

MALOO POLYMERS LIMITED

Board of Directors

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|---|---|
| Mr. Chandresh Lotia * | Chairman & Managing Director |
| Mr. Manish Jaysukhlal Janani=20/03/2009 | Additional Director (Promoter Non Executive) |
| Mr. Dipankumar Babulal Patwa=20/03/2009 | Additional Director (Promoter, Non Executive) |
| Mr. Jeeyan Dipankumar Patwa= 23/06/2009 | Additional Director (Promoter, Non Executive) |
| Mr. Ravindra Sanghvi= 23/06/2009 | Additional Director (Independence, Non Executive) |
| Mr. Ajit shah= 23/06/2009 | Additional Director (Independence, Non Executive) |
| Mr. Manish M Muchhala+ | Director (Independence, Non Executive) |
| Mr. Ramanlal Trivedi** | Director (Independence, Non Executive) |
| Mr. Ajay S. Maloo*** | Director |

*resigned 30/09/2009

**resigned 27/03/2009

***resigned 04/08/2009

+resigned 27/03/2009

Auditors

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

Registered Office

B 1 Harikrupa Aprt, Nr. Naranpura Railway Cross, Exchange C G Road, Naranpura, Gujarat India - 380013

NOTICE FOR 14TH ANNUAL GENERAL MEETING

NOTICE is here by given that 14th Annual General Meeting of the Company will be held at B 1 Harikrupa Aprt, Nr. Naranpura Railway Cross, Exchange C G Road, Naranpura, Gujarat India - 380013 on 30th September, 2009 at 12.30 p.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the audited balance sheet as 31st March 2009 and profit & loss account of the company for the year ended on 31st March 2009 and the Report of the Directors' and Auditors.
2. To appoint Director in place of Mr. Manish M Muchhala who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Ramanlal Trivedi who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

4. To Consider and if thought fit to pass with or without modification following resolution as Special Resolution:

“RESOLVED THAT M/S. Rajesh Thakkar & Associates, Chartered Accountants, Mumbai be and are hereby appointed as the Auditors of the Company at the place of retiring auditor M/s. Naimesh K Shah & Co., Chartered Accountants, Ahmedabad until the conclusion of the next Annual General Meeting of the Company at a remuneration as may be mutually agreed upon between M/s. S Rajesh Thakkar & Associates, Chartered Accountants, Mumbai and the Board of Directors of the Company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such other acts, deeds 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 following resolution as Special Resolution:

“RESOLVED THAT, pursuant to provisions of Section 260 and all other applicable provisions of the companies Act 1956 and Articles of Association of the Company, Mr. Manish J. Janani, who was appointed as an Additional Director by the Board of Directors, who hold the office as such only up to the conclusion of this Annual General Meeting, who is eligible to be appointed as Director of the Company u/s 255, 256 and 257 of the Companies Act, 1956 be and is hereby appointed as Director of the company whose term of office liable to determination for retire by rotation.”

6. To Consider and if thought fit to pass with or without modification following resolution as Special Resolution:
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“RESOLVED THAT, pursuant to provisions of Section 260 and all other applicable provisions of the companies Act 1956 and Articles of Association of the Company, Mr. Dipan Patwa, who was appointed as an Additional Director by the Board of Directors, who hold the office as such only up to the conclusion of this Annual General Meeting, who is eligible to be appointed as Director of the Company u/s 255, 256 and 257 of the Companies Act, 1956 be and is hereby appointed as Director of the company whose term of office liable to determination for retire by rotation.”

7. To Consider and if thought fit to pass with or without modification following resolution as Special Resolution:

“RESOLVED THAT, pursuant to provisions of Section 260 and all other applicable provisions of the companies Act 1956 and Articles of Association of the Company, Mr. Jeeyan Patwa, who was appointed as an Additional Director by the Board of Directors, who hold the office as such only up to the conclusion of this Annual General Meeting, who is eligible to be appointed as Director of the Company u/s 255, 256 and 257 of the Companies Act, 1956 be and is hereby appointed as Director of the company whose term of office liable to determination for retire by rotation.”

8. To Consider and if thought fit to pass with or without modification following resolution as Special Resolution:

“RESOLVED THAT, pursuant to provisions of Section 260 and all other applicable provisions of the companies Act 1956 and Articles of Association of the Company, Mr. Ravindra Sanghavi, who was appointed as an Additional Director by the Board of Directors, who hold the office as such only up to the conclusion of this Annual General Meeting, who is eligible to be appointed as Director of the Company u/s 255, 256 and 257 of the Companies Act, 1956 be and is hereby appointed as Director of the company whose term of office liable to determination for retire by rotation.”

9. To Consider and if thought fit to pass with or without modification following resolution as Special Resolution:

“RESOLVED THAT, pursuant to provisions of Section 260 and all other applicable provisions of the companies Act 1956 and Articles of Association of the Company, Mr. Ajit Shah, who was appointed as an Additional Director by the Board of Directors, who hold the office as such only up to the conclusion of this Annual General Meeting, who is eligible to be appointed as Director of the Company u/s 255, 256 and 257 of the Companies Act, 1956 be and is hereby appointed as Director of the company whose term of office liable to determination for retire by rotation.”

10. To Consider and if thought fit to pass with or without modification following resolution as Special Resolution:

“RESOLVED THAT pursuant to provisions of section 146 and other applicable provisions if any, of the Companies Act, 1956, the registered office of the Company be and is hereby shifted from B 1, Harikrupa Apt., Nr. Naranpura Railway Cross Exchange, C G Road, Navrangpura – 380013, Gujarat to 306, Mahavir Chambers, Taratia Hanuman Gally, Mahidhar Pura, Surat 395 003 with effect from 30/09/2009.”

