BOARD OF DIRECTORS	:	H. C. Parekh	Chairman & Managing Director
		B. C. Parekh	Executive Director
		Akshay Bhatt	Independent Director
		Sandeep Poddar	Independent Director
AUDITORS	:	M/S. B. R. DALAL & CO. Chartered Accountants	
BANKERS	:	Union Bank of India	
FINANCIAL INSTITUTIONS	:	SICOM Investment & Finance Ltd. SICOM Ltd. Maharashtra State Financial Corporation	
REGISTERED OFFICE	:	J-61, Additional M. I. D. C. Area Murbad, Dist. Thane.	
REGISTRAR AND TRANSFER AGENT	:	COMPUTRONICS Financial Services (India) Limited 1, Mittal Chambers, Nariman Point, Mumbai 400 021.	
PLANTS	:	J-61, Additional M. I. D. C. Area Murbad, Dist. Thane. F-4 M. I. D. C. Industrial Area, Murbad, Dist. Thane.	

NOTICE

NOTICE is hereby given that the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Members of TPI INDIA LIMITED will be held at the Registered Office of the Company at Plot No. J-61, Additional MIDC Area, Murbad, Dist. Thane (Maharashtra) on Monday, the 29th day of June, 2009 at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009 a Profit & Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' thereon.

2. To appoint a Director in place of Mr. Hasmukh C. Parekh, who retires by rotation and being eligible, offers himself for reappointment.

3. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBERS OF THE COMPANY.

2. A Proxy in order to be effective shall be deposited at the Registered Office of the Company not less than Forty E hours before the commencement of the Meeting.

3. A Member or his Proxy is requested to bring their copy of this Annual Report to the Meeting as extra copies will not be distributed.

4. Members / Proxies should fill the Attendance Slip for attending the Meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio Number in the Attendance Slip for attending the Meeting.

5. In case of Joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.

6. The Register of Members and Share Transfer books will remain closed from Monday, 22nd day of June, 2009 to Monday, 29th day of June, 2009 both days inclusive.

7. Members are requested to send their queries, if any on the accounts and operations of the Company at the Registered Office of the Company at least 7 days before the Annual General Meeting.

Place : Mumbai

Date : 21st May, 2009

For and on behalf of Board

H. C. PAREKH

Chairman

DIRECTORS' REPORT

To,

The Members,

TPI INDIA LIMITED

Your Directors are pleased to present the Twenty Seventh Annual Report together with the Audited financial Statement for the year ended 31st March, 2009.

(Rs. in Lacs)

FINANCIAL RESULTS :	*Year ended 31.03.2009*	Year ended 31.03.2008
Total Income	*1508.50*	1058.49
Total Expenditure	*1364.02*	978.44
Profit/(Loss) before Interest, Depreciation, Amortisation	*144.48*	80.05
Exceptional Items		
Less : Interest	*42.88*	1.15
Depreciation	*73.81*	73.25
Profit / (Loss) before Exceptional Item & Tax	*27.79*	5.65
Less : Prior Years' Including Income Tax Adjustments	*(0.62)*	(1.13)
Add : Exceptional Items - Waiver on OTS	*7092.71*	Nil
Profit / (Loss) before Tax	*7119.88*	4.52
Less : Provision for Taxation	*1.58*	1.35
Profit / (Loss) After Tax	*7118.30*	3.17
Add : (Loss) Brought Forward from Previous Year	*(11,008.03)*	(11,011.19)
Less : Transfer to General Reserve	*Nil*	Nil
Balance Carried to Balance Sheet	*(3889.73)*	(11,008.02)

DIVIDEND :

In view of the accumulated losses and to conserve resources for the business of the Company, the Board of Directors of your Company regret their inability to recommend any dividend for the year ended 31st March, 2009.

