

## 22<sup>nd</sup> Annual Report 2009-10

**Wim Plast Limited**



## Touching New Heights

Dear Shareholders,

It gives me immense pleasure to address you with the financials of our company for the fiscal year 2009-10. I am also eager to cheer with you the glorious events of the year and to share the innovative dreams and plans of the Company for the year ahead.

The plastic industry is rapidly growing industry of the country and has witnessed enormous growth during the year. In spite of slowdown in previous year the industry has come back with outstanding performance, there was steep increase in consumer demands specially for branded consumer products. There were noteworthy changes in expectations of consumers.

I am glad to enlighten the performance of our Company for the fiscal year 2009-10. The Company has achieved highest level of turnover and profitability since its inception. Our turnover has increased by 40% and Profitability by more than 100% as compared to last year, resulting in the finest performance in the history of the Company. I am also delighted to inform you that our Board has recommended final dividend of 40% i.e. Rs. 4/- per share for the year and with this our Company has maintained striking record of uninterrupted dividend distribution since past decade. The operational efficiency, cost effectiveness and enrichment of distribution net were the key influential factors that have contributed to our glorious performance and again the Company has preserved its debt free standing.

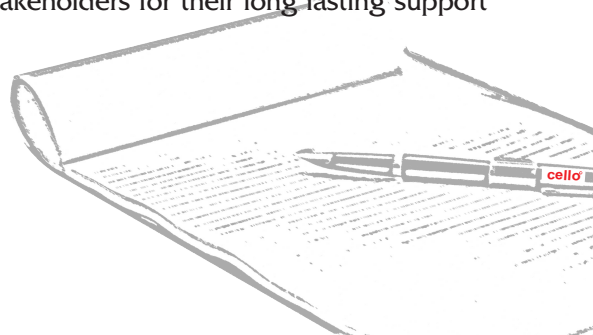
In this era of vertical integration, we have restructured our technological assets which has resulted in optimization of quality and competence of our products. The manufacturing unit at Daman and Baddi are well equipped with high-tech injection moulding and extrusion technology. The Company has strengthened its brand equity of 'cello' branded products throughout the country; the products are also advertised on media to tap the end user market. With the all around developments during the year we have launched 10 new models of Chairs and 5 new models of Stools including various designs of furniture. We have also developed number of applications for our 'cello Bubble Guard Sheets' the product has gained rich response from the users for its applications like Tile Protector, False Ceiling, Wall Panel, Packaging Materials etc. We are in the process of introduction of few more applications of the product.

In the year ahead we have prepared ourselves to enhance our performance and to retain the leading drive of our organization in the industry. The Company will expand its production facilities with additional production units and adoption of modernized moulding and extrusion technologies. We will launch a range of consumer and industrial products to sub serve the never ending demands of our customers. To enlarge and serve our distribution network we will open new Depots, Manufacturing Units and will form new associates in different parts of the country.

Lastly, I, on behalf of the Board, would like to take this opportunity to thank our Management Team and Employees for their key contribution in the growth of our Company. I am also thankful to the Shareholders, Government Authorities, Bankers and other Stakeholders for their long-lasting support and trust.

With Best Regards,

Ghisulal Rathod  
Chairman  
Mumbai, 27<sup>th</sup> July, 2010.



# WIM PLAST LIMITED

## BOARD OF DIRECTORS

Ghisulal D. Rathod  
Pradeep G. Rathod  
Fatechand M. Shah  
Harilal L. Boolani.  
S.M. Khinvesra  
Pankaj G. Rathod  
Mahendra F. Sundesha  
Mahendra N. Patel

## COMMITTEES OF BOARD

### AUDIT COMMITTEE

S.M. Khinvesra  
Harilal L. Boolani  
Pradeep G. Rathod  
Mahendra F. Sundesha

### SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Harilal L. Boolani  
Ghisulal D. Rathod  
Pradeep G. Rathod

### REMUNERATION COMMITTEE

Harilal L. Boolani  
Ghisulal D. Rathod  
S.M. Khinvesra  
Mahendra F. Sundesha

### CHIEF FINANCIAL OFFICER

Madhusudan R. Jangid

### COMPANY SECRETARY

Kapil D. Joshi

### STATUTORY AUDITORS

M/s Bharat P. Shah & Co

### INTERNAL AUDITORS

M/s Jeswani & Rathore

### CORPORATE GOVERNANCE

HS Associates, Company Secretaries

### INVESTOR QUERIES

kapiljoshi@celloworld.net

### WEBSITE

www.celloinc.com

### BANKERS

IDBI Bank, Andheri (E), Mumbai.  
Citi Bank N.A., Mumbai.

### CORPORATE OFFICE

8, Vakil Industrial Estate, Walbhat Road, Goregaon (East) Mumbai – 63.  
Tel.(022)26864630,Fax (022)26863681  
email id – wimplast@celloworld.net

## REGISTERED OFFICE

S. No. 324/ 4 to 7, Village Kachigam,  
Nani Daman, Daman – 396210.  
Tel. (0260)2242415, Fax (0260) 2241922  
email id – daman@cellobubbleguard.com

## PLANT LOCATIONS

**DAMAN** - S. No. 324/ 4 to 7, Village Kachigam,  
Nani Daman, Daman – 396210.  
Tel. (0260)2242415, Fax (0260) 2241922

S. No. 327/ 1 to 4 & 7 Village Kachigam,  
Nani Daman, Daman – 396210.  
Tel. (0260)2242415, Fax (0260) 2241922

**BADDI** - Khasara No. 502/ 531 – 534, Village Akkanwali, Baddi, Dist. Solan, H.P. 173205  
Tel (01795) 321295, Fax (01795) 274169

### DEPOTS

**JODHPUR** – Khasra No. 358/359,  
Jodhpur Pali Highway, Kakani,  
Jodhpur – 342 001.  
Tel. 09352351692.

**PUNJAB**– Hadbast No. 234, Opp.  
Swami Vivekanand School, Godown Area, Village Prabhat, N.A.C. Zirakpur, Tehsil Derabassi, Dist. Mohali – 140603  
Tel. (01762)287036, 09316844773.

**HYDERABAD** – Shed No. A1, Central Warehousing Corporation, Behind Gandhi Bhavan, Nampally, Hyderabad – 500001.  
Tel. 09391338409

**VAPI** – Shop No. 5, Plot No. 10, Sr. No. 486, Chala Vapi – 396191.  
Tel. 09377283459

### REGISTRAR AND TRASFER AGENTS

Link Intime India Private Limited  
C -13 , Pannalal Silk Mills Compound,  
L.B. Shastri Marg, Bhandup (W),  
Mumbai – 400 078.  
Tel (022) 25963838, Fax (022) 25946969  
email id – mumbai@linkintime.co.in

### 22<sup>nd</sup> ANNUAL GENERAL MEETING

Saturday, 18<sup>th</sup> September, 2010 at 11.00 a.m.  
at S.No. 324 / 4 to 7, Village Kachigam  
Nani Daman, Daman – 396210.

### BOOK CLOSURE DATES & DIVIDEND

Monday 13<sup>th</sup> September, 2010 to Saturday  
18<sup>th</sup> September, 2010  
(both the days inclusive)

**Proposed Dividend – Rs. 4/- per share (40%)**

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# NOTICE

Notice is hereby given that the 22<sup>nd</sup> **Annual General Meeting** of members of **WIM PLAST LIMITED** will be held on Saturday, 18<sup>th</sup> September, 2010, at the registered office of the Company situated at S. No. 324/4 to 7, Village Kachigam, Nani Daman, Daman – 396210, at 11.00 am to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2010, Profit and Loss Account for the year ended on that date and the reports of the Auditors and Directors thereon.
2. To consider declaration of dividend on equity shares for the financial year ended on 31<sup>st</sup> March, 2010.
3. To appoint Director in place of Mr. Ghisulal D. Rathod, who retires by rotation and being eligible, offers him self for re-appointment.
4. To appoint Director in place of Mr. Fatechand M. Shah, who retires by rotation and being eligible, offers him self for re-appointment.
5. To appoint Auditors and to authorize the Board of Directors to fix their remuneration.

## SPECIAL BUSINESS:

6. Appointment of Mr. Pankaj G. Rathod as Director.

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

**"RESOLVED THAT** Mr. Pankaj G. Rathod who was appointed as an Additional Director of the Company by Board of Directors with effect from 27<sup>th</sup> May 2010 and who holds office up to the date of the 22<sup>nd</sup> Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 (the Act) and in respect of whom Company has received notice in writing from a member under Section 257 of the Act, proposing the candidature of Mr. Pankaj G. Rathod for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to complete procedures for the same."

7. Appointment of Mr. Mahendra F. Sundesha as Director.

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

**"RESOLVED THAT** Mr. Mahendra F. Sundesha who was appointed as an Additional Director of the Company by Board of Directors with effect from 27<sup>th</sup> May, 2010 and who holds office upto the date of the 22<sup>nd</sup> Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 (the Act) and in respect of whom Company has received notice in writing from a member under Section 257 of the Act, proposing the candidature of Mr. Mahendra F. Sundesha for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to complete procedures for the same."

8. Appointment of Mr. Mahendra N. Patel as Director.

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

**"RESOLVED THAT** Mr. Mahendra N. Patel who was appointed as an Additional Director of the Company by Board of Directors with effect from 27<sup>th</sup> July, 2010 and who holds office upto the date of the 22<sup>nd</sup> Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 (the Act) and in respect of whom Company has received notice in writing from a member under Section 257 of the Act, proposing the candidature of Mr. Mahendra N. Patel for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to complete procedures for the same."

## NOTES:

1. Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 with respect to Item Nos. 6, 7 & 8 are set out and annexed to the notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND & VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and the Share Transfer Books of the Company will be closed from **(Monday, 13<sup>th</sup> September, 2010 to Saturday 18<sup>th</sup> September, 2010)** (both days inclusive).
4. The Dividend, if declared, will be paid to those shareholders, whose name stands in the Register of Members on **(Monday, 13<sup>th</sup> September, 2010)**. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares for this purpose as on **(Monday, 13<sup>th</sup> September, 2010)**. The dividend will be paid on and from **(Wednesday, 22<sup>nd</sup> September, 2010)**.
5. Pursuant to the provision of section 205A (5) of the Companies Act, 1956, dividend for the financial year ended 2002- 03 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the **Investor Education and Protection Fund** established by the Central Government pursuant to section 205C of the Companies Act, 1956.

# NOTICE

Information in respect of such unclaimed dividend when due for transfer to the said Fund are given below:-

Financial Year	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Last date for transfer to I.E. & P. Fund
2002-03	16/08/2003	15/08/2010	14/09/2010
2003-04	07/08/2004	06/08/2011	05/09/2011
2004-05	19/08/2005	18/08/2012	17/09/2012
2005-06	09/09/2006	08/09/2013	08/10/2013
2006-07	01/09/2007	31/08/2014	30/09/2014
2007-08	20/09/2008	19/09/2015	19/10/2015
2008-09	12/09/2009	11/09/2016	11/10/2016

Shareholders who have not so far encashed their dividend warrant(s) for the financial year ended March 31, 2003 or for any subsequent financial years are requested to make their claim to the office of the Registrar and Transfer Agents, M/s Link Intime India Private Limited. Shareholders are requested to note that no claims shall lie against the Company and against the said fund in respect of any amounts remained unclaimed for a period of seven years from the dates that they first became due for payment.

6. Members who hold Shares in physical mode are requested to immediately notify the change of address, if any, to the Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited.
7. Members / Proxies should bring the Entrance Pass duly filled in for attending the meeting.
  1. Members desiring any information as regards the Accounts are requested to write to the Chief Financial Officer of the Company at the Corporate office at least 15 days before the date of the meeting, so as to enable the management to keep the information ready.
  2. Members are requested to bring the Annual Report at the time of attending the Annual General Meeting.
  3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. In order to provide protection against fraudulent encashment of the dividend warrants, shareholders holding shares in physical form are requested to intimate to the Registrar and Transfer Agents of the Company M/s. Link Intime India Private Limited under the signature of the sole/first joint holder, the following informations to be incorporated on the Dividend Warrants:
  1. Name of the Sole/First joint holder and folio number.
  2. Particulars of Bank Account, Viz:
    - a. Name of the Bank.
    - b. Name of Branch.
    - c. Complete address of the Bank with Pin Code Number.
    - d. Account type, whether Savings (SB) or Current Account (CA).
    - e. Bank Account number.
9. Shareholders holding shares in electronic form may kindly note that their Bank Account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.
10. Non-Resident Indian Shareholders are requested to inform to the Registrar and Transfer Agents of the Company M/s. Link Intime India Private Limited the following details :
  1. The change in the Residential status on return to India for permanent settlement.
  2. The particulars of the Bank Account maintained in India with complete name, branch and account type, account number and address of the Bank, if not furnished earlier.
11. Corporate Members intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the 22<sup>nd</sup> Annual General Meeting.
12. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents M/s. Link Intime India Private Limited.
13. Details of Directors seeking appointment or re-appointment at the 22<sup>nd</sup> Annual General Meeting.(pursuant to clause 49IV(G)(i) of the Listing Agreement with Stock Exchanges) are as under :

**Mr. Ghisulal D. Rathod** (67 yrs), is Chairman of Board and member of Shareholders' / Investors' Grievance Committee and Remuneration Committee of the Company. He is founder of 'cello' Group which is one of the leading group in plastic industry and have 45 yrs of experience in plastic industry. He is Director and Chairman of Cello Infrastructure Limited. His Shareholding in Wim Plast Limited is 328464 Shares (5.47%).