“RESOLVED FURTHER THAT Mr. Manish J Janani, Director of the Company be and is hereby authorized to take necessary steps for the implementation of the aforesaid resolution.”

II. To Consider and if thought fit to pass with or without modification following resolution as Special Resolution

“RESOLVED THAT Mr. Manish J. Janani, Director of the Company, be and is hereby appointment as the Managing Director of the company with effect from 30/09/2009, as per the terms of appointment as agreed upon.”

“RESOLVED FURTHER THAT Mr. Manish J. Janani, Managing Director be responsible for the overall supervision of the company's operations, day-to-day administration, appointment and termination of employees, operating of the company's bank accounts with power to sign cheques, promissory notes, bills of exchange, etc. and for regular reporting of the company's activities to the Board of Directors and for performing the duties that may be delegated to the Managing Director from time to time, subject to the overall supervision and control of the Board of Directors.

Terms of Appointment

[I] Salary: Rs.25,000/- per month with authority to the Board of Directors of the Company to grant such increments as it may determine from time to time.

[II] Perquisites: Category: A

[1] The expenditure incurred by the Company at his residence on gas, electricity, water and furnishing shall be valued as per the Income tax Rules, 1962.

[2] Medical Reimbursement: Actual Expenses incurred for the Self and his family members.

[3] Leave Travel Concession: For Self and his family, once a year, incurred in accordance with any rules specifies membership fees.

[4] Club Fees: Fees of Clubs, subject to a maximum of two clubs. This will not include admission and membership fees.

[5] Personal Accident Insurance: Premium on Personal accident policy.

For the purpose of Category 'A' family means the spouse, the dependent children and dependent parents of the appointee.

Category: B

[1] Contribution to Provident Fund will not be included in the computation of the ceiling of perquisites to the extent that these wither singly or put together are not taxable under the Income tax Act.

[2] Gratuity payable shall be calculated as per the provisions of the Payment of Gratuity Act, 1972.

[3] Encashment of unavailed leave as per the rules of the company at the end of tenure will not be included in the computation of the ceiling on perquisites.

Category: C

Use of Company's car for official use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephone shall be billed by the Company. If the managing director appoints Driver/chauffeur for driving his car then the Driver's salary paid by him will be reimbursed to him on production of Stamped receipt/voucher from the driver”.

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“RESOLVED FURTHER THAT Mr. Dipankumar Babulal Patwa, Director of the Company be and is hereby authorized to take necessary steps for the implementation of the aforesaid resolution.”

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

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
 2. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Wednesday, 23rd September, 2009 to Wednesday, 30th September, 2009 (both days inclusive).
 3. The shareholders are requested to bring their copy of Annual Report at the time of Meeting.
 4. As a matter of convenience the shareholders are requested to inform their queries if any, the company in advance so as to enable the company to properly reply the same at the time of meeting.

By Order of the Board of Directors
For Maloo Polymers Limited

Date: 02/09/2009

Place: Ahmadabad

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 4

M/S. Rajesh Thakkar & Associates, Chartered Accountants, Mumbai had been appointed as statutory auditors of the Company at this Annual General Meeting. M/s Naimesh K Shah & Co., Chartered Accountants, Ahmedabad had resigned as statutory auditors of the Company and accordingly the causal vacancy arises in the office of Auditors of the company.

M/s. Rajesh Thakkar & Associates, Chartered Accountants, Mumbai has conveyed to the Company of their willingness to act as statutory auditors of the Company. Further they informed that their appointment if made is within the limit specified under section 224(1B) of the Companies Act, 1956.

None of the Directors of the Company are interested in the resolution set out at of the accompanying notice.

Item No. 5

Mr. Manish J. Janani was appointed as an additional director of the company, pursuant to provision of Section 260 of the Companies Act, 1956. He holds office upto the ensuing General Meeting of the Company and in respect of whom the Company has received notice under section 257 of the Companies Act, 1956 proposing the candidature for the office of Directors, and hence his appointment as Directors of the Company has been proposed.

None of the Directors of the Company, are interested in the resolution set out at of the accompanying notice.

Item No. 6

Mr. Dipan Patwa was appointed as an additional director of the company, pursuant to provision of Section 260 of the Companies Act, 1956. He holds office upto the ensuing General Meeting of the Company and in respect of whom the Company has received notice under section 257 of the Companies Act, 1956 proposing the candidature for the office of Directors, and hence his appointment as Directors of the Company has been proposed.

None of the Directors of the Company, are interested in the resolution set out at of the accompanying notice.

Item No. 7

Mr. Jeeyan Patwa was appointed as an additional director of the company, pursuant to provision of Section 260 of the Companies Act, 1956. He holds office upto the ensuing General Meeting of the Company and in respect of whom the Company has received notice under section 257 of the Companies Act, 1956 proposing the candidature for the office of Directors, and hence his appointment as Directors of the Company has been proposed.

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None of the Directors of the Company, are interested in the resolution set out at of the accompanying notice.

Item No. 8

Mr. Ravindra Sanghavi was appointed as an additional director of the company, pursuant to provision of Section 260 of the Companies Act, 1956. He holds office upto the ensuing General Meeting of the Company and in respect of whom the Company has received notice under section 257 of the Companies Act, 1956 proposing the candidature for the office of Directors, and hence his appointment as Directors of the Company has been proposed.

None of the Directors of the Company, are interested in the resolution set out at of the accompanying notice.

Item No. 9

Mr. Ajit Shah was appointed as an additional director of the company, pursuant to provision of Section 260 of the Companies Act, 1956. He holds office upto the ensuing General Meeting of the Company and in respect of whom the Company has received notice under section 257 of the Companies Act, 1956 proposing the candidature for the office of Directors, and hence his appointment as Directors of the Company has been proposed.

None of the Directors of the Company, are interested in the resolution set out at of the accompanying notice.