OPERATION REVIEW :

During the year under review, the Company has earned Total Income of Rs. 1508.49 lacs as against Rs. 1058.49 lacs during the previous year showing increase of 42.50%. The Total Income includes Own sale of Kraft Lined Paper Bags of Rs. 1134.04 lacs during the year under review as against Rs. 718.91 lacs in the previous year showing increase of 57.75 %. The operational profit during the year before interest, depreciation, exceptional item and tax is Rs. 144.47 lacs as against Rs. 80.05 lacs in the previous years showing increase of 80.47%.

FUTURE OUTLOOK :

With the consolidation of factory operation at Murbad and expected approval of DRS submitted to BIFR,the

Company will be able to go ahead with the repairs, modernization and expansion plans. With the implementation of modernization plan in the current year, the Company's installed capacity for fabrics is expected to increase from 2972 tpa to 4492 tpa which would result in improved financial results of the Company.

FIXED DEPOSITS:

The Company had accepted unsecured loan to meet the working capital requirement of the Company. The acceptance of said unsecured loan has resulted into non-compliance with section 58A of the Companies Act, 1956 as the entire net worth of the Company has been eroded. However the entire amount due on such unsecured loan had been paid of an no amount is outstanding/payable.

The business circumstances has forced the Company to avail unsecured loan. The Management is of the opinion that considering the Company being under BIFR purview, the consequences associated with contravention of section 58A of the Companies Act, 1956 will be diluted.

DIRECTORS:

Mr. Hasmukh C. Parekh retires by rotation and being eligible offer himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is confirmed:

a) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures.

b) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give True and Fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period.

c) that the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) that the Directors have prepared the annual accounts on a going concern basis.

PERSONNEL:

There were no employees covered u/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ENERGY, TECHOLOGY AND FOREIGN EXCHANGE:

Particulars pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are given in the Annexure forming the part of this Report.

AUDITORS:

M/s B. R. DALA & Co. Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and have expressed their willingness to continue as Statutory Auditor for the Financial Year 2009-10. The relevant certificate to the effect that their appointment, if made, will be in pursuant to section 224(1B) of the Companies Act, 1956 has been received. The resolution for their re-appointment is being submitted to the Annual General Meeting.

AUDITORS' REPORT:

The Comments in the Auditors Report are self explanatory and suitably explained in the Notes to the Accounts.

DEBENTURE DUES:

By honouring its commitment under One time Settlement to IDBI, the Company has got release of the security from the IDBI and Now on amount is outstanding and payable on account of Debentures places with IDBI and interest accrued thereon.

SICK INDUSTRIAL COMPANY:

As informed earlier, the Company had been declared as Sick Industrial Company u/s 3(I)(o) of Sick Industrial Companies (Special Provision) Act, 1985, at BIFR hearing held on 12th December, 2005 and IDBI was appointed as Operating Agency.

During the year, the Company successfully mobilized the funds from financial institution (SIFL), investors and contribution from Promoters and honoured One Time Settlement sanctioned by Banks and Financial Institutions except MSFC and obtained No Due Certificates.

After the payment to all the Secured Lender, the Company had submitted revised Draft Rehabilitation Scheme to Industrial Development Bank of India - operating agency & BIFR and the Management is awaiting for approval and implementation of the Scheme.

As regards MSFC, the Company has submitted Negotiated Settlement Proposal and hopeful for getting their positive response.

CORPORATE GOVERNANCE:

It is apparent from the Audited Financial Statement, due to lower capacity utilization and non-availability of working capital funds, your Company is incurring losses every year on the reference made to BIFR, your company had been declared Sick Industrial Company u/s 3(i)(o) of Sick Industrial Companies (Special Provision) Act, 1985, at BIFR hearing held on 12th December, 2005 and IDBI was appointed as Operating Agency.

The Independent Directors, for the constitution of the various committee in terms of the requirement of Listing Agreement with Stock Exchange, had been constituted and now the Company ensures the compliance of clause 49 of the Listing Agreement.

A report on the Corporate Governance is annexed hereto and forms part of this Report.

EMPLOYEE RELATIONS:

Your Company believes that the employees are the biggest assets and it is committed to the development of this vital resource. Your Directors wishes to place on record its appreciation for the contribution made by Manager, Executive and Workmen at Murbad unit. During the year, the Industrial Relation remained extremely cordial and harmonious. Your Director place on record its appreciation for the Workmen at Murbad unit for all round support extended to the Management.