# NOTICE

**Mr. Fatechand M. Shah** (65 yrs), is Non Executive Director of the Company. He is member of M.G. Shah Group and possessed rich experience of manufacturing industry and have 40 yrs of experience in manufacturing industry. His shareholding in Wim Plast Limited is 279600 Shares (4.66%).

**Mr. Pankaj G. Rathod** (43 yrs), is an Additional Director of the Company. He is Managing Director of 'cello' Pen Division and availed himself with immense knowledge of manufacturing process and have more than 20 yrs of experience of plastic industry. He is Director in Cello Infrastructure Limited. His shareholding in Wim Plast Limited is 588100 Shares (9.80%).

**Mr. Mahendra F. Sundesha** (56 yrs), is an Additional Director of the Company and also member of the Audit Committee and Remuneration Committee of the Company. He is member of 'Fulchand Export' Group and acquainted himself with immeasurable experience of 30 yrs in commerce and trading. He does not have any shareholdings in Wim Plast Ltd.

**Mr. Mahendra N. Patel** (61 yrs), is an Additional Director of the Company. He is Director of Ferrormatik Milacron India Ltd. and he is Member of MAMATA GROUP one of the leading group dealing in Machineries and Engineering goods and have 35 yrs of experience in the industry. He does not have any share holdings in Wim Plast Ltd.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 WITH RESPECT TO ITEM NO. 5, 6, 7 & 8 :

Mr. Pankaj G. Rathod and Mr. Mahendra F. Sundesha were appointed as an Additional Directors of the Company w.e.f. 27<sup>th</sup> May, 2010 and Mr. Mahendra N. Patel was appointed as an Additional Director of the Company w.e.f. 27<sup>th</sup> July, 2010 by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Article No. 111 of the Article of Association of the Company.

Pursuant to the provisions of section 260 of the Companies Act, 1956, they hold office as Directors only up to the date of ensuing 22<sup>nd</sup> Annual General Meeting and are eligible to be appointed as Directors of the Company. As required by section 257 of the Companies Act, 1956, notice in writing has been received from a member of the Company signifying his intention to propose their appointment as Directors along with a deposit of Rs.500/- (Rupees five hundred) for each candidate. A brief profile of all three Directors is given in note no. 13 in the notice calling 22<sup>nd</sup> Annual General Meeting.

The Board of Directors considers it desirable that the Company should continue to avail itself with the valuable services of all three Directors and accordingly recommends the resolution at Item no. 6, 7 & 8 for approval of the members.

Directors Mr. Pankaj G. Rathod, Mr. Ghisulal D. Rathod and Mr. Pradeep G. Rathod are concerned or interested in the resolution in item no. 6 i.e. appointment of Mr. Pankaj G. Rathod as Director of the Company.

No other Director except Mr. Mahendra F. Sundesha is concerned or interested in the resolution in item no. 7 i.e. appointment of Mr. Mahendra F. Sundesha as Director of the Company.

No other Director except Mr. Mahendra N. Patel is concerned or interested in the resolution in item no. 8 i.e. appointment of Mr. Mahendra N. Patel as Director of the Company.

**By Order of the Board  
For Wim Plast Limited**

**Date : 27<sup>th</sup> July, 2010  
Place : Mumbai**

**Kapil D. Joshi  
(Company Secretary)**



# DIRECTORS' REPORT

To,

The Members of **Wim Plast Ltd.**,

Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report of your Company together with the Audited Statement of Accounts for the financial year ended on 31<sup>st</sup> March, 2010.

## 1. FINANCIAL RESULTS:

Particulars	Year Ended March 31, 2010 (Rs. In Lacs)	Year Ended March 31, 2009 (Rs. In Lacs)
Sales (Including Processing Charges, Net of Returns)	14202.23	10190.03
Other Income	28.60	27.41
Profit before Interest, Depreciation & Tax	<b>2569.79</b>	<b>1466.67</b>
Interest	13.59	52.89
Depreciation	302.23	298.30
Profit Before Tax	<b>2253.97</b>	<b>1115.48</b>
Tax Expenses	552.6	315.20
Profit after Tax	<b>1701.37</b>	<b>800.28</b>
Short Provision for Taxation	0.18	-
Surplus available after Adjustment	<b>1701.19</b>	<b>800.28</b>
Balance Brought Forward from Previous Year	2655.33	2181.80
Surplus Available for Appropriation	<b>4356.51</b>	<b>2982</b>
Less : Appropriations:		
(i) Transfer to General Reserve	171.00	81.00
(ii) Proposed Dividend	240.07	210.06
(iii) Tax on Proposed Dividend	39.87	35.70
Surplus Carried to Balance Sheet	<b>3905.57</b>	<b>2655.33</b>

## 2. OPERATIONS:

The Company has reported excellent results in terms of both volume and profitability. There was sharp lift in the financial parameters of the Company.

During the year under review, the company has achieved turnover of Rs. 14202.23 lacs as compared to Rs. 10,190.03 lacs for the previous year, indicating growth of 39.37 %.

Net Profit before tax is Rs. 2253.97 lacs for current year as compared to Rs. 1115.48 lacs for previous year, indicating growth of 102.06 %.

## 3. CAPITAL EXPENDITURE:

During the year there was replacement of old machines and also sizeable addition in the existing production capacities, resulting in much better input / output ratios and betterment in product quality. Capital Assets of worth Rs. 815.02 lacs were purchased during the year and the assets of Rs. 151.82 lacs were sold during the year.

## 4. DIVIDEND:

It was really a cheerful announcement by the Board about the recommendation of Dividend of Rs.4/- per Share i.e. 40% on face value of Rs.10/- each (Previous year Rs.3.50 per share i.e. 35% on face value of Rs.10/- each). With this we have pride to pronounce that the Company has made an incredible record of regular payment of Dividend over the past decade.

## 5. TRANSFER TO GENERAL RESERVE:

The Company has proposed to transfer Rs. 171 lacs to General Reserve and amount of Rs. 1250.25 lacs is proposed to be retained in Profit and Loss Account out of current year's profit.

## 6. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

During the year under review the Company has transferred Rs. 1.82 lacs to Investor Education and Protection Fund (IEPF) pursuant to Section 205C of Companies Act, 1956. The said amount pertains to Unclaimed dividend for the financial year 2001-02.

# DIRECTORS' REPORT

## 7. PARTICULARS OF EMPLOYEES:

The personnel relations in the Company continued to be cordial and peaceful. During the financial year the company did not have any employee who was drawing remuneration required to be disclosed as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## 8. INDUSTRIAL RELATIONS:

The Industrial Relations continues to be peaceful and cordial.

## 9. SUBSIDIARY COMPANY:

The Company does not have any subsidiary company.

## 10. FIXED DEPOSITS:

The Company has not accepted Fixed Deposits covered under Section 58A of the Companies Act, 1956.

## 11. ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo is given in the **Annexure-I** forming part of this report.

## 12. DIRECTORS:

Directors Mr. Ghisulal D. Rathod and Mr. Fatechand M. Shah are liable to retire by rotation at the 22<sup>nd</sup> Annual General Meeting pursuant to Article 124 of the Company's Articles of Association and being eligible, offers themselves for re-appointment.

During the financial year 2009-2010 there was no change in Board of the Company. Directors Mr. Pankaj G. Rathod and Mr. Mahendra F. Sundesha were appointed by the Board as an Additional Directors of the Company w.e.f. 27<sup>th</sup> May, 2010 and Mr. Mahendra N. Patel was appointed by the Board as an Additional Director of the Company w.e.f. 27<sup>th</sup> July, 2010. The candidature of all three Additional Director of the Company is proposed by a member u/s 257 of Companies Act, 1956 for appointment as Director of the Company at the ensuing 22<sup>nd</sup> Annual General Meeting. The Director Mr. Gulabchand P. Jain has resigned w.e.f. 30<sup>th</sup> June, 2010.

## 13. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT:

A report on Corporate Governance and Management Discussion and Analysis Statement is annexed to this report as part of **Annexure-II**.

## 14. CERTIFICATE ON CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance Practices followed by the Company together with the certificate received from M/s HS Associates, Company Secretaries, confirming compliance, is set out in **Annexure-II** forming part of this report.

## 15. CEO / CFO CERTIFICATION:

Certificate of CEO / CFO of the Company on financial statements, cash flow statement for the financial year 2009-10 and certificate of CEO i.e. Managing Director of the Company for compliance with code of conduct by Board members and senior management personnel on annual basis is annexed to this report as part of **Annexure-II**.

## 16. AUDITORS:

M/s. Bharat P. Shah & Co. Chartered Accountants, Mumbai being the Statutory Auditors of the Company hold office until the conclusion of the forthcoming 22<sup>nd</sup> Annual General Meeting and is eligible for re-appointment. It is proposed to reappoint M/s Bharat P. Shah & Co. as Statutory Auditors of the Company. The Company has received certificate from the Statutory Auditors to the effect that their appointment, if made would be within the prescribed limits under section 224(1B) of the Companies Act, 1956.

## 17. AUDITORS' REPORT:

The Auditors' Report to the shareholders does not contain any adverse or qualification remarks.

## 18. COMMITTEES OF BOARD:

Board has constituted Committees pursuant to provisions of Companies Act, 1956 and Listing Agreement with Stock Exchanges. Following Committees are constituted by the Board.

Audit Committee, Shareholders' / Investors' Grievance Committee and Remuneration Committee. The composition and other details with respect to Committees are explained under part of **Annexure-II** i.e. details under clause 49 of Listing Agreement with Stock Exchanges.

## 19. OPENING OF DEPOTS:

To raise the volume and to serve the distribution network, the Company has in addition to its Depot at Jodhpur opened new Depots at Punjab, Hyderabad and Vapi.



# DIRECTORS' REPORT

## 20. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956 it is hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and of the profit of the Company for the year ended on that date;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the directors had prepared the annual accounts on a "going concern" basis.

## 21. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their grateful appreciation and thanks for the excellent assistance and co-operation received from all the stakeholders, various authorities and employees of the company.

Date : 27<sup>th</sup> July, 2010  
Place : Mumbai

For and on behalf of the Board

Ghisulal D. Rathod  
(Chairman)



# ANNEXURE-I TO DIRECTORS' REPORT

Additional information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

## CONSERVATION OF ENERGY

Adequate measures have been taken to conserve energy and to avoid wastages; the necessary investments in production techniques and equipments were made to cut down the consumption of energy. The requirement of disclosure under Form A i.e. in respect of conservation of energy is not applicable to the Company.

## TECHNOLOGY ABSORPTION

### RESEARCH AND DEVELOPMENTS (R&D):

Specific area in which R & D was carried out by the Company:

Reduction in cost of conservation by-

- (i) Adopting the alternative raw material mix/compounds/use of fillers/additives,etc.
- (ii) Up gradation in the process parameters keeping the end quality in mind.
- (iii) Improvement in input/output ratio.

We have also made investments in new machineries and moulds which has resulted in production efficiency and quality improvement.

### BENEFITS DERIVED FROM THE ABOVE R & D:

- Improved Productivity and Quality of products.
- Cost Reduction.
- Process up gradation/conservation of raw materials.
- Minimization of wastages.

### Future plan of action:

- To improve the production technique by addition of new machineries.
- To update in-house centralized R&D set up at plant for raw materials and product testing. To strengthen the Total Quality Management (TQM) system.
- To develop various standards for finished products keeping in mind the standards prevailing in the Industry.

**Expenditure on R&D:** Not Substantial.

## DETAILS ABOUT TECHNOLOGY:

The manufacturing techniques were under constant changes due to changes in customer demands. To accomplish the demands of end users we have made significant expansion in production capacity and also in the improvement of technology. At our Daman factory the less productive machines and out dated techniques were replaced by new machineries and moulds for plastic furniture. There were also innovations introduced in extrusion techniques for our cello Bubble Guard Sheets at Baddi plant. The innovations and technological investments will result in to better operational efficiency of the units.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign exchange earned and used:

(A) Foreign Exchange Earned:

(B) Foreign Exchange Used:

- (i) On import of Capital Goods
- (ii) On import of Raw Material
- (iii) Traveling Expenses
- (iv) Interest Paid

(Rs. In lacs) (Rs. In lacs)  
(2009-10) (2008-09)

- -

182.19 70.47  
1379.23 798.97  
3.21 1.26  
- 1.02

For and on behalf of the Board

Date : 27<sup>th</sup> July,2010  
Place : Mumbai

Ghisulal D. Rathod  
(Chairman)

# ANNEXURE-II TO DIRECTORS' REPORT

## CORPORATE GOVERNANCE REPORT PURSUANT TO CLAUSE – 49 OF LISTING AGREEMENT WITH STOCK EXCHANGES:

### COMPANY'S GOVERNANCE PHILOSOPHY:

The Company's philosophy about corporate governance rests with transparent exchange of information to Board Members, Shareholders and to the public at large. The management is in thrust to build up the best code of governance based on the principles of effectual composition of Board and timely exchange of information.