Item No. 10

The management of the Company is of opinion that the altered Business of the Company of production of Gems and Jewelaries which has already been approved by the Members through Postal Ballot will flourish in the city of Surat which is very well known for the Diamond City. And hence for the better management, less efforts as well as lesser expenditures it will be better to shift the Registered office of the Company from its present place at Ahmedabad to the City of Surat. Members are requested to pass the resolution as Special Resolution.

None of the Director is interested in above resolution.

Item No. 11

Profile of Mr. Manish Janani, Director being appointed as Managing Director of the Company:

| | |
|-----------------------------------|-------------------|
| Name | Mr. Manish Janani |
| Date of Birth | 31/12/1996 |
| Date of Appointment | 20/03/2009 |
| No. of shares held in the company | 11,36,250 |

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| | |
|-------------------------------------|-----|
| No. of warrants held in the company | NIL |
| Directorship in other company | NIL |

Mr. Manish Janani, being experienced, entrepreneur and a successful businessman having experience in various type of industrial activity and has been spending his precious time and energy for day to day affairs of the Company. Therefore, the consent of the members is sought for appointment of Mr. Manish Janani as Managing Director of the Company.

None of the Director of the Company in any way concern and interested.

By Order of the Board of Directors
For Maloo Polymers Limited

Date: 02/09/2009

Place: Ahmadabad

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

DIRECTORS' REPORT

To,
The Members

The Directors' present the Fourteenth Annual report on the business and operations of your Company for the year 2008-2009.

FINANCIAL RESULTS AND OPERATIONAL REVIEW:

| Particulars | Year Ended 31.03.2009 (Rs.) | Year Ended 31.03.2008 (Rs.) |
|---|-----------------------------------|-----------------------------------|
| Gross Sales/Income | 55,94,160 | 26,20,055 |
| Less Depreciation | 2,52,854.80 | 2,59,250 |
| Profit/(Loss) before Tax | 48,912,04.20 | 19,57,632 |
| Taxes/Deferred Taxes | (0.12) | 0.03 |
| Profit/(Loss) After Taxes | 49,03,891.99 | 19,54,842 |
| P&L Balance b/f | 38,54,805 | 18,99,963 |
| Profit/ (Loss) carried to Balance Sheet | 87,58,696.99 | 38,54,805 |

Your Directors feel pleasure to report increase in the turnover and registering profit after tax of Rs.87.59 Lakhs which was made possible through inserting capital equipment last year and better production planning. Directors are exploring various other opportunities to further improve the working results during the current year.

CHANGE IN MANAGEMENT OF THE COMPANY:

The management and control of the Company have been changed, Mr. Dipan Patwa and Mr. Manish Janani have been entered as the new promoters of the Company for which Public Announcement ("PA") has been issued by the Manager to the Offer i.e., Corporate Strategic Allianz Pvt. Ltd, on behalf of the Mr. Dipan Patwa and Mr. Manish Janani collectively referred to as "the Acquirer" pursuant to and in compliance with Regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI") to the Shareholders of Maloo Polymers Limited on 05th January, 2009 for which offer open on 13th February, 2009, and closed on 04th March, 2009.

DIRECTORS:

During the year Mr. Manish M Muchhala, who had been appointed as a director of the company on 19/04/2008 was resigned on 27th March, 2009. Further Mr. Ramanlal Trivedi who had been appointed on 18/04/2007 as director of the Company was resigned on 27th March, 2009.

Mr. Manish Jaysukhlal Janani, Mr. Dipankumar B Patwa, Mr. Jeeyan Patwa, Ravindra Sanghavi and Mr. Ajit Shah who had been appointed as an additional directors of the Company on 20th March, 2009 is eligible himself to appoint as a regular directors of the Company u/s 257 of the Companies Act, 1956. The Members are requested to

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regularize their appointment. Also Mr. Mr. Manish Jaysukhlal Janani has been appointed as Managing Director of the Company.

Mr. Ramanlal Trivedi and Mr. Manish M Muchhala, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

RESPONSIBILITY STATEMENT:

As required u/s 217(2AA) of the Companies Act, 1956 your Director confirms that in the preparation of the annual accounts:

The applicable accounting standards have been followed along with proper explanation relating to material departures.

Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, so as to give a true and fair view of the state of affairs of the company at the end of the financial Year and the profit/loss of the company for that period.

Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

As required under rule3 of the companies (Disclosure of Particulars in the report of Board of Directors) Rules 1998, the particulars relating to the conservation of energy, Technology absorption, and the foreign exchange earnings and outgo are also Nil.

A. Conservation of Energy:

(1) Energy Conservation Measures Taken:

The Company accords high priority to conservation of energy. Several concrete steps have been taken to save energy such as utmost utilization of D.G.Set run by diesel and with regular maintenance and overhauling.

(2) Impact of Measures of (A) above for reduction of energy Consumption and Consequent Impact on the cost of production of Goods: The measures listed above resulted in lower consumption.

(3) Total Energy consumption and energy consumption per unit of production.

B. Research and Development:

R & D forms the basis of Maloo's efforts in making processes simpler, smoother and faster for the textile industry. R & D is a highly structured activity at Maloo and stringent quality control measures have lead to technologically superior products. There is a total concentration on up

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gradation of technology and standardization of components. Our engineering & manufacturing personnel have a broad range of experience in designing & producing quality machinery & inspection equipment.

C. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earning is NIL Foreign Exchange Outgo IS NIL

APPOINTMENT OF AUDITORS:

M/s. Rajesh Thakkar & Associates, Chartered Accountants who had been appointed as Auditors of the Company to in place of retiring auditor of the Company M/s. Naimesh K Shah & Co., Chartered Accountants are the retiring auditors being eligible offer themselves for re-appointment. Members are requested to appoint them as auditors of the company.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

PARTICULARS OF EMPLOYEES:

There is no employee having remuneration with the provisions of section 217(2A) of the companies Act 1956 read with the Companies (Particulars of employee) Rules, 1975 as amended.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management discussion and analysis Report, pursuant to Clause 49 of the Stock Exchange Listing agreement, forms part of this Report and the same is annexed hereto.