CASH FLOW STATEMENT:

In conformity with the clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31st March, 2009 is annexed hereto.

ACKNOWLEDGEMENT:

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from various department of Central and State Governments, IDBI, Indian Overseas Bank, Federal Bank Limited, South Indian Bank Limited and Bank of Baroda and Maharashtra State Financial Corporation, SICOM and SIFL.

Your Directors also acknowledge with thanks the continued support and confidence reposed in the Management by the Company's Shareholders, Customers and suppliers.

For and on behalf of the Board

Place : Mumbai
Date : 21st May, 2009

H. C. Parekh
CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988

A. CONSERVATION OF ENERGY:

i) Energy Conservation measure taken:

1. Regular monitoring of consumption, efforts for increase in Power Factor and upto date maintenance.
2. Adopted natural lights wherever possible
3. Improved operation methods helped in achieving better productivity which in turn reduce the Power Consumption.
4. Greater employee awareness made about need of energy conservation which in turn resulted in switching off lights, fans and machinery when not required.

ii) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy :- NIL

iii) Impact of the measures at (a) and (b) above for reduction of energy conservation and consequent impact on the production of goods. However the said impact has not been measured.

B. TECHNOLOGY ABSORPTION :

i) RESEARCH & DEVELOPMENT

The Company continues to lay emphasis on improving quality, upgradation of existing formulations, minimizing dependence on scarce and improved raw materials

As a result of these efforts, the Company has been able to produce better products and these have been well received in the market.

The Company will continue its efforts to improve the quality of its products.

The revenue expenditure incurred has been charged under the primary heads of accounts and hence are not identifiable separately. No capital expenditure on R & D has been incurred during the year under review.

ii) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1) Efforts in brief made towards technology absorption, adoption and innovation. The Technology imported has been fully absorbed.

2) Benefit derived as a result of the above efforts: The FIBCs manufactured with imported technology facilitate bulk transport of materials. The FIBCs have good export potential.

3) Technology imported during the last five years : NIL

C. FOREIGN EXCHANGE EARING AND OUTGO :

(Rs. In lacs)

	31.3.2009	31.3.2008
Foreign Exchange Earned :	Nil	Nil
Foreign Exchange Outgo :	Nil	1.59

For and on behalf of the Board

Place : Mumbai
Date : 21st May, 2009

H. C. Parekh
Chairman

REPORT ON CORPORATE GOVERNANCE

Your Directors submit their report on the Corporate Governance of the Company for the Financial Year 2007-2008.

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

The Company Philosophy on Corporate Governance is to adopt internal and external measures to increase the level of transparency and accountability and to respect the laws of land & rights of stakeholders and to uphold at all times fundamental values of accountability, probity and transparency. Your Company has been declared as Sick Industrial Company and the first objective of the Company is to ensure the approval and implementation of Rehabilitation Scheme. Due vicious cycle of liquidity crunch and lower capacity utilization, your Company stands to meet its commitments of Corporate Governance to a limited extent. As a productive step, your Company has implemented the code of Corporate Governance as stipulated in the Listing Agreement and Report in line with is given below:

MANAGEMENT DISCUSSION:

The Company has been declared as Sick Industrial Company under section 3(i)(o) of Sick Industrial Companies (Special Provision) Act, 1985 at the BIFR hearing held on 12th December, 2005 and IDBI was appointed at Operating Agency.

The Company has consolidated its entire factory operation at Murbad and infrastructures / capacities of other units has been transferred at Murbad. With the above consolidation, the Company has succeeded in excercising effective controls resulting into cost saving in operations. During the year, the Company successfully mobilized the funds from financial institution (SIFL), investors and contribution from Promoters and honoured One Time Settlement sanctioned by Banks and Financial Institutions except MSFC and obtained No Due Certificates.