### I. BOARD OF DIRECTORS:

The composition of Board consisted of total 6 (six) Directors as on March 31, 2010. The Company has a non-executive Promoter - Chairman. Since the Chairman of the Board is from Promoter Group half of the Board should comprise of Independent Directors, accordingly the Board of Directors of the Company is constituted. None of the Directors on the Board are a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of Listing Agreement with Stock Exchanges), across all the Companies in which they are Director. The Directors have made necessary disclosures regarding their Committee positions.

As on 31<sup>st</sup> March, 2010 none of the Directors were disqualified under Section 274(1)(g) or any other provisions of Companies Act, 1956 and all the Independent Directors are qualified to be appointed as an Independent Director pursuant to Clause – 49 of Listing Agreement with Stock Exchanges.

The details of pecuniary or other business relationship of Directors with the Company, if any, are spelt out in this Annual Report.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2009-10 and at the last Annual General Meeting are reproduced hereunder:

Name of Directors	Category	No. of Board Meetings held	No. of Board Meetings attended	Attendance at previous AGM held on 12.09.2009
Ghisulal D. Rathod	Non Executive Chairman (Promoter)	5	5	Present
Pradeep G. Rathod	Managing Director (Promoter)	5	5	Present
Fatechand M. Shah	Non Executive Director (Promoter)	5	5	Present
Harilal L. Boolani	Non Executive Independent Director	5	5	Present
Gulabchand P. Jain	Non Executive Independent Director	5	4	Absent
S.M. Khinvesra	Non Executive Independent Director	5	4	Present

The details of Directorships and Committee Memberships held by Board Members in other Public Companies are as under:

Name of Directors	No. of Directorships in other Public Limited companies*		No. of Committee positions held in other Public Limited companies*	
	Chairman	Member	Chairman	Member
Ghisulal D. Rathod	1	1	-	-
Pradeep G. Rathod	-	1	-	-
Fatechand M. Shah	-	-	-	-
Harilal L. Boolani	-	-	-	-
Gulabchand P. Jain	-	-	-	-
S.M. Khinvesra	-	-	-	-

\* Excludes Directorships/Chairmanship in Indian Private Limited Companies, Section 25 Companies and Foreign Companies and positions held in Proprietorship and Partnership in Firms. Positions of Chairmanship/Membership of the Audit Committees and Shareholders'/ Investors' Grievance Committees alone are considered.

Mr. Pankaj G. Rathod and Mr. Mahendra F. Sundesha were appointed as an Additional Directors of the Company by the Board w.e.f. 27<sup>th</sup> May, 2010 and Mr. Mahendra N. Patel was appointed by the Board as an Additional Director of the Company w.e.f. 27<sup>th</sup> July, 2010.

Mr. Gulabchand P. Jain has resigned from Directorship w.e.f. 30<sup>th</sup> June, 2010.

### PRESENT COMPOSITION OF THE BOARD IS AS UNDER:

Ghisulal D. Rathod (Chairman), Pradeep G. Rathod (M.D.), Fatechand M. Shah, Harilal L. Boolani, S.M. Khinvesra, Pankaj G. Rathod, Mahendra F. Sundesha and Mahendra N. Patel.

All the Directors (excluding Additional Directors) except Managing Director Mr. Pradeep G. Rathod are liable to retire by rotation.

**MANAGING DIRECTOR** - Mr. Pradeep G. Rathod was appointed as Managing Director of the Company w.e.f. 29<sup>th</sup> June, 2009 at monthly remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) for the period of 5 years. Managing Director is entrusted with substantial powers of management subject to the superintendence, control and direction of the Board.

**CHIEF FINANCIAL OFFICER** of the Company Mr. Madhusudan Jangid is senior Chartered Accountant and availed himself with the rich professional experience.

**COMPANY SECRETARY** of the Company Mr. Kapil D. Joshi acted as Secretary for the Board and Committee Meetings.

# ANNEXURE-II TO DIRECTORS' REPORT

All Board Members and other senior management personnel have complied with Company's code of conduct.

## **DETAILS OF BOARD MEETINGS:**

5 (Five) Board Meetings were held during the financial year 2009-10 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

23<sup>rd</sup> May 2009, 23<sup>rd</sup> June 2009, 29<sup>th</sup> July 2009, 27<sup>th</sup> October 2009 and 28<sup>th</sup> January 2010.

All the above Board Meetings were held at the Corporate Office of the Company at 8, Vakil Industrial Estate, 2<sup>nd</sup> Floor, Walbhat Road, Goregaon (East), Mumbai – 400063.

The required quorum was present at all Board Meetings and all the resolutions and discussions were duly approved. There was no instance of Adjournment of any of the said Meeting.

The minutes of Audit Committee, Shareholders' / Investors' Grievance Committee and Remuneration Committee were reviewed by the Board. Also the Board has periodically reviewed and ratified the acts of Committees, Managing Directors and other Officials done pursuant to the powers delegated by Board.

## **BRIEF NOTE ON ROLE OF BOARD MEMBERS:**

The brain i.e. the knowledge lab of our Company is our Board, our all the Board Members have contributed endless efforts in the success of the Company. As a result of performance of our Board, the Company has touched new heights of volume and earnings.

Chairman Mr. Ghisulal D. Rathod is the founder of 'cello' Group and possessed rich experience of Plastic Industry. He has presided over all the Board Meetings and all the decisions of Board mainly, the decisions about Capital Investment and Expansion Activities were guided by him successfully.

The day to day affairs of the Company were looked after by Managing Director Mr. Pradeep G. Rathod who is a Promoter Director of 'cello' Group. With the dedicated control and management tactics of our Managing Director the Company has achieved all around growth and has complied with all the Financials, Legal and other compliances.

Director Mr. S.M. Khinvesra (Chartered Accountant) is senior most partner of very reputed firm of Chartered Accountant M/s Chhajed & Doshi, Mumbai. He has taken vital steps for the improvements of internal control systems, adoption of accounting policies, tax planning and preparation and presentation of financial statements.

All the other Board Members have equipped themselves with vast experience of manufacturing and commercial activities. They have delivered valuable suggestions about up gradation of production techniques and introduction of new products in the market.

Indeed all the Board Members of the Company are like indivisible parts of the whole body i.e. the Board of the Company.

## **INFORMATION PLACED BEFORE THE BOARD:**

All the matters which are statutorily required to be placed before the Board pursuant to Companies Act, 1956 and Clause – 49 of Listing Agreement with Stock Exchanges, were placed before the Board and required approvals were obtained.

## **II. AUDIT COMMITTEE:**

The composition and terms of reference of the Audit Committee are in accordance with Section 292A of Companies Act, 1956 and Clause – 49 of Listing Agreement with Stock Exchanges.

The Committee has reviewed periodically Internal Audit Report, Draft Report of Statutory Auditors, Financial Results, Financial Reporting Systems and other matters. The scope of the activities of the Audit Committee has now been enlarged to include the areas defined by Clause 49 II (D) and also the powers granted pursuant to Clause 49 II (C) of Listing Agreement with Stock Exchanges.

### **BROAD TERMS OF REFERENCE OF THE AUDIT COMMITTEE ARE AS UNDER:**

- Review and implementation of Audit procedures and techniques.
- Review of Audit Reports of Internal Auditors and draft Audit Report of Statutory Auditors.
- Review of financial reporting systems, internal control systems and control procedures.
- To discuss and recommend to the Board the fee of Statutory Auditors and to approve the payment to Statutory Auditors for any other services rendered by Statutory Auditors.
- Review of the quarterly and annual financial statements before the financials are approved by the Board.
- Review the performance of statutory and internal auditors and adequacy of the internal control systems.
- To discuss with Statutory Auditors the nature and scope of audit as well as post-audit discussion to ascertain area of concern, if any.
- Review of Related party Transactions.
- Review of accounting treatments given in preparation of financial statements and true and fair view of the financial statements.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory and Internal Auditors.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any.
- To review the functioning of the Whistle Blower mechanism.
- Carrying out any other function mentioned in the terms of reference of the Audit Committee by the Board.
- Review and discuss the Management Discussion and Analysis of Financial Conditions and results of operations.

## ANNEXURE-II TO DIRECTORS' REPORT

The composition of the Audit Committee and the details of meetings held during the financial year 2009-10 and attendance of members are as under:

Name of Members	Category	No. of meetings held during the year	No. of meetings attended during the
S.M. Khinvesra	Chairman	5	4
Harilal L. Boolani	Member	5	5
Gulabchand P. Jain	Member	5	4
Pradeep G. Rathod	Member	5	5

Mr. Gulabchand P. Jain has resigned w.e.f. 30<sup>th</sup> June, 2010 and Mr. Mahendra F. Sundesha was appointed as member of the Committee w.e.f. 27<sup>th</sup> May, 2010.

The present composition of Audit Committee is S.M. Khinvesra (Chairman), Harilal L. Boolani, Pradeep G. Rathod and Mahendra F. Sundesha.

### DETAILS OF MEETINGS:

5 (Five) Audit Committee Meetings were held during the financial year 2009-10 and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows :

23<sup>rd</sup> May 2009, 23<sup>rd</sup> June 2009, 29<sup>th</sup> July 2009, 27<sup>th</sup> October 2009 and 28<sup>th</sup> January 2010.

All the above meetings were held at the Corporate Office of the company at 8, Vakil Industrial Estate, 2<sup>nd</sup> Floor, Walbhat Road, Goregaon (East), Mumbai – 400 063.

The necessary quorum was present at all the meetings. There was no any instance of Adjournment of any of the said Meeting.

The Committee periodically reviewed Internal Controls and all other matters assigned to it and no adverse or qualifying remark were observed by the Committee.

Audit Committee meetings were also attended by the Chief Financial Officer, representative of Internal Auditor, Statutory Auditors and the Company Secretary acted as the Secretary for all the Committee Meetings.

The minutes of the meetings of the Audit Committee were periodically placed before the Board and the same were reviewed by the Board.

Chairman of Audit Committee Mr. S.M. Khinvesra was present at the 21<sup>st</sup> Annual General Meeting of the Company held on 12<sup>th</sup> September, 2009.

### III. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

The Committee is empowered to perform all the functions of the Board with respect to handling of Shareholders' / Investors' Grievances and other matters as below.

- Review and resolve investors' queries/complaints, if any.
- Review of corporate actions related work, if any.
- Review of documents submitted to Stock Exchanges.
- Review of the Share Transfer, Demat, Remat and other documents processed by Registrar And Transfer Agents M/s Link Intime India Pvt. Ltd.

The composition of Committee, No. of Meetings held during the financial year 2009-10 and attendance of members are given below:

Name of Members	Designation	No. of meetings held	No. of meetings attended by Members
Harilal L. Boolani	Chairman	4	4
Ghisulal D. Rathod	Member	4	4
Pradeep G. Rathod	Member	4	4

The present members of Committee are Harilal L. Boolani (Chairman), Ghisulal D. Rathod and Pradeep G. Rathod.

### DETAILS OF MEETINGS OF SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

4 (Four) Share Holders' / Investors' Grievance Committee Meetings were held during the financial year 2009-10.

Dates on which the meetings were held are as follows :

23<sup>rd</sup> May 2009, 29<sup>th</sup> July 2009, 27<sup>th</sup> October 2009 and 28<sup>th</sup> January 2010.

All the above meetings were held at the Corporate Office of the company at 8, Vakil Industrial Estate, 2<sup>nd</sup> Floor, Walbhat Road, Goregaon (East), Mumbai – 400 063.

The necessary quorum was present for all the Meetings.

The minutes of the meetings of the Shareholders' / Investors' Grievance Committee were periodically placed before the Board and the same were reviewed by the Board.

### CONVERSATION WITH SHAREHOLDERS' / INVESTORS' DURING THE YEAR:

We are pleased to report that during the year the Company has received valuable suggestions from its Shareholders and Investors about the functioning of the Company and future line of action of the Company. All the queries of Shareholders' / Investors' were replied satisfactorily. The suggestions of Shareholders / Investors were placed before the Committee and Board meetings and considered by the Board while drafting of policies and future plans. We appreciate the response and contributions of our Shareholders and Investors during last year and hope for the same response in future.

# ANNEXURE-II TO DIRECTORS' REPORT

## COMPLIANCE OFFICER OF THE COMPANY:

Mr. Kapil Dhirajlal Joshi (Company Secretary).  
Corporate Office - 8, Vakil Industrial Estate,  
2nd Floor, Walbhat Road,  
Goregaon (East), Mumbai – 400 063.  
Phone No. 022 – 26863426/27. Fax no. 022 – 26863681.  
E-mail: kapiljoshi@celloworld.net

## DETAILS OF INVESTORS COMPLAINTS RECEIVED AND RESOLVED DURING THE YEAR 2009-10:

Nature of Complaint	Pending at the beginning of the year	Received during the year	Resolved during the year	Pending at the end of the year
Non Receipt of Share Certificate	–	3	3	–
Non Receipt of Dividend	–	11	11	–
Non Receipt of Annual Report	–	2	2	–

## IV. REMUNERATION COMMITTEE:

The Remuneration Committee was constituted in accordance with provisions of Schedule – XIII of Companies Act, 1956 and Clause – 49 of Listing Agreement with Stock Exchanges, comprises of 4 Non-executive Directors. The Chairman of Committee is an Independent Director.