REPORT ON CORPORATE GOVERNANCE:

A separate Report on Corporate Governance along with Certificate from Auditors on its compliance as annexed hereto.

SEGMENT:

Your Company is engaged in a single segment only.

ACKNOWLEDGEMENT:

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

By Order of the Board of Directors
For Maloo Polymers Limited

Date: 02/09/2009

Place: Ahmadabad

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

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 permissible 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 |

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| | | | |
|----------------|-------------------------------------|----|-----|
| 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. Chandrsh 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-aila, 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 appraised 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 |
|------------|------------|------------|------------|

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, | 29/09/2007 | 11.00 a.m. |

| | | | |
|-----------|--|------------|------------|
| | Exchange C G Road, Naranpura, Gujarat India - 380013 | | |
| 2007-2008 | B 1 Harikrupa Apt, Nr. Naranpura Railway Cross, Exchange C G Road, Naranpura, Gujarat India - 380013 | 30/09/2008 | 11.00 a.m. |

- (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 |

MALOO POLYMERS LIMITED

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:

1. 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
B1 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/-
(Manish Janani) Sd/-
(Dipan Patwa)
Managing Director Managing Director

ANNEXURE "B" TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Industry Structure and Business

Maloo Polymers Limited is a manufacturer and supplier of Polyethylene Terephthalate (PET) Resin (Bottle and Super Bright Textile Grade). Company's PET resin finds application in the packaging of mineral water, carbonated soft drinks, edible oil, personal care products, diary & alcoholic beverages, pharmaceuticals, toiletries etc. and is widely consumed by the manufacturer of PET container.

PET is very inert material that is resistant to attack by micro-organisms and does not react with food products. On account of attributes like hygiene, strength, light weight, unbreakable and economical, "PET resin" has become the world's packaging choice. Health-safety agencies around the world approve PET as safe for packaging foods and beverages.

Economic Scenario and Outlook

Despite the relative sluggishness of the past years, PET remains the packaging choice for new products or for conversion from other packaging materials, due to its excellent mechanical and barrier properties and its good recycling capability. Emergence of new applications, changing lifestyles have also added to the rising demand of plastics & particularly that of the plastic packaging.

Opportunity and Threats

Pet packaging industry has grown and the consumption of PET is projected to increase owing to its cost, convenience, energy saving benefits and changing demand dynamics. The Indian PET packaging industry is presently growing at 22%-25% per year & is expected to sustain the growth rate due to wider scope of increased penetration in carbonated soft drinks, mineral water, fruit juices, health care and agro chemical segments.

Some of the key threats to PET industry include sharp fluctuation in crude prices and PTA/MEG prices, which are the primary raw materials for the PET resin industry.

Risk and Concerns

Risks and prospects are indivisible components of the Company's business. The Directors and the Management of your Company keep this in mind in taking all decisions such that the stakeholders' interests are not adversely affected. The Company has also put in place a risk management framework to identify, assess, prioritize and alleviate risk. The risks are periodically assessed and reviewed and corrective actions are taken to mitigate effects.

Internal Control System

Maloo's internal control system is commensurate with the nature of its business and the size & complexity of its operations. The system is designed to ensure that the assets of the Company are safeguarded and protected against loss and that all the transactions are properly authorized, recorded and reported. The internal audit function team comprises of well-qualified experienced professionals who control regular audits across the Company's operations.

Human Resource/ Industrial Relation

During the year, the Company continued with its initiatives to foster people development, harness their creativity and ensure a motivated and contended work team. The requirement of professionally qualified and trained personnel is regularly reviewed to obtain optimum results in all spheres of its activity. The Company also accentuate on training and development of its human resources and makes sincere efforts to ensure numerous opportunities for their growth in the organization.

By Order of the Board of Directors
For Maloo Polymers Limited

Date: 02/09/2009
Place: Ahmadabad

Sd/-
(Manish Janani) Managing Director

Sd/-
(Dipan Patwa) Managing Director

MALOO POLYMERS LIMITED

AUDITORS REPORT ON CORPORATE GOVERNANCE

To,
The Members,
MALOO POLYMERS LIMITED,
B1 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 ensuing 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

Print

AUDITORS' REPORT

TO THE MEMBERS OF MALOO POLYMERS LIMITED

1. We have audited the attached Balance Sheet of MALOO POLYMERS LIMITED as at 31st March, 2009 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 conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting and the amounts 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.
3. As Required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order 2004 (together "the Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of of the Companies Act,1956 of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. On the basis of written representation received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii) 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 ;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standard referred to in section sub-section (3C) of Section 211 of the Act;
 - v) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act 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, of the state of affairs of the Company as at March 31, 2009.
- (ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date.
- (iii) In the case of the Cash Flow Statement, of the Cash flows For the year ended on that date.

For Naimish K. Shah & Co.,
Chartered Accountants

Place : Ahmedabad
Dated : 01/09/2009

Sd/-

(Naimish K. Shah)
Proprietor

Annexure to Auditor's Report

Referred to in Paragraph 1 of our Report of even date

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
- (b) As explained to us, all the assets have been physically verified by the management at reasonable intervals during the year. According to information and explanations given to us, no material discrepancies have been noticed on such verification.
- (c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
- (ii) (a) The inventories have been physically verified by the management at reasonable intervals during the year.
- (b) The procedures of physical verification of inventories followed by the Management as explained to us are, in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) As per information and explanation given to us, no discrepancies noticed on physical verification of inventories.
- (iii) (a) As per information and explanation given to us, the company has not granted loans to parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause (iii) (a), (iii) (b), (iii) (c) and (iii) (d) are not applicable to the company.
- (e) As per information and explanation given to us, the company has not taken loans from parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause (iii)(e), (iii) (f) and (iii) (g) are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) As per information & according to explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) As per information& according to explanation given to us, we are of the opinion that there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act,1956 exceeding the value of rupees five lakhs in respect of any party during the year.