After the payment to all the Secured Lender, the Company had submitted revised Draft Rehabilitation Scheme to Industrial Development Bank of India - operating agency & BIFR and the Management is awaiting for approval and implementation of the Scheme.

As regards MSFC, the Company has submitted Negotiated Settlement Proposal and hopeful for getting their positive response.

BOARD OF DIRECTORS:

The Board of Directors comprises of Two Executive Directors and Two Independent Non-executive Directors.

During the financial year 1st April, 2008 to 31st March, 2009, 7 (Seven) Board Meetings were held on 30th April, 2008, 31st July, 2008, 8th August, 2008, 31st October, 2008, 10th November, 2008, 14th January, 2009 and 30th January 2009.

The Composition of the Board of Directors and their attendance at the meetings during the year and at the last Annual General Meeting as also number of the other Directorship / Membership of Committees are as follows:

Name of the Director	Category of Directorship	No. of Board Meeting attended	Attendance of last AGM	No. of Other Directorship	Committee Membership	
					Member	Chairman
Mr. H. C. Parekh	ED	7	YES	—	NIL	NIL
Mr. B. C. Parekh	ED	7	YES	—	NIL	NIL
Mr. Akshay Bhatt	NED	7	YES	—	NIL	NIL
Mr. Sandeep Poddar	NED	7	YES	—	—	—

NED – Non-Executive Director

ED – Executive Director

Audit Committee:

The Audit Committee consist of Mr. B.C. Parekh – Executive Director, Mr. Akshay Bhatt and Mr. Sandeep Poddar as Members.

The Audit Committee met on 30th April, 2008, 31st July, 2008, 8th August, 2008, 31st October, 2008 and 30th January, 2009. to overseas the general accounting practice and other management policies.

Remuneration Policy and Details of Remuneration Paid :

During the year under review, the Company has not paid any remuneration to Directors.

Share Transfer Committee/Investor Grievance Committee:
Shareholders' Grievance Committee was constituted to look into shareholders' / Investors' grievance relating to transfer / transmission of shares, non-receipt of Dividend / Annual Reports, duplicate share certificate & other related matter. The Shareholder/Investor Grievance Committee has been constituted under the Chairmanship of Mr. B.C. Parekh with Mr. Akhay Bhatt and Mr. Sandeep Poddar.

Name and Designation of Compliance Officer:
Mr. B. C. Parekh
102, Atlanta,
Nariman Point
Mumbai 400 021

GENERAL BODY MEETINGS:

Financial Year	Date	Venue
1st April 2005 to 31st March 2006	Friday, 29th day of September 2006 at 11 a.m.	Plot No. J-61, Additional MIDC Area, Murbad, District Thane.
1st April 2006 to 31st March 2007	Saturday, 29th day of September 2007, AT 11 a.m.	Plot No. J-61 Additional MIDC Area, Murbad, District Thane.
1st April 2007 to 31st March 2008	Wednesday, 10th day of September 2008 at 11.00 a.m.	Plot No. J-61 Additional MIDC Area, Murbad, District Thane.

DISCLOSURES:
The related party transactions are reported in the notes to the Accounts of this Annual Report.
MEANS OF COMMUNICATION:
Quarterly results have been communicated to Bombay Stock Exchange Limited where the shares of the Company's is listed and the same has been published in Two News paper – Free Press Journal (in English) and Nav Shakti (in Marathi) in terms of the requirement of Listing Agreement. Annual Reports are dispatched to all the shareholders.

SHAREHOLDER INFORMATION:

1 Annual General Meeting to be held on 29th June, 2009
2. Financial Year : 1st April, 2008 to 31st March, 2009.
3 Dividend Payment Date : NIL
4. Venue : Plot No. J-61, Additional MIDC Area, Murbad, District Thane, Maharashtra.
5. Stock Exchanges : Bombay Stock Exchange Limited, Delhi Stock Exchange and Ahmedabad Stock Exchange
6. Market Price Data: : The Shares of the Company are suspended for some technical reason. Hence the Share price data could not be furnished.
7. Dematerialization of Shares : As per the directive of the Stock Exchange, the Company's shares are dematerialized.
8. Registered Office : Plot No. J-61, Additional MIDC Area, Murbad, District Thane, Maharashtra.
9. Share Transfer Agent : Computronics Financial Services (India) Limited
1, Mittal Chambers,
Nariman Point,
Mumbai 400 021
Tele : 91-22-22882960
Fax : 91-22-6635 1032, 91-22-2287 3314
10. Demat Arrangement : NSDL and CDSL
11. ISIN : INE578C01013
12. BSE Stock Code : 500421