### THE TERMS OF REFERENCE OF THE COMMITTEE ARE AS UNDER:

To recommend to the Board, salary (including annual increments), perquisites and allowances, performance linked remuneration and commission, if any, to be paid to the company's Executive/Whole time Director (ED/WTd)/ Managing Director (MD) and to finalize the perquisites and allowances package within the overall ceiling fixed by the Board. The scope of committee consists of all the matters prescribed under provisions of Schedule – XIII of Companies Act, 1956 and Clause – 49 of Listing Agreement with Stock Exchanges.

### DETAILS OF COMMITTEE MEETING:

During the financial year 2009-10, 1 (one) Committee meeting was held on 23<sup>rd</sup> June, 2009 at the Corporate Office of the Company at 8, Vakil Industrial Estate, 2<sup>nd</sup> floor, Walbhat Road, Goregaon (East), Mumbai – 400 063. The required quorum was present at the meeting.

The details of attendance of members are as under:

Name	Designation	No. of Meetings held	No. of Meetings Attended
Harilal L. Boolani	Chairman	1	1
Ghisulal D. Rathod	Member	1	1
Gulabchand Jain	Member	1	1
S.M. Khinvesra	Member	1	-

Committee Member Mr. Gulabchand Jain has resigned w.e.f. 30<sup>th</sup> June, 2010. Mr. S.M. Khinvesra was appointed as member of Committee w.e.f. 28<sup>th</sup> January, 2010 and Mr. Mahendra F. Sundesha was appointed w.e.f. 27<sup>th</sup> May, 2010.

The present composition, as on date, of the Remuneration Committee is Harilal L. Boolani (Chairman), Ghisulal D. Rathod, S.M. Khinvesra and Mahendra F. Sundesha.

Apart from Sitting Fees none of the Directors except Managing Director were drawing any remuneration from the Company and hence the Company has formed remuneration policy only for it's Managing Director.

Minutes of the Committee meeting were reviewed by the Board.

### SITTING FEES PAID TO NON-EXECUTIVE DIRECTORS:

Details of sitting fees paid to Non-Executive Directors during the financial year 2009-10 are mentioned below:

(Rs.)

Name of Director	Board Meetings	Audit Committee Meetings
Harilal L. Boolani	50,000/-	40,000/-
S.M. Khinvesra	40,000/-	30,000/-

Apart from above, the payment of sitting fees for other Board Members Ghisulal D. Rathod, Fatechand M. Shah and Gulabchand P. Jain was waived by the concerned Directors. No sitting fees was paid to Managing Director of the Company.

### REMUNERATION PAID/PAYABLE TO MANAGING DIRECTOR:

The amount of remuneration paid/payable to the Managing Director, Mr. Pradeep G. Rathod for 9 months i.e. from 1<sup>st</sup> July, 2009 to 31<sup>st</sup> March, 2010 @ of Rs.50,000/- p.m. amounting to total Rs.4,50,000/- (Excluding Company's Contribution to Gratuity Fund) were reviewed by the Committee.

## V. DISCLOSURES:

### RELATED PARTY TRANSACTIONS:

The details of related party transactions are reported in Note No. 14 of notes to accounts. The related party transactions were arm's length transactions and not prejudicial to the interest of the company and the same were periodically placed before the Audit Committee and Board for their review and approval.

# ANNEXURE-II TO DIRECTORS' REPORT

## ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS:

The company has followed the guidelines of Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) read with Companies (Accounting Standards) Rules, 2006. During the year the company has not changed its accounting policies. The treatment for Accounting Standard – 30 is not given in preparation of financial statements.

## RISK MANAGEMENT:

The company has formed Risk Management policy consisting of Classification of Risk, Risk Identification, Assessment and Minimization of Risk. Risks are mainly classified into Industry Risk, Technological Risk, Financial Risk and other Operational Risks. The Company has adopted adequate control and financial reporting systems for Risk Management and Mitigation of Risk.

## COMPLIANCE DETAILS:

There was not any instance of non-compliance related to the Capital Markets during the past three years and none of the Stock Exchanges or SEBI has imposed any penalties or strictures on the Company.

The Company has complied with mandatory provisions of Clause – 49 of Listing Agreement i.e. Corporate Governance. The company has formed Remuneration Committee and Whistle Blower Policy and no personnel has been denied access to the Audit Committee. The Company is in the process of review and implementation of other non-mandatory provisions of Corporate Governance.

The Company is in the process of review and implementation of Corporate Governance Voluntary Guidelines, 2009 and Corporate Social Responsibility Voluntary Guidelines, 2009.

## DIRECTORS' SHAREHOLDINGS & INTER-SE RELATIONSHIP:

Sr. No.	Name of Directors	Inter-se relationship	Number of Equity Shares held as on 31.03.2010	Number of Equity Shares held as on 31.03.2009
1.	Ghisulal D. Rathod (Non-Executive Chairman, Promoter)	Father of Pradeep Rathod	328464	328464
2.	Pradeep G. Rathod (Managing Director, Promoter)	Son of Ghisulal Rathod	589300	589300
3.	Fatehchand M. Shah (Non-Executive Director, Promoter)	N.A.	279600	279600
4.	S.M. Khinvesra (Independent Director)	N.A.	200	200
5.	Harilal L. Boolani (Independent Director)	N.A.	NIL	NIL
6.	Gulabchand P. Jain (Independent Director)	N.A.	NIL	NIL

## VI. GENERAL BODY MEETINGS:

i) Details of last three Annual General Meetings are as under:

Financial Year	Location-Registered office	Date	Time	Special Resolution(s)
2006-07	S.No.324/4 to 7, Village Kachigam, Daman – 396210.	01/09/2007	11.00 a.m.	Yes, amendment in articles of association by inserting article nos., 106A, 113A. (passed with requisite majority on show of hands)
2007-08	S.No.324/4 to 7, Village Kachigam, Daman – 396210.	20/09/2008	11.00 a.m.	N.A
2008-09	S.No.324/4 to 7, Village Kachigam, Daman – 396210.	12/09/2009	11.00 a.m.	N.A

In the above Annual General Meetings all the Ordinary and Special businesses were unanimously approved by members with voting by show of hands.

There was no request from members/proxies about voting by poll and there was not any instance of Adjournment of any of the Annual General Meeting.

ii) No Extra Ordinary General Meeting of the members was held during the year.

iii) No Postal Ballot was conducted during the year.

## VII. MEANS OF COMMUNICATION:

The financial results were published in Economic Times (all India edition) and Gujarat Mitra (Surat edition) pursuant to Clause – 41 of Listing Agreement with Stock Exchanges.

## ANNEXURE-II TO DIRECTORS' REPORT

The financial results and other important announcements were made available at Company's website [www.celloinc.com](http://www.celloinc.com). The email-id for Investors Queries is [kapiljoshi@celloworld.net](mailto:kapiljoshi@celloworld.net), all the Investors' queries received during the year were replied / resolved by the Company.

During the year no presentation was made either to Institutional Investors or to the Analysts.

### VIII. GENERAL SHAREHOLDERS' INFORMATION:

i) **22<sup>nd</sup> ANNUAL GENERAL MEETING** : Saturday, 18<sup>th</sup> September, 2010 at 11:00 a.m.

at the Registered office of the Company at S. No. 324/4 to 7, Village Kachigam, Nani Daman, Daman-396 210.

### ii) TENTATIVE CALENDAR ABOUT BOARD MEETINGS OF THE FINANCIAL YEAR 2010-2011:

#### Quarter Ended

30<sup>th</sup> June, 2010

30<sup>th</sup> September, 2010

31<sup>st</sup> December, 2010

#### Year Ended

31<sup>st</sup> March, 2011

#### Board Meeting

on or before 14<sup>th</sup> August, 2010

on or before 14<sup>th</sup> November, 2010

on or before 14<sup>th</sup> February, 2010

#### Board Meeting

on or before 30<sup>th</sup> May, 2011 (Audited Results)

### iii) DATES OF BOOK CLOSURE:

From Monday, 13<sup>th</sup> September, 2010 to Saturday, 18<sup>th</sup> September, 2010 (both the days inclusive)

### iv) DIVIDEND PAYMENT DATE:

The Dividend, if declared will be paid on or after Wednesday 22<sup>nd</sup> September, 2010.

### v) LISTING FEES :

Paid for the financial year 2010-2011.

### vi) LISTING ON STOCK EXCHANGES:

The Company's Equity Shares are listed on the following two Stock Exchanges.

1) Bombay Stock Exchange Ltd. (BSE) – Stock Code – 526586.

2) Ahmedabad Stock Exchange Ltd. (ASE) – Stock Code - 67391.

### vii) MARKET RATE INFORMATION:

The details of high / low of Market Price of the Company's shares traded on The Bombay Stock Exchange Limited (BSE) and performance in comparison to broad-based indices of BSE Sensex during the Financial Year 2009-10 is furnished below:

Month	Share Price (Rs.)			BSE Sensex		
	High	Low	Close	High	Low	Close
Apr-09	54.00	47.50	53.50	11,492.10	9,546.29	11,403.25
May-09	64.80	50.85	63.00	14,930.54	11,621.30	14,625.25
Jun-09	79.90	60.65	72.40	15,600.30	14,016.95	14,493.84
Jul-09	98.80	65.55	98.80	15,732.81	13,219.99	15,670.31
Aug-09	109.35	90.00	103.55	16,002.46	14,684.45	15,666.64
Sep-09	124.75	102.55	121.80	17,142.52	15,356.72	17,126.84
Oct-09	127.80	110.00	118.00	17,493.17	15,805.20	15,896.28
Nov-09	125.00	108.60	115.00	17,290.48	15,330.56	16,926.22
Dec-09	167.20	112.00	163.05	17,530.94	16,577.78	17,464.81
Jan-10	180.00	151.00	160.80	17,790.33	15,982.08	16,357.96
Feb-10	183.95	150.50	171.15	16,669.25	15,651.99	16,429.55
Mar-10	178.95	166.00	171.20	17,793.01	16,438.45	17,527.77

### viii) REGISTRAR AND TRANSFER AGENTS

: Link Intime India Pvt. Ltd.

Contact Person : Ms. Trupti Parab

C-13, Pannalal Silk Mills Compound,

L. B. Shastri Marg,

Bhandup (W), Mumbai-400 078.

Tel- 25963838 , Fax- 25962691

Email- [helpline@intimespectrum.com](mailto:helpline@intimespectrum.com)

Website- [www.linkintime.co.in](http://www.linkintime.co.in)

### ix) SHARE TRANSFER SYSTEM

: The shares in dematerialized mode are transferable through depositories. The Share Transfer in physical form were processed by the Registrar and Transfer Agents M/s. Link Intime India Pvt. Ltd. The transfers are normally processed within 10-12 days from the date of receipt. The company also offers transfer-cum-demat facility.



## ANNEXURE-II TO DIRECTORS' REPORT

### x) DISTRIBUTION OF SHAREHOLDINGS AS ON MARCH 31, 2010:

Number of Equity Shares Held	Shareholders number	% Total	Shares allotted	% of total
1 to 500	4171	93.1027	487367	8.1205
501 to 1000	128	2.8571	100775	1.6791
1001 to 2000	61	1.3616	96502	1.6079
2001 to 3000	35	0.7813	93319	1.5549
3001 to 4000	18	0.4018	61778	1.0293
4001 to 5000	7	0.1563	31745	0.5289
5001 to 10000	16	0.3571	122430	2.0399
Over 10000	44	0.9821	5007764	83.4394
<b>Total</b>	<b>4480</b>	<b>100.0000</b>	<b>6001680</b>	<b>100.0000</b>

### xi) SHAREHOLDING PATTERN:

Category	Shareholdings as on 31.03.2010	In%	Shareholdings as on 31.03.2009	In%
<b>PROMOTERS' HOLDINGS:</b>				
Indian Promoters	2050464	34.16	2335444	38.91
Foreign Promoters	-	-	-	-
Persons Acting in Concert	2248463	37.47	2100545	35.00
<b>Sub Total :</b>	<b>4298927</b>	<b>71.63</b>	<b>4435989</b>	<b>73.91</b>
<b>NON- PROMOTERS' HOLDINGS:</b>				
<b>Institutional Investors</b>				
Mutual Funds	200	0.00	200	0.00
Banks/Financial Institutions/Insurance Cos/ Central & State Governments	1000	0.02	1000	0.02
FIs	-	-	-	-
<b>Sub Total</b>	<b>1200</b>	<b>0.02</b>	<b>1200</b>	<b>0.02</b>
<b>Others</b>				
Private Corporate Bodies	180134	3.00	56265	0.94
Indian Public	1489411	24.82	1498913	24.98
NRI/OCBs	7407	0.12	3168	0.05
Any Other	-	-	-	-
Clearing Members	24601	0.41	6145	0.10
<b>Sub Total</b>	<b>1701553</b>	<b>28.35</b>	<b>1564491</b>	<b>26.07</b>
<b>Grand Total</b>	<b>6001680</b>	<b>100.00</b>	<b>6001680</b>	<b>100.00</b>

- During the financial year 2009-10 the Promoters and Person Acting In Concert with Promoters have not pledged their shares. and
- Mr. Ashok D. Shah was separated from Promoters' Group of the Company.