- (vi) As per information & according to explanation given to us, the Company has not accepted deposits from the public. Hence, provisions of Sec. 58A, 58AA and rules made there under are not applicable.
- (vii) The Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) As per information and according to explanation given to us, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, does not applicable to the Company.
- (ix) (a) As per information & according to explanation given to us, the company is generally regular in depositing statutory dues including Income-tax.
- (b) As per information & according to explanation given to us, there are no cases of non deposit with the appropriate authorities of disputed dues of Income-tax, and any other statutory dues with the appropriate authorities during the year.
- (x) The company has not accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year under report.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions / banks.
- (xii) As per information & according to explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) As per information & according to explanation given to us, provisions of any special statute applicable to chit fund does not applicable to the company in respect of Nidhi/ Mutual benefit fund/societies. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) As per information & according to explanation given to us, the Company is doing investments in shares and mutual funds. Company has properly maintained all the records for transactions and contracts and all the entries made within the time. Company made all the investments in it's own name.
- (xv) As per information & according to explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) As per information & according to explanation given to us, the company has not obtained any term loan during the year.
- (xvii) As per information & according to explanation given to us and an overall examination of the Balance Sheet of the company, we report that funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.
- (xviii) As per information & according to explanation given to us, the Company has not made preferential allotment of shares during the year.

- (xix) As per information & according to explanation given to us, the Company has not created security in respect of debenture issued.
- (xx) During the period covered by our audit report, the Company has not raised any money by public issue during the year.
- (xxi) As per information & according to explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Naimish K. Shah & Co.
Chartered Accountants

Place : Ahmedabad
Dated : 01/09/2009

Sd/-
(Naimish K. Shah)
Proprietor

BALANCE SHEET AS AT 31ST MARCH, 2009

| | <u>SCHEDULE</u> | AS AT 31.3.2009 (in Rs.) | AS AT 31.3.2008 (in Rs.) |
|--|-----------------|--------------------------------|--------------------------------|
| SOURCES OF FUNDS : | | | |
| Shareholders Funds : | | | |
| Share Capital | 1 | 50200000 | 50200000 |
| Reserves & Surplus | | 8758697 | 3854805 |
| | | <u>58958697</u> | <u>54054805</u> |
| Loan Funds | | | |
| Secured Loans | 2 | 0 | 772990 |
| Unsecured Loans | 3 | 22519400 | 66529400 |
| Differed Tax Liability | | 161606 | 174294 |
| | TOTAL | <u>81639703</u> | <u>121531489</u> |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | 4 | | |
| Gross Block | | 3375459 | 5602272 |
| Less : Depreciation | | <u>1599289</u> | <u>3573247</u> |
| Net Block | | <u>1776170</u> | <u>2029025</u> |
| Investments | 5 | 63167696 | 103576321 |
| Current Assets, Loans & Advances | | | |
| Inventories | | 285636 | 285636 |
| Sundry Debtors | 6 | 2180500 | 2087880 |
| Cash & Bank Balances | 7 | 1991536 | 1027539 |
| Loans, Advances & Deposits | 8 | 12988497 | 13331404 |
| | Total A | <u>17446169</u> | <u>16732460</u> |
| Less : Current Liabilities & Provisions | | | |
| Current Liabilities | 9 | 739832 | 738027 |
| Provisions | 10 | 10500 | 68290 |
| | Total B | <u>750332</u> | <u>806317</u> |
| Net Current Assets | | (A-B) | 16695837 |
| | TOTAL | <u>81639703</u> | <u>121531489</u> |
| Significant Accounting Policies | | | |
| notes to the financing statements | 14 | | |

As per our report of even date attached

FOR, NAIMISH K. SHAH & CO.
CHARTERED ACCOUNTANTS

Sd/-

For and on Behalf of the Board

Sd/-

NAIMISH SHAH

PROPRIETOR

M. No. 31147

Place : Ahmedabad

Sd/-

(Director)

Sd/-

(Director)

Place : Ahmedabad

MALOO POLYMERS LIMITED

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

| | | For the year ended 31.3.2009 | For the year ended 31.3.2008 |
|--|--------------|---------------------------------|---------------------------------|
| INCOME | | | |
| Other Income | 11 | 5594160.00 | 2620055 |
| | Total | 5594160.00 | 2620055 |
| EXPENDITURE | | | |
| Purchases | | | |
| Administration & General Expenses | 12 | 423358.00 | 83040 |
| Depreciation | | 252854.80 | 259250 |
| | Total | 676212.80 | 342290 |
| Profit / Loss Before Interest & Taxation | | 4917947.20 | 2277766 |
| Financial Charges | 13 | 26743.00 | 320134 |
| | | 4891204.20 | 1957632 |
| Less: Provision for Income Tax | | 0.00 | 2790 |
| Net Profit | | 4891204.20 | 1954842 |
| Provision for Deferred Tax | | -12687.79 | 0 |
| | | 4903891.99 | 1954842 |
| Net Profit after Tax | | | |
| Balance B/F From Balance Sheet | | 3854805.00 | 1899963 |
| Profit available for appropriation | | 8758696.99 | 3854805 |
| Balance C/F to Balance Sheet | | 8758696.99 | 3854805 |
| Significant Accounting Policies notes to the financing statements | 14 | | |