AUDITORS' REPORT

TO THE MEMBERS OF TPI INDIA LIMITED.

1. We have audited the attached Balance Sheet of TPI INDIA LIMITED as on 31st March 2009, and also the Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standard 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 disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimate made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matter specified in paragraphs 4 & 5 of the said order.

   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 those books;
   c) The Balance sheet, Profit & Loss account and Cash flow statement dealt with by this report are in agreement with the books of accounts;
   d) In our opinion the Balance sheet, Profit & Loss account and Cash flow statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956,
   e) ***The Company has not repaid its Deposits and Interest thereon on due date and as the default continues for more than a year, all the directors of the Company attract disqualification in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.***
   f) In our opinion, to the best of our information and according to the explanations given to us, the said accounts, subject to:-

      Note No.20 regarding balance of MSFC and read together with other notes thereon gives the information required by the Companies Act, 1956 in the manner so required and gives a True and Fair View in conformity with the accounting principles generally accepted in India.

   1) In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2009.
   2) In the case of the Profit and loss account, of the Profit of the Company for the year ended on that date.
   3) In the case of the Cash flow statement, of the cash flows for the year ended on that date.

For B. R. Dalal & Co.
Chartered Accountants

Place : Mumbai
Date : 21st May, 2009

Bharat Dalal
(Proprietor)
Membership No. 31052

ANNEXURE TO THE AUDITORS' REPORT.

Referred to in paragraph 3 of the Auditor's Report to the Members of TPI INDIA LIMITED on the financial statements for the year ended 31st March, 2009.

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) All the Fixed Assets have not been physically verified by the management during the year but there is regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its Assets. No material discrepancies were noticed on such verification.

   (c) During the year, the Company has not disposed off a substantial part of its Fixed Assets.

2. (a) The Inventories have been physically verified by the management at the end of year. In our opinion, the frequency of verification is reasonable.

   (b) In our opinion the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.

   (c) The Discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt in the books of accounts.

3. [A] In respect of Unsecured Loans, taken by the Company from Companies, Firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

   We Report that:-

   (a) The company has taken unsecured loans from 7 parties aggregating to Rs.4,21,86,449/- *at the year end. The Maximum amount involved during the year was* Rs.8,06,91,242/-

   (b) In our opinion and according to the information and explanations given to us, the rate of interest wherever applicable and other terms and conditions are not prima-facie prejudicial to the interest of the company.

   (c) *In respect of loans taken by Company, Company is not regular in repayment of principal amount and interest thereon.*

   [B] The Company has not granted any Loan Secured or Unsecured to any of the parties covered in the register maintained under section 301 of the Companies Act,1956.

4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sales of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control.

5. (a) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 500,000/- (Rupees Five Lacs Only) or more

in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at relevant time.

6. ***The Company has accepted certain deposits from public for which the directives issued by the Reserve Bank of India and the provision of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under have not been complied with. For the above referred accepted Deposits, Company has not complied with the provision like Advertisement in News paper, Filing of Annual return, Maintaining the liquid assets, rate of interest and the limit up to which the deposits can be accepted from the public. We were explained that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.***

7. In our opinion, the internal audit function carried out during the period by a firm of Charter-Accountants appointed by the management are generally commensurate with the size of the company and the nature of its business.

8. Maintenance of Cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.

9. (a) According to the record of the Company, undisputed statutory dues including Sales-tax, Excise duty and Investor Education & Protection Fund have not been deposited within stipulated time except for payment of excise duty with the appropriate authorities. Further items mentioned in clause No. (b) i) below which were outstanding as at 31st March, 2009 for a period of more than six months from the date becoming payable not paid by the company.