**xii) DEMATERIALIZATION OF EQUITY SHARES AND LIQUIDITY:** The Company has connected with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL). As on 31<sup>st</sup> March, 2010 95.92% of the Company's Equity Share Capital were dematerialized. Company's shares are frequently traded on The Bombay Stock Exchange Ltd (BSE). The International Securities Identification Number (ISIN) of Company is INE015B01018.

**xiii)** During the year there was no change in Authorised, Issued, Subscribed and Paid up Share Capital of the Company and as on 31<sup>st</sup> March, 2010 the company doesn't have any outstanding GDRs/ADRs/Warrants/ESOP or any convertible instruments. The details of Plant Locations and correspondence Address are set out in this report.

For and on behalf of the Board

Date : 27<sup>th</sup> July, 2010  
Place : Mumbai

Ghisulal D. Rathod  
(Chairman)

# ANNEXURE-II TO DIRECTORS' REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS:

### INDUSTRY OVERVIEW:

Fiscal year 2009-10 was a promising year for the Plastic Industry. After the slow down of previous year the Industry has again come back with all around growth in consumer demands. The players has observed that with the rise in education, mass media and consumer awareness there were phased changes in the likes of consumers and the demand pattern was found to be shifted from cost conscious products to branded quality products. As a result of the change in demand pattern there was steep rise in the consumption of branded quality products. Plastic being one of the easy to recycle commodity, we are expecting wider scope for the increase in demands of Plastic Products by Retail and Industrial users.

### OPPORTUNITIES AND THREATS:

When there is challenge there is an opportunity. The present consumer market for plastic products is highly competitive and there was sharp change in consumption pattern of retail and industrial consumers.

Our Company is amongst the largest brand player of the country for Plastic Moulded Furnitures and cello Bubble Guard Sheets. We are producing varieties of range of Moulded Furnitures i.e. Chairs, Tables, Stools, Crates including the premium range of products. Also we have developed multiple applications of cello Bubble Guard Sheets for Tile Protector, False Ceiling, Wall Panel and Packaging Materials.

The brand 'cello' has won customers' faith which is evident by market demand for our products and our financials. There is ample scope for our Moulded Furnitures and Bubble Guard Sheets products in the consumer market and we are in the process of expansion of production facilities and development of additional market for our products.

The prime areas of concerns about our business are frequent fluctuations in prices of raw materials and changes in consumer expectations. Also the business is under pressure of reduction in prices with the increase in quality of products to fetch customer satisfaction.

### RISKS AND CONCERNS:

The core risk for our segment is the rise in unorganized manufacturers. The market is crowded with unorganized local manufacturers, who supply inferior quality products at lower prices and due to this there is constant pressure of margins and price control upon the manufacturers of branded quality products.

Besides all the constraints our Company is ready to face these risks by adoption of risk management and mitigation policies and strategic development plans.

### INTERNAL CONTROL SYSTEM:

Company has deployed adequate internal control system commensurate with the size of the Company. The system provides for internal control in all spheres of operations, sound and transparent financial reporting process, quality, improvements and cost controls, compliance management system for due compliance of applicable laws.

Internal Audit work is assigned to independent Chartered Accountant firm M/s Jeswani & Rathore with wide scope of audit assignment. Internal controls systems were also verified by Statutory Auditors M/s Bharat P. Shah & Co. and the observations of Statutory Auditors with respect to internal control systems were satisfactory.

Audit Committee is constituted in accordance with provisions of Section 292A of Companies Act, 1956 and Clause 49 of Listing Agreement with Stock Exchanges. The committee periodically meets to observe control systems, to note the comments of Internal and Statutory Auditors, if any, about the control systems. Committee keeps Board well informed about the prevailing control systems with their valuable suggestions for improvements.

### FINANCIAL HIGHLIGHTS:

Company has delivered most awaited performance with expansion in all spheres of operations.

### TURNOVER:

Total turnover has reached to Rs. 142 crores which depicts all time high figures since inception of the Company. The key grounds for rise in turnover rests with company's policies of providing quality products to customers by launching of new range of products to suit consumer tastes and strengthening of distribution channel throughout the country.

### PROFIT AFTER TAX:

Fiscal 2009-10 reported Profit After Tax of Rs. 17 Crores amounted to the highest profitability during the history of our Company. Developments in production equipments by replacement of system with newly innovated machines, cost controls, operational efficiency and utilization of unused capacity are the influential factors of the fantastic financials.

### EARNING PER SHARE:

The report depicts manifold rise in Earning per Share which is Rs. 28.35 indicating maximization of Shareholders' wealth.

### FINANCIAL POSITION AT GLANCE:

(Rupees in Lacs)					
Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Gross Fixed Assets	5,757.44	5,734.90	5,662.98	5,893.07	6,556.27
Net Fixed Assets	3,283.51	3,068.07	2,948.55	2,878.87	3,404.24
Investments	4.40	0.10	0.10	301.93	175.82
Inventories	1,466.63	1,428.22	1,282.15	1,282.24	1,992.66
Debtors	1,047.21	864.24	963.91	864.20	1,226.89
Other Current Assets	1,240.13	1,164.40	1,115.68	1,129.08	1,247.48
Loan Funds	1,385.68	1,055.58	584.04	15.98	16.29
Current Liabilities & Provisions	663.02	405.54	522.55	682.36	778.97
Equity Capital	600.17	600.17	600.17	600.17	600.17
Reserves & Surplus	4,209.72	4,164.91	4,265.83	4,820.36	6,241.60
Net Worth	4,809.89	4,765.08	4,866.00	5,420.53	6,841.77

# ANNEXURE-II TO DIRECTORS' REPORT

## SUMMARY OF OPERATIONS :

(Rupees in Lacs)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Sales	6,261.29	6,106.06	8,003.20	10,190.03	14,202.23
Other Income	153.06	173.23	177.41	(2.44)	38.60
Excise Duty & Sales Tax	666.66	795.47	931.85	993.32	1,154.60
Material Cost	4,047.29	3,995.58	5,028.56	6,169.71	8,760.71
(Increase) / Decrease in Stock	(86.67)	(334.95)	122.31	128.44	(52.47)
Manufacturing, Selling & Other Exp.	1,086.76	1,063.62	1,202.53	1,429.45	1,808.19
Interest	57.45	120.20	115.60	52.89	13.59
Depreciation	352.45	379.22	354.50	298.30	302.23
<b>Profit Before Tax</b>	<b>290.42</b>	<b>260.16</b>	<b>425.25</b>	<b>1,115.48</b>	<b>2,253.97</b>
Tax Expenses	109.07	94.62	120.05	315.20	552.60
<b>Net Profit After Tax</b>	<b>181.35</b>	<b>165.54</b>	<b>305.20</b>	<b>800.28</b>	<b>1,701.37</b>

## RATIOS :

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
PBT / Turnover %	4.64%	4.26%	5.31%	10.95%	15.87%
Return (PBIT) on Capital Employed %	5.61%	6.53%	9.92%	21.49%	33.06%
Return on average Net Worth	3.91%	3.48%	6.40%	14.76%	24.87%
Book Value per share (Rs.)	80.14	79.40	81.08	90.32	114.00
Dividend (%)	35.00%	30.00%	30.00%	35.00%	40.00%
Dividend per share (Rs.)	3.50	3.00	3.00	3.50	4.00*
Earning per share (Rs.)	3.02	2.76	5.19	13.33	28.35

\* Proposed Dividend

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The employees are key assets of the Company which can always be appreciated and there should not be any Depreciation of the key assets of Human Resource. Our efforts are intended towards healthy work environment. Trainings were provided to employees at all levels by seminars, group discussion and participation in exhibitions, knowledge sharing and experts' advice for operational and technical aspects. Since we have attained the healthy work environment our organization didn't fall sick, as a result of this we have gained the remarkable results. Industrial relations with employees were cordial. Our total employee strength is of 250 employees.

## OUTLOOK:

Our continuous focus on consumer satisfaction has paid handsome reward to the Company and to the consumers. In the coming years we are occupying ourselves with the vision of retaining of our leading brand position. The consumer demands were expected to rise for branded quality products with various applications. The Company is focusing on capturing of untapped domestic and global consumer markets by delivering optimal performance to serve the market expectations.

## CAUTIONARY STATEMENT:

The statements made in this Management Discussion and Analysis were of the best judgment of management but the ultimate results may differ from estimates which is due to several factors like Government Policies, Economic Conditions in the Country, Demand and Supply changes, Changes in Management Policies etc which could lead to difference between the projections and actual results.

For and on behalf of the Board

Date : 27<sup>th</sup> July, 2010  
Place : Mumbai

Ghisulal D. Rathod  
(Chairman)

# ANNEXURE-II TO DIRECTORS' REPORT

## CEO/CFO CERTIFICATION

To,

The Board of Directors,

**WIM PLAST LIMITED.**

S. No. 324/4 to 7, Village Kachigam,

Nani Daman,

Daman-396 210.

We hereby certify that for the financial year, ending 31st March, 2010 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
- 2) 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.
- 3) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- 4) We accept responsibility for establishing and maintaining internal controls. 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 internal controls, if any, of which we were aware and the steps we have taken or propose to take to rectify those deficiencies.

**We further certify that:**

- 1) There have been no significant changes in internal control during the year;
- 2) There have been no significant changes in accounting policies during the year.
- 3) There have been no instances of significant fraud of which we were aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**Pradeep G. Rathod**  
(CEO)

**Madhusudan Jangid**  
(CFO)

**Date : 27<sup>th</sup> May, 2010**

**Place : Mumbai**

## DECLARATION

I, Pradeep Rathod, CEO of the Company do hereby declare that all the Board Members and senior management personnel have affirmed compliance with the code of conduct of the company on an annual basis.

**Pradeep G. Rathod**  
(CEO)

**Date : 27<sup>th</sup> May, 2010**

**Place : Mumbai**

## REPORT ON CORPORATE GOVERNANCE

To,

The Members,

**WIM PLAST LIMITED.**

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended March 31, 2010, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

We further state that our examination of 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 HS Associates**  
**Company Secretaries**

**Hemant Shetye**  
(Partner)

**FCS - 2827**

**COP - 1483**

**Date : 27<sup>th</sup> July, 2010**

**Place : Mumbai**

# AUDITORS' REPORT

TO THE MEMBERS OF WIM PLAST LTD.

- (1) We have audited the attached Balance Sheet of **WIM PLAST LTD.**, as at 31st March, 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditor's Report) order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the enclosed annexure a statement on the matters specified in the paragraph 4 and 5 of the said order.
- (4) Further to our comments in the Annexure referred to in paragraph (3) above, we report that :-
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
  - (b) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of such books ;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account ;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act , 1956 , to the extent applicable;
  - (e) According to the information and explanations given to us and on the basis of written representation received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2010 from being appointed as a Director in terms of section 274 (1) (g) of the Companies Act, 1956 ;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and also 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 31st March, 2010 ;
    - II. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - III. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Date : 27<sup>th</sup> May, 2010

Place : Mumbai

**For Bharat P.Shah & Co.**  
Chartered Accountants  
Registration No. FRN 109517W

**Bharat P. Shah**  
Proprietor  
Membership No.33530

# ANNEXURE TO AUDITORS' REPORT

1. In respect of its fixed assets :
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. Fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
  - c. In our opinion, during the year the Company has not disposed off substantial part of its fixed assets and the going concern status of the Company is not affected.
2. In respect of its inventories :
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management are found reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company has maintained proper records of inventories. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to book records and the Inventories have been properly dealt with in the books of account.
3. During the year the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit we have not observed any major weaknesses in internal controls.
5. a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of transactions that need to be entered into the register in pursuance of Section 301 of Companies Act, 1956 have been entered.
  - b. In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public.
7. The Company has an adequate internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of Companies Act, 1956.
9. a. According to information and explanation given to us on the basis of our examination of the records of the company , amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Excise Duty ,Service Tax, Custom Duty and other material statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities.
  - b. The details of disputed statutory dues are as followings:

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where Dispute is pending
Service Tax Act - 1994.	Service Tax	3,40,340/-	2006-07	Appellate Tribunal (Custom Excise & Service Tax)
Central Excise Act - 1944.	Excise Duty	92,356/-	2006-07	Custom Excise & Service Tax - Appeal

10. The Company does not have accumulated losses, has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. Based on the audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. There are no dues payable to any financial institution or debenture holders.