FOR, NAIMISH K. SHAH & CO.
CHARTERED ACCOUNTANTS

For and on Behalf of the Board

Sd/-

NAIMISH SHAH
PROPRIETOR
M. No. 31147
Place : Ahmedabad
Date : 01/09/2009

Sd/-
(Director)

Place : Ahmedabad
Date : 01/09/2009

Sd/-
(Director)

Maloo Polymers Limited

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31/03/2009

| | As at 31.3.2009 (in Rs.) | As at 31.3.2008 (in Rs.) |
|--|--------------------------------|--------------------------------|
| SCHEDULE "1" SHARE CAPITAL | | |
| AUTHORISED | | |
| 55,00,000 Equity shares of Rs. 10 /- each | <u>55000000</u> | <u>55000000</u> |
| ISSUED, SUBSCRIBED & PAID UP | | |
| 50,20,000 Equity shares of Rs.10/- each | 50200000 | 50200000 |
| | <u>50200000</u> | <u>50200000</u> |
| SCHEDULE "2" SECURED LOANS | | |
| From Banks | | |
| The Vijay Co-op. Bank | 0 | 628360 |
| ICICI Car Loan | 0 | 144630 |
| | <u>0</u> | <u>772990</u> |
| SCHEDULE "3" UNSECURED LOANS | | |
| Loans From Agents: | 0 | 10000 |
| Inter Corporate Loans | 22519400 | 66519400 |
| | <u>22519400</u> | <u>66529400</u> |

MALOO POLYMERS LIMITED

SCHEDULE "4" FIXED ASSETS

| Particulars | Gross Block (At Cost) | | | | Depreciation | | | | NET BLOCK | |
|---------------------|-----------------------|---------------------------------|----------------------------|----------------------------|-------------------|-----------------|----------|----------------------------|-------------------|-------------------|
| | As at 01/04/08 | Additions During the Year | Sold During the Year | Total As at 31/03/09 | As at 01/04/08 | For the Year | On Sold | Total As at 31/03/09 | As at 31/03/09 | As at 31/03/08 |
| | | | | | | | | | | |
| Air conditions | 84539 | | | 84539 | 31528 | 4016 | | 35544 | 48995 | 53011 |
| Aquagard | 6888 | | | 6888 | 2564 | 327 | | 2891 | 3997 | 4324 |
| Furniture & Fixture | 1947500 | | | 1947500 | 928719 | 123277 | | 1051996 | 895504 | 1018781 |
| Motor Car | 1300000 | | | 1300000 | 370500 | 123500 | | 494000 | 806000 | 929500 |
| Office Equipments | 20093 | | | 20093 | 6998 | 954 | | 7952 | 12141 | 13095 |
| Water Coolers | 16439 | | | 16439 | 6125 | 781 | | 6906 | 9533 | 10314 |
| TOTAL | 3375459 | 0 | 0 | 3375459 | 1346434 | 252855 | 0 | 1599289 | 1776170 | 2029025 |
| Previous Year | 5602272 | 0 | 0 | 5602272 | 3313997 | 259250 | 0 | 3573247 | 2029025 | 2288275 |

MALOO POLYMERS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31/03/2009

| | AS AT 31.3.2009 (in Rs.) | AS AT 31.3.2008 (in Rs.) |
|--|--------------------------------|--------------------------------|
| <u>SCHEDULE "5" INVESTMENT</u> | | |
| 640 Equity Shares of Vijaya Co.Op. Bank Ltd. | 0 | 90250 |
| Kotak Fmp 12M series 8 | 40000000 | 0 |
| Tribhuvan Lease & Finance Pvt. Ltd. | 501000 | 501000 |
| Kotak Monthly plan series - 2 D.DI | 9622405 | 0 |
| Kotak Flexi Debt | 13044291 | 10792316 |
| GSSIF Fornight Div. M. Fund | 0 | 92192755 |
| | <u>63167696</u> | <u>103576321</u> |
| <u>SCHEDULE "6" SUNDY DEBTORS</u> | | |
| Unsecured Considered Goods | | |
| More than 6 Months | 2040531 | 2040531 |
| Less than 6 Months | 139969 | 47349 |
| | <u>2180500</u> | <u>2087880</u> |
| <u>SCHEDULE "7" CASH & BANK BALANCE</u> | | |
| Cash on Hand | 660090 | 12090 |
| Bank Account | | |
| ICICI Bank Ltd. | 0 | 899601 |
| Orintla Bank of Commerce | 8890 | 0 |
| Nutan Nagarik Sahakari Bank Ltd. | 5089 | 5089 |
| Axis Bank | 1317467 | 110760 |
| | <u>1991536</u> | <u>1027540</u> |
| <u>SCHEDULE "8" LOANS & ADVANCES</u> | | |
| Advance recoverable in cash or kind: | 12809326 | 13152233 |
| Sundry Deposits: | 179171 | 179171 |
| | <u>12988497</u> | <u>13331404</u> |
| <u>SCHEDULE "9" CURRENT LIABILITIES</u> | | |
| Sundry Creditors | 662987 | 662987 |
| Creditors for Exp. | 75040 | 75040 |
| Over Drawn bank Balance(ICICI Bank) | 1805 | 0 |
| | <u>739832</u> | <u>738027</u> |

MALOO POLYMERS LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS AS AT 31/03/2009

| | AS AT 31.3.2009 (in Rs.) | AS AT 31.3.2008 (in Rs.) |
|---------------------------------|--------------------------------|--------------------------------|
| SCHEDULE "10" PROVISIONS | | |
| Listing Fees Payable | 0 | 60000 |
| Audit Fees Payable | 10500 | 5500 |
| Provision for Income Tax | 0 | 2790 |
| | 10500 | 68290 |

