia as director of the company. (3) Appointment of M/s Naimish Shah & Co., Chartered Accountants, as Statutory Auditors of the Company

2006

No Special Resolution passed in the Annual General Meeting.

5. DISCLOSURES:

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have been provided in Note 9 of Schedule 14 of Notes to Accounts.

CEO/CFO CERTIFICATION: (Under Clause 49(V) of Listing Agreement)

I Certify that --

a. I have reviewed the financial statements and the cash flow statement for the year 2008-09 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

● These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2008-09 which are fraudulent, illegal or violative of the Company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee -

● Significant changes in internal control over the financial reporting during the year 2008-09;

● Significant changes in accounting policies during the year 2008-09 and that the same have been disclosed in the notes to the financial statements; and

● Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

6. MEANS OF COMMUNICATION:

The Quarterly Unaudited Financial Results and the presentation as to the Company's performance etc., are made available to the Institutional Investors/Financial Analysts as and when felt expedient.

The Management Discussions and Analysis Report forms part of the Directors Report and is given separately.

7. GENERAL SHAREHOLDERS' INFORMATION:

a. 14th Annual General Meeting: Date, Time and venue: 30th September, 2009 at 12.30 p.m. at the Registered Office of the Company.

b. Financial Year: 1st April 2008 to 31st March 2009.

c. Financial Calendar:

- i. 1st quarterly results – last week of July, 2008.
- ii. 2nd quarter results – last week of October, 2008.
- iii. 3rd quarter results – last week of January, 2009.
- iv. 4th quarter results – last week of April, 2009.

d. Date of Book Closure: Wednesday, 23rd September, 2009 to Wednesday, 30th September, 2009.

e. Dividend Payment Date: N.A.

- f. Listing of Equity Shares on Stock Exchanges: The Ahmedabad Stock Exchange Limited Annual listing fees for the financial Year upto 31-03-2009 has been paid.
- g. Stock Code: ASE Code: 34628
- h. Demat ISIN number: **INE142K01011**
- i. The Ahmedabad Stock Exchange is not provide the trading facilities so the data of trading is not available of the Company
- j. Share Transfer System: All the transfers are received and processed by share Transfer agents and are approved by share transfer committee. Share Transfer requests received in physical form are registered within 30 days and demat requests are confirmed within 21 days.
- m. Distribution of Shareholding as on 31.03.2009.

Share Holding of Nominal Value		Share Holders		Share Amount	
Rs.	Rs.	No.	% to total	In Rs.	% to total
1	5000	2000	98.04	5064000	10.09
5001	10,000	2	0.10	198000	0.39
10001	20,000	7	0.34	1114000	2.22
20001	30,000	0	0.00	0	0.00
30001	40,000	0	0.00	0	0.00
40001	50000	18	0.88	8993000	17.91
50001	100000	7	0.34	3507000	6.99
100001 and above		6	0.29	31324000	62.40
Total		2040	100.00	50200000	100.00

- n. Shareholding pattern as on 31.03.2009

Category	No of Shares held	% of Shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group		
Companies	2270000	45.22
b. Other bodies corporate	198400	3.95
c. Indian public	2551600	50.83
TOTAL	5020000	100.00

Dematerialization of shares: As on 31/03/09 Demated shares accounted for 68.13% (34,20,200 Equity Shares) of total equity.

Outstanding GDR / ADR / Warrants: Not Applicable

Address for communication:

- i. M/s.Purva Sharegistry (India) Pvt. Ltd.

No-9, Shiv Shakti Industrial Estate,
Ground Floor, J. R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel,
Mumbai - 400 011
Tele No.: 022-2301 6761 / 2301 8261
Fax No.: 022-2301 2517
E-mail:busicomp@vsnl.com

2. Maloo Polymers Limited
B 1 Harikrupa Appartment,
Naranpura Railway Cross Exchange,
Naranpura, Gujarat

Declaration of compliance with the code of conduct

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Chandresh Lotia, Chairman & Executive Director of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 2009.

By Order of the Board of Directors
For Maloo Polymers Limited

Date: 02/09/2009
Place: Ahmadabad

Sd/-	Sd/-
(Manish Janani)	(Dipan Patwa)
Managing Director	Managing Director

AUDITORS REPORT ON CORPORATE GOVERNANCE

To,
The Members,
MALOO POLYMERS LIMITED,
B 1 Harikrupa Appartment,
Naranpura Railway Cross Exchange,
Naranpura, Gujarat

We have examined the compliance of Corporate Governance by Maloo Polymers Limited for the year ended on 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 the conditions of the corporate Governance. It is neither an audit nor an expression of to opinion on the financial statement 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.

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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 M/s. Naimesh K. Shah & Co.
Chartered Accountants

Place: Ahmedabad
Date: 02nd September, 2009

Sd/-
Naimesh K. Shah
(Proprietor)
M. No. 31147