## ANNEXURE TO AUDITORS' REPORT

12. In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of the security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
14. The business of the Company is not of dealing in or trading in shares, securities, debentures, or other Investments.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not obtained any Term Loans.
17. Funds raised on short-terms basis have not been used for long-term investments.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued debentures during the year.
20. During the year, the Company has not raised money by way of public issue.
21. Based on the audit procedures performed by us and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Bharat P. Shah & Co.**

Chartered Accountants

Registration No. FRN 109517W

**Bharat P. Shah**

Proprietor

Membership No. 33530

**Date : 27<sup>th</sup> May, 2010**

**Place : Mumbai**



# BALANCE SHEET

as at 31<sup>st</sup> March, 2010

Amount in Rupees

	SCHEDULE	2009-2010	2008-2009
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUND</b>			
Share Capital	1	60,016,800	60,016,800
Reserves & Surplus	2	624,160,247	482,035,617
		<u>684,177,047</u>	<u>542,052,417</u>
<b>LOAN FUNDS</b>			
Unsecured Loans	3	1,628,706	1,598,324
<b>DEFERRED TAX LIABILITY (Net)</b>			
(See Schedule - 19, Note -11)		41,006,000	33,746,000
<b>TOTAL FUNDS EMPLOYED</b>			
		<u><b>726,811,753</b></u>	<u><b>577,396,741</b></u>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	655,626,574	589,307,100
Less : Depreciation		318,817,228	302,406,545
Net Block		<u><b>336,809,346</b></u>	<u><b>286,900,555</b></u>
Add : Capital Work in Progress		3,614,688	986,641
		<u>340,424,034</u>	<u>287,887,196</u>
<b>INVESTMENTS</b>			
	5	17,581,742	30,192,664
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	6	199,266,417	128,224,008
Sundry Debtors	7	122,688,776	86,419,926
Cash & Bank Balances	8	24,826,186	15,845,230
Loans & Advances	9	99,921,820	97,063,221
		<u><b>446,703,199</b></u>	<u><b>327,552,385</b></u>
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	10	47,168,323	41,129,594
Provisions	11	30,728,899	27,105,910
		<u><b>77,897,222</b></u>	<u><b>68,235,504</b></u>
<b>NET CURRENT ASSETS</b>			
		<u>368,805,977</u>	<u>259,316,881</u>
<b>TOTAL FUNDS APPLIED</b>			
		<u><b>726,811,753</b></u>	<u><b>577,396,741</b></u>

As per our report of even date

**For Bharat P. Shah & Co.**  
Chartered Accountants  
Registration No. FRN 109517W

**Bharat P. Shah**  
Proprietor  
M. No. : 33530

Mumbai : May 27, 2010

For and on behalf of the Board

**Ghisulal D. Rathod**  
Chairman

**S.M. Khinvesra**  
Director

Mumbai : May 27, 2010

**Pradeep G. Rathod**  
Managing Director

**Kapil D. Joshi**  
Company Secretary



# PROFIT & LOSS ACCOUNT

for the financial year ended 31<sup>st</sup> March, 2010

Amount in Rupees

	SCHEDULE	2009-2010	2008-2009
<b>INCOME :</b>			
Sales	12	1,420,222,508	1,019,002,586
Less : Excise Duty		79,548,602	79,656,076
Less : Sales Tax		35,911,652	19,676,160
Net Sales		<b>1,304,762,254</b>	<b>919,670,350</b>
Other Income	13	2,860,445	2,740,933
Profit / (Loss) on Sale of Fixed Assets		999,749	(2,984,957)
<b>Total (A)</b>		<b>1,308,622,448</b>	<b>919,426,326</b>
<b>EXPENDITURE</b>			
Material Cost	14	876,070,735	616,970,769
(Increase) / Decrease in Stock	15	(5,246,624)	12,843,599
Manufacturing, Selling & Other Expenses	16	180,818,947	142,945,147
Interest & Financial Charges	17	1,359,147	5,288,864
Depreciation		30,223,187	29,829,524
<b>Total (B)</b>		<b>1,083,225,392</b>	<b>807,877,903</b>
<b>PROFIT BEFORE TAX</b>	<b>(A) - (B)</b>	225,397,056	111,548,423
<b>PROVISION FOR TAXATION</b>			
I) Current Tax		48,000,000	31,128,000
II) Deferred Tax ( Net )		7,260,000	(58,000)
III) Fringe Benefit Tax		-	450,000
		<b>55,260,000</b>	<b>31,520,000</b>
<b>PROFIT AFTER TAX</b>		<b>170,137,056</b>	<b>80,028,423</b>
Less :Short Provision for Taxation		18,490	-
<b>PROFIT AVAILABLE</b>		<b>170,118,566</b>	<b>80,028,423</b>
Balance brought forward from Previous Year		265,532,649	218,180,056
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>		<b>435,651,215</b>	<b>298,208,479</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		24,006,720	21,005,880
Provision for Dividend Tax		3,987,216	3,569,950
Transfer to General Reserve		17,100,000	8,100,000
Surplus carried to Balance Sheet		390,557,279	265,532,649
		<b>435,651,215</b>	<b>298,208,479</b>
Significant Accounting Policies	18		
Notes to Accounts	19		
Basic Earning Per Share ( on Rs.10/- per share)		28.35	13.33
Diluted Earning Per Share ( on Rs.10/- per share)		28.35	13.33
(see schedule - 19, Note - 12)			

As per our report of even date

**For Bharat P. Shah & Co.**  
Chartered Accountants  
Registration No. FRN 109517W

**Bharat P. Shah**  
Proprietor  
M. No. : 33530

Mumbai : May 27, 2010

For and on behalf of the Board

**Ghisulal D. Rathod**  
Chairman

**S.M. Khinvesra**  
Director

Mumbai : May 27, 2010

**Pradeep G. Rathod**  
Managing Director

**Kapil D. Joshi**  
Company Secretary

# CASH FLOW STATEMENT

For the financial year ended 31<sup>st</sup> March, 2010

Amount in Rupees

	2009-2010	2008-2009
<b>A. Cash flow from operating activities</b>		
Net Profit before tax and extraordinary	225,397,056	111,548,423
Adjustment for :		
Depreciation	30,223,187	29,829,524
Other Income	(2,860,445)	(2,740,933)
Interest & Financial Charges	1,359,147	5,288,864
(Profit) & Loss on sale of fixed assets	(999,749)	2,984,957
	27,722,140	35,362,412
<b>Operating profit before working capital changes</b>	<b>253,119,196</b>	<b>146,910,835</b>
Adjustments for :		
(Increase) / Decrease in trade & other receivables	(36,268,850)	9,995,217
(Increase) / Decrease in Inventories	(71,042,409)	(9,388)
(Increase) / Decrease in Loans & Advances	(2,858,599)	723,056
Increase in trade payable & Others	6,273,994	7,675,440
	(103,895,864)	18,384,325
<b>Cash generated from operations</b>	<b>149,223,332</b>	<b>165,295,160</b>
Tax Paid	(48,018,490)	(24,045,201)
Financial Charges	(1,359,147)	(5,187,090)
<b>Net cash from operating activities</b>	<b>99,845,695</b>	<b>136,062,869</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(84,129,777)	(29,331,121)
Interest paid on Term Loan	-	(101,774)
Purchase of Investments	-	(30,182,664)
Sale of Investments	12,610,923	10,000
Other Income received	2,860,445	2,740,933
Sale of fixed assets	2,369,500	3,484,665
<b>Net cash flow from investing activities</b>	<b>(66,288,909)</b>	<b>(53,379,961)</b>
<b>C. Cash flow from financing activities</b>		
Short term borrowings	-	(56,806,129)
Dividend Paid	(21,005,880)	(18,005,040)
Dividend Tax Paid	(3,569,950)	(3,059,957)
<b>Net cash flow from financing activities</b>	<b>(24,575,830)</b>	<b>(77,871,126)</b>
<b>Net Increase/(Decrease) in cash and cash equivalent (A+B+C)</b>	<b>8,980,956</b>	<b>4,811,782</b>
Opening balance of cash and cash equivalents	15,845,230	11,033,448
<b>Closing balance of cash and cash equivalents</b>	<b>24,826,186</b>	<b>15,845,230</b>

As per our report of even date

**For Bharat P. Shah & Co.**  
Chartered Accountants  
Registration No. FRN 109517W

**Bharat P. Shah**  
Proprietor  
M. No. : 33530

Mumbai : May 27, 2010

For and on behalf of the Board

**Ghisulal D. Rathod**  
Chairman

**S.M. Khinvesra**  
Director

Mumbai : May 27, 2010

**Pradeep G. Rathod**  
Managing Director

**Kapil D. Joshi**  
Company Secretary

# SCHEDULES

Forming part of the accounts for the financial year 2009-10

Amount in Rupees

## SCHEDULE - 1

### SHARE CAPITAL

#### Authorised

7,000,000 Equity Shares of Rs.10/- Each

(Previous Year 7000000 Equity Share of Rs.10/- each)

#### Issued, Subscribed & Paid Up

6001680 Equity Shares of Rs.10/- each fully paid up

## SCHEDULE - 2

### RESERVES & SURPLUS

#### Capital Reserve

#### Securities Premium Account

#### General Reserve

Balance brought forward from previous year

Add : Tranfer from Profit and Loss Account

#### Profit & Loss Account

(As per Profit & Loss Statement)

## SCHEDULE - 3

### UNSECURED LOANS

Deposits from Dealers

## SCHEDULE - 4

### FIXED ASSETS

{ Amount in Rupees }

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2009	Additions / Adjustments	Deductions / Adjustments	As on 31.03.2010	Up to 01.04.2009	Depreciation for the Year	Deductions / Adjustments	Total Depreciation	Wdv 31.03.2010	Wdv 31.03.2009
Freehold Land	6,743,070	-	-	6,743,070	-	-	-	-	6,743,070	6,743,070
Buildings	61,773,278	548,214	-	62,321,492	11,035,353	2,027,776	-	13,063,129	49,258,363	50,737,925
Plant & Machinery	285,428,660	44,228,110	8,169,714	321,487,056	88,344,429	18,228,958	7,286,915	99,286,472	222,200,584	197,084,231
Furniture & Fixtures	8,477,636	-	-	8,477,636	4,339,313	530,728	-	4,870,041	3,607,595	4,138,323
Moulds	217,332,538	34,880,085	6,259,992	245,952,631	191,984,739	8,984,749	6,259,991	194,709,497	51,243,134	25,347,799
Office Equipments	7,566,279	436,641	-	8,002,920	5,586,041	294,719	-	5,880,760	2,122,160	1,980,238
Vehicles	1,985,639	1,408,680	752,550	2,641,769	1,116,671	156,257	265,599	1,007,329	1,634,440	868,968
<b>Total - Current Year</b>	<b>589,307,100</b>	<b>81,501,730</b>	<b>15,182,256</b>	<b>655,626,574</b>	<b>302,406,545</b>	<b>30,223,187</b>	<b>13,812,505</b>	<b>318,817,228</b>	<b>336,809,346</b>	<b>286,900,555</b>
<b>Total - Previous Year</b>	<b>566,298,096</b>	<b>30,338,055</b>	<b>7,329,051</b>	<b>589,307,100</b>	<b>273,436,450</b>	<b>29,829,524</b>	<b>859,429</b>	<b>302,406,545</b>		
<b>Add- Capital Work in Progress</b>	-	-	-	-	-	-	-	-	3,614,688	986,641
<b>Grand Total</b>	-	-	-	-	-	-	-	-	<b>340,424,034</b>	<b>287,887,196</b>

## SCHEDULE -5

### INVESTMENTS

#### SHORT TERM INVESTMENTS

#### Unquoted Investments at Net Asset Value

SBI SHF Ultra Short Term Fund Institutional Plan

(1757119.97 Unit @ Rs. 10.0060 each)

(Previous Year 3017757.516 Units @ Rs. 10.0050 each)



# SCHEDULES

Forming part of the accounts for the financial year 2009-10

Amount in Rupees

## SCHEDULE - 6

### INVENTORIES

(As valued & certified by the Management)

	2009-2010	2008-2009
i) Packing Materials, Stores and Consumables	3,383,585	3,892,050
ii) Raw materials	144,805,779	78,501,530
iii) Finished Goods	51,077,053	45,830,428
	<u>199,266,417</u>	<u>128,224,008</u>

## SCHEDULE - 7

### SUNDRY DEBTORS (UNSECURED, CONSIDERED GOOD)

a) Outstanding for a period exceeding six months and Considered Good	13,799,180	15,280,032
b) Other Debts (Considered Good)	108,889,596	71,139,894
	<u>122,688,776</u>	<u>86,419,926</u>

## SCHEDULE - 8

### CASH & BANK BALANCES

Cash in hand	3,441,725	4,381,318
<b>Balances with Schedule Banks</b>		
In Current Accounts	14,405,600	4,841,166
In Deposit Accounts	6,504,696	6,177,353
Interest accrued on deposits	474,165	445,393
	<u>24,826,186</u>	<u>15,845,230</u>

## SCHEDULE - 9

### LOANS & ADVANCES

(Unsecured, Considered Good)

Advances recoverable in Cash or in kind or for value to be received	88,858,120	100,451,166
Loans	10,000,000	-
Advance Tax & TDS receivable (Net of Provisions)	1,063,700	(3,387,945)
	<u>99,921,820</u>	<u>97,063,221</u>

## SCHEDULE - 10

### CURRENT LIABILITIES

Sundry Creditors		
- Due to Micro, Small and Medium Enterprises (see schedule - 19, note - 9)	2,688,784	3,358,603
- Other Creditors	10,016,640	18,277,935
Unclaimed Dividend	1,419,044	1,376,568
Other Liabilities	21,222,240	11,023,980
Advances from Customers	11,821,615	7,092,508
	<u>47,168,323</u>	<u>41,129,594</u>

# SCHEDULES

Forming part of the accounts for the financial year 2009-10

Amount in Rupees

## SCHEDULE - 11

### PROVISIONS

Provision for Employees' Benefits	2,734,963	2,530,080
Proposed Dividend	24,006,720	21,005,880
Dividend Tax	3,987,216	3,569,950
	<u>30,728,899</u>	<u>27,105,910</u>