SCHEDULE "11" OTHER INCOME

| | | |
|---|----------------|----------------|
| Dividend | 5614444 | 1930831 |
| Short Term Capital Gain/(Loss) on Mutual Fund | -29714 | 90224 |
| Profit/(Loss) on Sale of Share | -1250 | 24000 |
| Other Income | 10680 | 575000 |
| | 5594160 | 2620055 |

SCHEDULE "12" ADMINISTRATION & GENERAL EXPENSES

| | | |
|----------------------------|---------------|--------------|
| Advertising Exp. | 5250 | 0 |
| Accounting Charges | 5000 | 0 |
| Computer Exp. | 0 | 16250 |
| Electricity Exp. | 0 | 7540 |
| Audit Fee | 5000 | 5000 |
| Listing fees | 384608 | 0 |
| Office Exp. | 0 | 9500 |
| ROC Exp. | 23500 | 3000 |
| Salary & Bonus | 0 | 36000 |
| Stationery & Printing Exp. | -0 | 5750 |
| | 423358 | 83040 |

SCHEDULE "13" FINANCIAL CHARGES

| <u>Bank & Financial Institutions</u> | | |
|--|--------------|---------------|
| Bank Charges | 16474 | 24848 |
| Interest on Car Loan | 0 | 61612 |
| Interest on Loan - vijay Co. Op. Bank | 10269 | 233674 |
| | 26743 | 320134 |

MALOO POLYMERS LIMITED

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FROMING
PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2009.**

SCHEDULE 14 : SIGNIFICANT ACCOUNTING POLICIES

- (1) The Accounts are prepared on an accrual basis except otherwise stated and under the historical cost conventions, and are in line with the relevant laws as well as the guidelines prescribed by the Department of Company affairs and the Institute of Chartered Accountants of India.

(A) SYSTEM OF ACCOUNTING

The Company has adopted the accrual basis of accounting in the Preparation of the books of accounts.

(B) REVENUE RECOGNITION

(a) Sales

Sales are accounted for on accrual basis.

(b) Other Operation

Interest and other income are accounted for on accrual basis.

(C) EXPENSES

It is Company's policy to account of expenses on accrual basis.

(D) TAXATION

- (i) Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.
- (ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date.

(E) INVENTORIES

Inventories are valued at cost or market value whichever is less.

(F) FIXED ASSETS

Fixed assets are carried at cost of acquisition or construction including incidental expenses related to acquisition and installation on concerned assets, less accumulated depreciation and amortizations.

(G) DEPRECIATION

Depreciation has been provided on Written Down Value Method in accordance with the provision of Section 205(2)(b) of the Companies Act, 1956 at the rate prescribed in Schedule XIV of the Companies Act, 1956 on prorata basis with reference to the date of acquisition/installation.

(H) INVESTMENTS

Long term investments are stated at cost. Provision for diminution in the value of long term investment is made only if such decline is other than temporary in the opinion of the management.

(I) RETIREMENT BENEFITS

No provision for retirement benefits for employees has been made Since the Gratuity Act Provident Fund Act not applicable to the Company and the company has adopted PAY-AS-YOU-GO method For the payment of other retirement benefits if any payable to the Employees.

(J) MISCELLANEOUS EXPENDITURE

There is no Preliminary Expenses.

(K) Contingent Liability

There are no contingent Liabilities .

(2) Expenditure in foreign currency : Nil

(3) Income in Foreign Currency : Nil

(4) Balance of Sundry Debtors, Creditors, Loans & Advances given and accepted as agreed by the management, are subject to confirmation.

(5) Previous years figures are regrouped and rearranged wherever necessary.

(6) Figures in brackets relate to previous year unless otherwise stated.

(7) In the opinion of the Board of Directors, Current Assets, Loans & Advances are Realizable in the ordinary course of business at the value which they are stated.

(8) Accounting Standard 17 – Segment Reporting

There are no identifiable reportable segments in the course of business carried on by the company. The risks and returns are not affected both by the difference in the products and by difference in geographical area.

(9) Accounting Standard 18 – Related party Disclosures

No transaction with related parties

(10) Earning per Share:

| | <u>2008-09</u> | <u>2007-08</u> |
|--------------------------------|----------------|----------------|
| Profit & Loss after tax | 4903892 | 1954842 |
| No of equity shares | 5020000 | 5020000 |
| Nominal value of share | Rs. 10 | Rs.10 |
| <u>Basic Earning per Share</u> | 0.98 | 0.39 |

(11) Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

- a) Production Capacity: The company is not required to obtain License and hence comparison of License capacity and Installed capacity is not given.
- b) Employees in receipt of remuneration of not less than Rs.24,00,00/- per annum or Rs.2,00,00/- per month if employed for part of the year: Nil (Previous yearNil)
- c) Since the company is in process of compiling details of amounts due to SSI units creditors are relevant information envisaged by recent government notification is not available.
- d) Value of Imports calculated on CIF Basis: - Nil
- e) Expenditure in Foreign Currency : - Nil

(12) Company has given interest free loans/ advances to some parties, recovery of which is doubtful. Company has not provided for loss which may arise on account of non recovery of said loan/ advances. Hence profit for the year and reserves & surplus at the year end is overstated by such amount.