(b) i) The undisputed statutory dues are as follows:-

Sr. No.	Nature of Dues	Financial Year	Amount
1	Central Sales Tax	2002-03	28,69,602/-
2	Unpaid Dividend	95-96, 96-97, 97-98	3,17,429/-
3	Land Revenue Tax	2005-06 & 2006-07	62,020/-

ii) The disputed statutory dues aggregating to Rs. 39,58,799/- *that have not been deposited on account of matter pending before appropriate authorities are as under: -*

Sr.No.	Nature of Dues	Amount	Authorities where Dispute is Pending
1	Central Excise Duty	Amount Not Ascertained	Supreme Court-Appeal by Deptt.
2	Provident Fund Damage	39,58,799/-	P.f. Authority

Other details like year from which, the above dispute pertains not furnished to us.

10. ***The Company has accumulated losses as on 31st March, 2009 which is more than of its net worth. The Company has earned profit during the current Financial year and in the immediately preceding financial year.***

11. Based on our audit procedure and according to the information and explanation given to us, ***we state that the Company has defaulted in the repayment of dues since 1999-2000 to Financial Institutions, Banks and Debenture Holders aggregating to Rs.97.90 Crores and interest arrears of Rs.53.77 Crores. However in view of OTS with Bank and Financial Institutions and their No Dues Certificates, no***

default exists except in case of MSFC, at the end of the year.

12. In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not chit fund or a nidhi/ mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company is not dealing/ trading in shares, securities and debentures. All investments have been held by the Company in its own name.
15. In View of OTS with Banks & Financial Institutions and relying on the Management Certificate, the Counter Guarantees given by the Company to Banks for supply of machineries and Excise Bonds for third parties aggregation to Rs. 1.27 crores, is no longer exists.
16. According to information and explanations given to us, the Company has applied during the year the term loans for the purpose for which they were obtained.
17. According to the Cash Flow statement on the Balance sheet date and records examined by us and according to the information and explanation given to us, on overall basis, *we report that no funds raised on short term basis have, prima-facie, been used during the year for long term investment.*
18. During the year the company has not made any preferential allotment of shares to parties and Companies covered under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture during the year. We are informed that in view of the OTS with Banks & Financial Institutions there are no debentures outstanding at the end of year.
20. The Company has not made any public issue during the year to raise money. Accordingly the provision of clause 4 (xx) of the Companies (Auditor's report) Order, 2003 are not applicable to the Company.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For B. R. DALAL & Co.
Chartered Accountants

BHARAT DALAL
(Proprietor)
Membership No. 31052.

Place: Mumbai
Date : 21st May, 2009

BALANCE SHEET AS ON 31ST MARCH 2009

	SCH	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
I. SOURCES OF FUNDS					
Shareholders' Funds					
a) Share Capital	A	***79,615,700***		79,615,700	
b) Reserves & Surplus	B	***204,208,000***	***283,823,700***	24,924,000	104,539,700
Loan Funds					
a) Secured	C	***64,490,201***		981,501,904	
b) Unsecured	D	***107,049,809***	***171,540,010***	68,703,855	1,050,205,755
Total Funds Employed			***455,363,710***		1,154,745,459
II. APPLICATION OF FUNDS					
Fixed Assets					
a) Gross Block	E	***179,392,213***		177,644,148	
b) Less : Depreciation		***97,331,164***		89,950,021	
c) Net Block			***82,061,049***		87,694,127
Investments	***F***		***76,647***		76,647
Current Assets, Loans & Advances					
a) Inventories	G	***10,803,818***		9,462,165	
b) Sundry Debtors	H	***23,234,696***		14,138,716	
c) Cash & Bank Balances	I	***1,745,218***		679,392	
d) Loans & Advances	J	***6,236,347***		4,662,887	
		42,020,079		28,943,160	
Less : Current Liabilities & Provisions	K				
a) Liabilities		***57,206,475***		62,368,546	
b) Provisions		***560,427***		402,427	
		57,766,902		62,770,973	
Net Current Assets			***(15,746,825)***		(33,827,817)
Misc. Expenditure (To the extent not written off)			---		---
Debit Balance of Profit & Loss A/c			***388,972,840***		1,100,802,501
TOTAL			***455,363,710***		***1,154,745,459***