## SCHEDULE - 12

### SALES

Sales (Net of Returns)	1,420,131,705	1,018,589,305
Moulding Charges (TDS Rs.395.00 [P.Y. Rs. 9,894.00] )	90,803	413,281
	<u>1,420,222,508</u>	<u>1,019,002,586</u>

## SCHEDULE - 13

### OTHER INCOME

Interest (TDS Rs.2,76,861.00 [P.Y. Rs. 1,03,662.00] )	1,910,366	519,790
Commission Received (TDS Nil [P.Y. Rs. 1,84,364.00] )	-	1,594,479
Dividend received on Investments	289,079	192,664
Rent received	126,000	84,000
Mould Hire Charges (TDS Rs.41200.00 [P.Y. Rs. 41,200.00] )	200,000	200,000
Bad Debts w/off earlier now recovered	335,000	150,000
	<u>2,860,445</u>	<u>2,740,933</u>

## SCHEDULE - 14

### MATERIAL COST

Opening Stock of Raw Materials	78,501,530	67,184,263
Add : Purchase of Raw Materials (Net)	818,773,845	516,604,795
Less : Closing Stock of Raw Materials	144,805,779	78,501,530
	<u>752,469,596</u>	<u>505,287,528</u>
Raw Materials Consumed	123,601,139	111,683,241
Add : Purchases for Resale	876,070,735	616,970,769
	<u>876,070,735</u>	<u>616,970,769</u>

## SCHEDULE - 15

### (INCREASE) / DECREASE IN STOCK

Opening Stock - Manufactured Goods	43,149,589	55,598,647
- Goods for Resale	2,680,840	3,075,381
Closing Stock - Manufactured Goods	50,032,347	43,149,589
- Goods for Resale	1,044,706	2,680,840
	<u>(5,246,624)</u>	<u>12,843,599</u>

# SCHEDULES

Forming part of the accounts for the financial year 2009-10

Amount in Rupees

## SCHEDULE - 16

### MANUFACTURING, SELLING & OTHER EXPENSES

Stores Consumed	4,072,640	4,024,960
Packing Materials Consumed	17,910,868	11,828,940
Salaries, Wages & Bonus	29,204,843	22,958,598
Managerial Remuneration	4,50,000	-
Company's Contribution to PF & Other Funds	1,609,660	1,706,392
Workmen & Staff welfare expenses	1,348,540	1,300,177
Power & Fuel	36,593,325	30,756,139
Labour job Charges	7,512,994	7,779,626

### Repairs & Maintenance :

a) Buildings	2,192,507	217,567
b) Plant & Machinery	4,204,983	2,880,021
c) Others	1,245,387	859,585
Rent	832,500	228,000
Rates & Taxes	207,552	230,913
Insurance	1,323,000	1,228,439
Keyman Insurance	1,493,422	1,493,422
Legal & Professional Charges	3,380,848	2,042,654
Auditors' Remuneration	517,307	441,715
Travelling & Conveyance	5,764,483	4,353,787
Transportation	9,361,256	8,648,556
Advertisement, Publicity & Business Promotion	16,926,846	4,244,654
Commission on Sales	6,157,413	6,263,390
Cash & Scheme Discounts	11,082,921	8,706,208
Telephone Expenses	1,306,230	1,297,563
Postage & Courier Charges	514,290	470,461
Leases Rent	3,300,000	3,300,000
Royalty	828,840	829,170
Printing & Stationery	627,523	511,190
Bad Debts Written Off.	8,005,226	11,147,894
Foreign Exchanges Fluctuations	40,059	472,791
Sitting Fees paid to Directors	160,000	95,000
Miscellaneous Expenses	2,643,484	2,627,335
	<u>180,818,947</u>	<u>142,945,147</u>

## SCHEDULE - 17

### INTEREST & FINANCIAL CHARGES

On Term Loan	-	101,774
On Others	1,359,147	5,187,090
	<u>1,359,147</u>	<u>5,288,864</u>

# SCHEDULES

Forming part of the accounts for the financial year 2009-10

## SCHEDULE 18

### SIGNIFICANT ACCOUNTING POLICIES :

#### 1. Basis of Preparation of Financial Statement:

- The Accounts are prepared on Historical cost convention on an accrual basis.
- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure regarding contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts and advances, obligation under employees retirement benefits and Income Tax.
- The financial statement are prepared to comply in all material respect with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and provision of companies Act, 1956.

#### 2. Use of Estimates:

Accounting estimate could change from period to period and actual results may defer from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in the circumstances. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### 3. Fixed Assets:

Fixed assets (other than "Freehold land" where No depreciation is charged) are state at cost less accumulated depreciation, cost of acquisition is inclusive of purchase price and any directly attributable cost of bringing the assets to working condition. Cenvat receivable, if any on plant & machinery and moulds has been reduced from the cost of acquisition of the assets

#### 4. Depreciation:

Depreciation on Fixed Assets is provided on "Straight Line Method" at rates prescribed in schedule XIV to the Companies Act, 1956.

#### 5. Inventories:

Raw Materials – At cost or market value, whichever is lower. The cost of Raw Materials are arrived at after reducing the cenvat, education cess, secondary education cess and value added tax, availed on it.

Finished goods – At cost or net realizable value, whichever is lower. The valuation of closing stock of finished goods is in accordance with AS-2 and includes the excise duty payable & the excise duty element has been charged to the Profit and Loss Account. Trading stock is maintained at net of value added tax.

Packing Materials, stores, spares and consumable are stated at cost or market value, whichever is lower.

#### 6. Investments:

Long - term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such diminution is permanent in nature.

Short-term Investments are made in SBI Liquid Fund and are stated at Net Asset Value. During the year units worth Rs.13,57,89,078/- (Previous year Rs. 5,76,92,664/-) were purchased and units worth Rs.14,84,00,000/- (Previous Year Rs. 2,75,00,000/-) were sold.

#### 7. Revenue Recognition:

Revenue is accounted for an accrual basis unless otherwise stated. Sale of products are recognized when the product are dispatched and sales are net of returns & discounts.

#### 8. Lease:

Leases where the lessor effectively retains substantially all the risk and benefit of ownership of the lease term are classified as operating lease. Lease rent under operating leases are recognised in the profit and loss account on a straight-line basis.

#### 9. Foreign Currency Transactions :

Foreign Currency loans / liabilities are stated in the accounts at the end of the year based on the prevailing exchange rates.

Foreign Exchange differences and charges on forward contracts are adjusted to profit and loss account.

#### 10. Employee Benefits:

##### a) Post -employment benefit plans

##### 1) Defined contribution plan

Contribution to Provident fund, Employee State Insurance Corporation and Superannuation fund are recognized as expense when employees have rendered services.

##### 2) Defined benefit Plan

Defined benefit Plans are determined by using the project unit credit method with actuarial valuation being carried out at the balance sheet date.

Actuarial gains / losses are recognized in full in the profit & loss accounts for the period in which they accrue.

##### b) Short term employment benefits

The undisclosed amount of short term employee benefits are expected to be paid in exchange for the services rendered by the employee is recognized during the period when the employee renders the services. These benefits include compensated absences such as leave salary and performance incentives.

#### 11. Taxation:

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, 1961.

Deferred tax Asset / liability is calculated by applying the applicable tax rate as at balance sheet date. Deferred tax adjustments on account of timing difference are recognized only to the extent there is reasonable certainty of realization. At the Balance Sheet date, carrying amount of deferred tax assets / liability is reviewed and necessary adjustments to assets / liabilities are made.

#### 12. Borrowing Costs:

Borrowing Costs are attributable to the acquisition of qualifying fixed assets are capitalized as part of the cost of such assets till such assets are put to use. All other borrowing costs are charged to Profit and Loss account. There was no Borrowing During the year.

#### 13. Impairment of Assets:

The carrying amounts of assets are reviewed at balance sheet date. If there is any indication of impairment based on internal / external factors, i.e. when the carrying amount of assets exceeds the recoverable amount, an impairment loss is charged to the profit & Loss account in the year in which the asset is identified as impaired. An impairment loss recognized in prior accounting period is reversed or reduced if there has been a favorable change in the estimate of the recoverable amount. There was no impairment of assets during the year.

#### 14. Provisions, Contingent Liabilities and Contingent Assets:

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognized or disclosed in the financial statements.

# SCHEDULES

Forming part of the accounts for the financial year 2009-10

## SCHEDULE 19

### NOTES TO ACCOUNTS

Particulars	2009-2010		(Rupees in Lacs) 2008-2009	
<b>(1) Contingent Liabilities not provided for :</b>				
[ a ] Outstanding letters of credit	56.31		115.68	
[ b ] Guarantees issued by Company's Bankers in favour of Central & State Government and other Statutory Authorities	162.75		162.75	
[ c ] Contingent liability in respect of :				
1) Income Tax Matters.	-		4.44	
2) Sales Tax Matters.	0.92		-	
3) Service Tax	3.40		-	
[ d ] Export Duty Saved under EPCG Scheme	418.66	642.04	418.66	701.53
<b>(2) Estimated amount of capital contracts to be executed and not provided {Net of Advances Rs. 36.15 Lacs (Pr.Yr Rs.9.87 Lacs) }</b>		29.67		39.85
<b>(3) Auditors' remuneration</b>				
Audit Fees		2.80		2.50
Tax Audit Fees		0.90		0.80
Other Matters		0.99		0.70
Service Tax		0.48		0.42
		<b>5.17</b>		<b>4.42</b>

#### (4) Computation of Net Profit in accordance with Section 349 & 198 of Companies Act, 1956 for the F.Y. ended on 31<sup>st</sup> March, 2010.

Particulars	(Rs. in Lacs) Amount	
<b>Net Profit Before Tax</b>		2,253.97
<b>Add :</b>		
a) Depreciation as per Profit and Loss Account	302.23	
b) Managerial Remuneration	4.50	306.73
		<b>2560.70</b>
<b>Less :</b>		
a) Depreciation as per Section 350 of Companies Act, 1956	302.23	
b) Profit on sale of Fixed Assets as per Profit and Loss Account	10.00	312.23
<b>Net Profit as per Section 198 (Read with Section 349) of the Companies Act, 1956</b>		<b>2,248.47</b>
Maximum remuneration permissible (i.e. 5%)		<b>112.42</b>
Remuneration paid / payable to Managing Director (From 01.07.2009 to 31.03.2010 - excluding company's contribution to Gratuity Fund)		<b>4.50</b>

#### 5) Particulars in respect of goods manufactured and installed capacity:

##### a) Licensed, Installed and Production Capacity

Particulars	2009-2010			2008-2009	
	Licensed Tonnes	Installed Tonnes	Production Tonnes	Installed Tonnes	Production Tonnes
Plastic Moulded and Extruded articles	( N.A.)	21,440.00	13,460.80	19,233.00	8,562.62
Note:	Production includes articles produced by other manufacturers on the job work basis by third parties 2.11 MT. (P.Y 422.00 MT.) Production included articles produced by the company on behalf of others on job basis 8.02 MT. (P.Y.22.05 MT.) Installed capacity includes Nil tonnes (P.Y. 1624 tonnes) available as obtained on lease unit.				

##### b) Opening Stock, Sales and Closing Stock

Items	Opening Stock		Sales		Closing Stock	
	Qty	Amount	Qty	Amount	Qty	Amount
	in Pcs	Rs. In Lacs	in Pcs	Rs. In Lacs	in Pcs	Rs. In Lacs
<b>Manufacturing Details</b>						
Plastic Moulded and Extruded Articles	618,924 (809,089)	431.50 (555.99)	8,289,790 (5,329,546)	12,286.36 (8,445.51)	387,447 (618,924)	500.32 (431.50)
Others	-	-	-	232.54 (262.40)	-	-
<b>Trading Details</b>						
Plastic Moulded and Extruded Articles	16,778 (17,237)	26.81 (30.75)	671,928 (612,746)	1,682.21 (1,477.56)	5,995 (16,778)	10.45 (26.81)
Others	-	-	-	0.20 (0.42)	-	-

Note : Previous year figures are indicated in brackets.



# SCHEDULES

Forming part of the accounts for the financial year 2009-10

## c) Raw Material Consumed

Polypropelene  
Others

2009-2010		2008-2009	
Qty in Tonnes	Rupees in Lacs	Qty in Tonnes	Rupees in Lacs
13,460.80	7,492.88	8,562.62	5,027.04
	31.82		25.84
<b>13,460.80</b>	<b>7,524.70</b>	<b>8,562.62</b>	<b>5,052.88</b>

## d) Purchase of Resale Goods

Plastic Moulded and Extruded Articles  
Others

2009-2010		2008-2009	
Qty in Pcs.	Rupees in Lacs	Qty in Pcs.	Rupees in Lacs
661,145	1,070.39	612,286	991.34
-	165.62	-	125.49
<b>661,145</b>	<b>1,236.01</b>	<b>612,286</b>	<b>1,116.83</b>

## 6) Value of imported and indigenous Raw Material Consumed

Indigenous  
Imported

2009-2010		2008-2009	
Value in Lacs	% of total Consumption	Value in Lacs	% of total Consumption
6,153.74	81.78	4,268.21	84.47
1,370.96	18.22	784.67	15.53
<b>7,524.70</b>	<b>100.00</b>	<b>5,052.88</b>	<b>100.00</b>

## 7) C.I.F. Value of Imports

Capital Goods  
Raw Material

2009-2010 (Rupees in Lacs)		2008-2009 (Rupees in Lacs)	
182.19		70.47	
1,379.23		798.97	
<b>1,561.42</b>		<b>869.44</b>	

## 8) Expenditure in Foreign Currency

Interest Paid  
Travelling Expenses

2009-2010 (Rupees in Lacs)		2008-2009 (Rupees in Lacs)	
-		1.02	
3.21		1.26	
<b>3.21</b>		<b>2.28</b>	

## 9) Amount due to Micro, Small and Medium Enterprises

As per the information available there are no outstanding dues payable to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, for more than 45 days.