Signature to schedules I to 18 forming part of Balance sheet & Profit & Loss Account for the year ended 31st March 2009

As per our attached report even date

For Naimish K. Shah & Co
Chartered Accountant

For & on behalf of Board of Directors

Sd/-
Naimish K. Shah
Proprietor
Membership No. 31147

Sd/-
Director

Sd/-
Director

Place : Ahmedabad
Date : 01/09/2009

Maloo Polymers Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

| | <u>2008-2009</u> | <u>2007-2008</u> |
|--|------------------|---------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax and extraordinary items: | 4,891,204 | 1,957,632 |
| Adjustment for: | | |
| Depreciation | 252,855 | 259,250 |
| Preliminary & Public issue exp written off | - | - |
| Dividend Received | (5,614,444) | (1,930,831) |
| | (5,361,589) | (1,671,581) |
| Operating Profit before working capital changes | (470,385) | 286,050 |
| Adjustment for: | | |
| Decrease/(Increase) in Receivable | (92,620) | 150,085 |
| Increase in Outstanding Liabilities | 1,805 | 730,364 |
| Increase/(Decrease) in other liabilities | -57790 | (31,710) |
| | (148,605) | 848,739 |
| Cash generated from operations | (618,990) | 1,134,789 |
| Taxation Adjustment of Earlier Years | - | - |
| Income Tax paid | - | (2,790) |
| <i>Net cash from Operating activities</i> | <i>(618,990)</i> | <i>1,131,999</i> |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Decrease/(Increase) in Advances | 342,907 | 7,210,984 |
| Increase / (decrease) in Secured Loan Taken | (772,990) | (1,474,086) |
| Increase/ decrease in Loans | (44,010,000) | 66,519,400 |
| Dividend Received | 5,614,444 | 1,930,831 |
| Sale /(Purchase) of Investment | 40,408,625 | (102,484,071) |
| Increase in fixed Assets | | |
| <i>Net cash from Investing activities</i> | <i>1,582,986</i> | <i>(28,296,942)</i> |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Capital raised during the year | - | 25,734,750 |
| Dividends paid | - | - |
| Corporate Tax on Dividend | - | - |
| <i>Net cash used in financing activities</i> | <i>-</i> | <i>25,734,750</i> |
| Net increase in cash and cash equivalents | 963,996 | (1,430,193) |
| Cash and cash equivalents at beginning of period | 1,027,539 | 2,457,732 |
| Cash and cash equivalents at end of period | 1,991,536 | 1,027,539 |

Notes :

- 1 Above Statements have been prepared in the indirect method.
- 2 Cash & Cash equivalents represent Cash and Bank Balances only.
- 3 Previous year's figures have been regrouped and reclassified wherever necessary.

As per our report of even date
FOR, NAIMISH K. SHAH & CO,
CHARTERED ACCOUNTANTS

For and on Behalf of Board

Sd/-
NAIMISH SHAH
PROPRIETOR
M. No. 31147
Place : Ahmedabad
Date : 01/09/2009

Sd/-
Director

Sd/-
Director

MALOO POLYMERS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

| | | |
|--------------------|---|------------|
| Registration No. | : | 028270 |
| State code | : | 04 |
| Balance Sheet Date | : | 31-03-2009 |

II. CAPITAL RAISED DURING THE YEAR

| | (Rs. in '000) |
|--|---------------|
| Public Issue | NIL |
| Rights Issue | NIL |
| Bonus Issue | NIL |
| Private Placement (Subscription to Memorandum) | NIL |

III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS

| | | | |
|---------------------|--------|----------------|-------|
| Total Liabilities : | 81,640 | Total Assets : | 81640 |
|---------------------|--------|----------------|-------|

Sources of funds :

| | | |
|------------------------|---|-------|
| Paid up Capital | : | 50200 |
| Reserves & Surplus | : | 8759 |
| Secured Loans | : | NIL |
| Unsecured Loans | : | 22519 |
| Deferred Tax Liability | : | 162 |

Application of Funds :

| | | |
|---------------------------|---|-------|
| Net Fixed Assets | : | 1776 |
| Investments | : | 63168 |
| Net Current Assets | : | 16696 |
| Miscellaneous Expenditure | : | NIL |
| Accumulated Losses | : | NIL |
| Preoperative Expenses | : | NIL |

IV. PERFORMANCE OF THE COMPANY :

| | | |
|-------------------|---|------|
| Turnover | : | 5594 |
| Total Expenditure | : | 703 |
| Profit before tax | : | 4891 |
| Profit after tax | : | 4904 |
| Earning per Share | : | 0.10 |

GENERIC NAME OF THE PRINCIPLE PRODUCT & SERVICES OF THE COMPANY.

| | | |
|---------------------|---|------|
| Item Code No. | : | N.A. |
| (ITC Code) | : | N.A. |
| Product Description | : | |

For NAIMISH K. SHAH & CO.
Chartered Accountant

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Proprietor
M. No. 31147
Date : 01-09-2009
Place : Ahmedabad

Sd/-
(Director)
Date : 01-09-2009
Place : Ahmedabad

Sd/-
(Director)

PROXY FORM

Registered Folio No:

No of Shares held:

I/We _____ of _____ being Member / Members of Maloo Polymers Limited, hereby appoint Shri / Smt. _____ of _____ or failing him Shri / Smt. _____ of _____ as my/ our proxy to vote for me/ us and on my/ us behalf at the 14th Annual General Meeting of the Company to be held on 30th Day of September, 2009 at 12.30 p.m.

Signed by the said _____ day of _____ 2009.

Signature: _____

**Affix Rs.
1
Revenue Stamp**

Applicable to the members holding shares in electronic form.

NOTE:

The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

ATTENDANCE SLIP

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failures to bring this Attendance Slip create unnecessary inconvenience to you. Please write below

Reg. Folio No:

I hereby record my presence at the 14th Annual General Meeting of the Company held at B 1 Harikrupa Aprt, Nr. Naranpura Railway Cross, Exchange C G Road, Naranpura, Gujarat India – 380013 on the 30th Day of September, 2009 at 12.30 p.m.

Full Name of the Members/Proxy _____
(In Block Letters, to be filled in if the proxy attends instead of the Member)

_____ Members/ Proxy Signature

Application to the members holding shares in electronic form.

NOTES:

1. Members/ Proxy holders are requested to bring their copy of the Notice with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly completed, stamped signed at the space provided, at the entrance of the Meeting Hall.
3. Shareholders / Proxy holders should bring their copy of the 14th Annual Report for the meeting.