(Rupees in Lacs)

Particulars	2009-2010		2008-2009	
	Principal Amount	Interest Amount	Principal Amount	Interest Amount
a) Unpaid Principal & interest thereon.	26.89	Nil	33.59	Nil
b) Delayed payment due.	Nil	Nil	Nil	Nil
c) Interest paid on delayed payment during the year	Nil	Nil	Nil	Nil
d) Interest due on principal amounts paid beyond the due date during the year	Nil	Nil	Nil	Nil
e) Interest accrued but not due	Nil	Nil	Nil	Nil
f) Total interest due but not paid	Nil	Nil	Nil	Nil

The above information has been complied to extent such parties have been identified on the basis of information available with the Company.

## 10) Disclosure of Operating lease

Annual Commitment under Operating Lease are :

Up to 1 year  
Above 1 year and upto 5 years  
More than 5 years

2009-10 Rs. in Lacs	2008-09 Rs. in Lacs
33.00	33.00
66.00	33.00
-	-

# SCHEDULES

Forming part of the accounts for the financial year 2009-10

## 11) Deferred tax

(Rs. In Lacs)

### a) The break up of Net Deferred Asset / Liabilities as on 31st March ,2010.

	2009-2010		2008-2009	
	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets
Difference between Books & Tax Depreciation	424.19	-	344.47	-
Other Misc. Items	-	14.13	-	7.01
<b>Total</b>	<b>424.19</b>	<b>14.13</b>	<b>344.47</b>	<b>7.01</b>
Net Deferred Tax Liabilities	<b>410.06</b>		<b>337.46</b>	
<b>b) Summary of Deferred Tax Liabilities</b>				
Opening Deferred Tax Liabilities	(337.46)		(338.04)	
Add / Less : Deferred Tax Amount Utilised / Created	72.60		(0.58)	
Closing Deferred Tax liabilities	<b>(410.06)</b>		<b>(337.46)</b>	

## 12) EARNING PER SHARE

	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
(a) Net profit after tax available for equity shareholders (Rs./lacs)	1,701.19	800.28
(b) No of Shares	6001680	6001680
(c) Basic/Diluted Earning per Share (Rs.)	28.35	13.33

## 13) DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 (REVISED) "EMPLOYEE BENEFIT" :

### 1 Defined Contribution Plans

During the year, the company has recognised the following amounts in the profit & loss accounts

Sr.No	Particulars	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
1	Employers' Contribution to Provident Fund	11.36	9.56
2	Employers' Contribution to Superannuation Fund	0.24	0.24
3	Employers' Contribution to Employees State Insurance Corporation	1.12	0.84
	<b>Total</b>	<b>12.72</b>	<b>10.64</b>

### 2 Defined Benefit Plans

#### 1 Change in Present Value of Obligation

a) Opening Present Value of Obligation	20.05	16.96
b) Interest Cost	1.40	0.95
c) Current Service Cost	6.36	2.87
d) Benefits Paid	(0.42)	(0.97)
e) Actuarial (Gain)/Loss	(0.24)	0.24
<b>Closing Present Value of Obligation</b>	<b>27.15</b>	<b>20.05</b>

#### 2 Changes in The Fair value of Plan Assets

a) Opening Present Value of Assets	17.50	13.82
b) Expected Return on Plan Assets	1.27	0.55
c) Actuarial (Gain)/Loss	(0.03)	0.24
d) Contributions	8.83	3.86
e) Benefits Paid	(0.42)	(0.97)
<b>Closing Fair Value of Plan Assets</b>	<b>27.15</b>	<b>17.50</b>

### 3 Reconciliation of Present Value of Defined Benefit Obligation and Fair Value of Assets

a) Present Value of Obligation as at the end of the year	27.15	20.05
b) Fair Value of Assets as at the end of the year	27.15	17.50

#### Unfunded Liability Recognised in Balance Sheet

-	2.55
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### 4 Expenses recognised in Profit and Loss account

a) Current Service Cost	6.36	2.87
b) Interest Cost	1.40	0.95
c) Expected Return on Assets	(1.27)	(0.55)
d) Settlement Cost/(Credit)	(3.14)	0.36
e) Net Actuarial/(gain)/loss recognised for the period	(6.15)	0.24
f) Unfunded liability recognised in Profit & Loss Account	-	2.55

#### Total expenses recognised in the Profit and Loss Account

<b>(2.80)</b>	<b>6.42</b>
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# SCHEDULES

Forming part of the accounts for the financial year 2009-10

## 5 Acturial Assumption

a) Discount Rate (per annum)	8%	8%
b) Expected Rate of Return on Assets (per annum)	9%	9%
c) Salary Escalation Rate	5%	5%
d) Mortality Rate	Lic (1994-96) Ultimate	Lic (1994-96) Ultimate

## 14) RELATED PARTY DISCLOSURE ( As identified by the Management )

### (A) Particulars of subsidiary/Associate Companies

Sr. No.	Name of the Related Parties	Nature of Relationship
1)	Cello Writing Instruments And Containers Pvt Ltd.	Associate Company
2)	Cello Household Appliances Pvt Ltd.	do
3)	Cello Pens And Stationary Pvt Ltd.	do
4)	Cello Pens Pvt Ltd.	do
5)	Cello International Pvt. Ltd.	do
6)	Sunkist Moulders Pvt Ltd.	do
7)	Health & Beauty Care Pvt. Ltd	do
8)	Cello Plastic Products Pvt Ltd.	do
9)	Cello Stationary Products Pvt. Ltd.	do
10)	Cello Tips And Pens Pvt. Ltd.	do
11)	Pentek Pen And Stationary Pvt. Ltd.	do
12)	Cello Capital Pvt. Ltd.	do
13)	Cello Infrastructure Ltd.	do
14)	Cello Writing Aids Pvt. Ltd.	do
15)	Mulisha Chemical Works Pvt. Ltd.	do
16)	Mgee Marketing Services Pvt. Ltd.	do
17)	Puroma Pvt. Ltd.	do
18)	Cello Plast	Associate Concern
19)	Cello Plastotech	do
20)	Cello Sales & Marketing	do
21)	Cello World	do
22)	Cello Home Products	do
23)	Cello Houseware	do
24)	Millenium Houseware	do
25)	Cello Oral Hygiene Products	do
26)	Cello Plastic Industrial Works	do
27)	Ghisulal D. Rathod	Key Management Personnel
28)	Pradeep G. Rathod	Key Management Personnel

The above disclosure has been made, inter alia, for the purpose of Regulation 3 (1) (e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997

### (B) Transactions with Related Parties

	(Rupees in Lacs)
1) Purchase of Goods	41.30
2) Sale of Goods	184.97
3) Reimbursement of expenses	2.84
4) Rendering of Labour Job	0.23
5) Purchase of Fixed Assets	38.25
6) Balance included in Current Assets	22.29
7) Balance included in Current Liabilities	20.33
8) Lease Rent paid (Gross)	34.55
9) Royalty paid (Gross)	8.82
10) Rent Received	1.26
11) Managerial Remuneration	4.50

## 15) Segment Reporting

The company deals in one segment .ie. Plastic moulded and extruded articles.

16) The previous year's figure have been regrouped, rearranged and recasted wherever necessary.

## Signatures to Schedule 1 to 19

As per our report of even date  
**For Bharat P. Shah & Co.**  
Chartered Accountants  
Registration No. FRN 109517W

**Bharat P. Shah**  
Proprietor  
M. No. : 33530  
Mumbai : May 27, 2010

For and on behalf of the Board

**Ghisulal D. Rathod**  
Chairman

**Pradeep G. Rathod**  
Managing Director

**S.M. Khinvesra**  
Director

**Kapil D. Joshi**  
Company Secretary

Mumbai : May 27, 2010

# BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

Forming part of the accounts for the financial year 2009-10

(Amount in Rupees )

I Registration Details :	Registration No.	01544	State Code	56
	Balance Sheet Date	31/03/2010		
II Capital raised during the year :	Public Issue	Nil	Right Issue	Nil
	Bonus Issue	Nil	Private Placement	Nil
III Position of Mobilisation and Development of Funds :	Sources of Funds		Total Assets	
	Total Liabilities		804,708,975	
	Paid up Capital		Reserve & Surplus	
	60,016,800		624,160,247	
	Secured Loans		Unsecured Loans	
	Nil		1,628,706	
	Net Fixed Assets		Investment	
	340,424,034		17,581,742	
	Net Current Assets		Miscellaneous Exp.	
	368,805,977		Nil	
Application of Funds	Accumulated Losses			
	Nil			
	Turnover		Total Expenditure	
	1,420,222,508		1,083,225,392	
	Profit / Loss before Tax		Profit / Loss after Tax	
	225,397,056		170,137,056	
	Earning per Share in Rs.		*Dividend rate %	
	28.35		40%	
IV Performance of Company				

\* Proposed Dividend

V Generic Names of Three Principal Products of the Company :

Item Code No.(ITC Code)	Product Description
9401	Plastic Moulded Chairs
9403	Other Plastic Furniture and parts thereof like Stool,Tables etc.
9099	Bubbled Guard Sheet

As per our report of even date

**For Bharat P. Shah & Co.**  
Chartered Accountants  
Registration No. FRN 109517W

**Bharat P. Shah**  
Proprietor  
M. No. : 33530

Mumbai : May 27, 2010

For and on behalf of the Board

**Ghisulal D. Rathod**  
Chairman

**S.M. Khinvesra**  
Director

Mumbai : May 27, 2010

**Pradeep G. Rathod**  
Managing Director

**Kapil D. Joshi**  
Company Secretary

# WIM PLAST LIMITED

Regd Office : S. No. 324/4 to 7, Village Kachigam, Nani Daman, Daman - 396 210.

## PROXY FORM

Reg. Folio No. /Demat Account No. & DP ID : \_\_\_\_\_

I / We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my / our proxy to vote for me / us on my / our behalf at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company to be held on Saturday, 18<sup>th</sup> September, 2010 at 11.00 am at Regd Office, S. No. 324/4 to 7, Village Kachigam, Nani Daman, Daman - 396 210 and at any adjournment(s) thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Signature \_\_\_\_\_

Affix  
stamp  
of Rs.  
1/-

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company , not less than 48 hours before the Meeting.



# WIM PLAST LIMITED

Regd Office : S. No. 324/4 to 7, Village Kachigam, Nani Daman, Daman - 396 210.

## ATTENDANCE SLIP

Reg. Folio No. /Demat Account No. & DP ID : \_\_\_\_\_

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company on Saturday, 18<sup>th</sup> September, 2010 at 11.00 am at Regd Office, S. No. 324/4 to 7, Village Kachigam, Nani Daman, Daman - 396 210.

\_\_\_\_\_  
Member's / Proxy's name in Block Letters

\_\_\_\_\_  
Member's / Proxy's Signature

**Note : Please fill up this attendance slip and hand it over at the entrance of the Meeting hall.**



## About Cello Bubble Guard Sheets :



Cello Bubble Guard Board sheets have triple layer of virgin polypropylene sheets with plain layer on either sides and middle core layer having thermoformed bubbles cones are welded together with specialized technique to get a strong and rigid composite structure which offers remarkable mechanical strengths and properties.

The brief details of the applications of the products are as under :

### 1. Floor Protector

Cello Bubble Guard is effective and cheaper alternate of convention POP. It keeps the tiles protected for longer period and multiple times. And also helps to keep construction site clean from dust. Cello Bubble Guard sheets are light weight and convenient in carrying, laying and removing.

### 2. False Ceiling

Cello Bubble Guard False Ceiling is waterproof, light weight, fire resistant, modular false ceiling, which is alternate of mineral fiber false ceiling. Our tiles are very attractive in design, prefinished and unbreakable. Also it can be cleaned easily.

### 3. Wall Panel

Our product can be fixed directly on the wall as our product is prefinished, no need of colour or polish. Other advantages of our product are waterproof, termite proof and very easy to fix.

### 4. Door Panel / Partitions

Cello Bubble Guard is filler material of various door panel & partitions available in the market. The advantages of our products are like prefinished with many attractive colours, light weight etc. To save wooden unit attached to the wall Cello Bubble Guard Sheets can be used on the ply facing the wall to prevent moisture and termite coming from the wall.

## Book-Post



CRYSTAL FORMS PVT. LTD. (022) 6614 0900/918

If undelivered, please return to :  
Registrar and Transfer Agents  
LINK INTIME INDIA PVT. LTD.  
Unit : **Wim Plast Ltd.**

C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W) Mumbai : 400 078.