Note on Accounts T

As per our attached report of even date
For B. R. DALAL & CO.
Chartered Accountants
BHARAT DALAL
Proprietor
Membership No. 31052
Mumbai, dated 21st May, 2009

For and on behalf of the Board of Directors

H. C. Parekh — Chairman & Managing Director

B. C. Parekh — Executive Director

Akshay Bhatt — Independent Director

Mumbai, dated 21st May, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	SCH	31.03.2009 Rs.	31.03.2008 Rs.
INCOME			
Sales & Income from other operations	L	158,197,131	109,967,043
Less : Excise Duty		(11,739,476)	(8,895,403)
		146,457,655	101,071,640
Other Income	M	3,550,122	3,056,509
Accression in stock of Finished Goods & Stock in Progress	N	841,686	1,721,066
		150,849,464	105,849,215
EXPENDITURE			
Material Input	O	76,574,385	48,433,066
Manufacturing Expenses	P	45,628,821	38,024,339
Salaries, Wages & Benefits to employees	Q	4,681,061	4,274,808
Administrative & Selling Exp.	R	9,517,776	7,111,906
		136,402,043	97,844,119
Profit before Depreciation Interest, Extraodinary / exceptional items and tax & Profit on Sale of Fixed Assets		14,447,421	8,005,096
Depreciation		7,381,143	7,324,486
Interest	S	4,287,563	115,352
Profit/(Loss) for the year before Extra-ordinary / Exceptional items and tax		2,778,716	565,258
Income-Tax Adjustment A/c of Earlier Years		NIL	5,000
Prior year's adjustments (Net)		(61,817)	(118,484)
Income on A/c. of Waiver of Interest on OTS of Secured Loans		709,270,763	Nil
Profit/(Loss) Before Taxes		711,987,661	451,774
Less : Provision for Fringe Benefit Tax		158,000	135,000
Profit/(Loss) after taxes		711,829,661	316,774
Profit/(Loss) brought forward from last year		(1,100,802,501)	(1,101,119,275)
Balance Carried to Balance Sheet		(388,972,840)	(1,100,802,501)

Earnings per share before exceptional Items (Note 21 of Schedule T)	0.35	0.07
Basic and diluted Earnings after Tax & Exceptional Items	89.39	0.04

As per our attached report of even date
For B. R. DALAL & CO.
Chartered Accountants
BHARAT DALAL
Proprietor
Membership No. 31052
Mumbai, dated 21st May, 2009

For and on behalf of the Board of Directors

H. C. Parekh	Chairman & Managing Director
B. C. Parekh	Executive Director
Akshay Bhatt	Independent Director

Mumbai, dated 21st May, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

		31.3.2009 Rs. In Lacs	31.3.2008 Rs. in Lacs
A) Cash Flow from Operating Activities			
a) Net profit/(Loss) before tax & Extraordinary item		27.79	5.65
Adjustment for:			
Depreciation		73.81	73.24
Interest Expenses		42.88	1.15
Interest Income		-	(0.08)
Dividend Income		(0.03)	(0.03)
Profit on sale of Fixed Assets		0.00	0.00
b) Operating Profit before working Capital Changes		144.44	79.94
Adjustment for:			
Trade & Other receivable		(93.26)	(46.97)
Inventories		(13.42)	(35.96)
Trade Payables		(64.45)	51.82
c) Cash generated from operations		(26.69)	48.83
Direct Tax Paid [Net]		0.26	1.37
Cash from operating activities before exceptional items		(26.95)	47.46
d) Exceptional Item		(8,884.93)	1.18
Deferred Revenue		-	-
Net Cash From Operating Activities	(A)	8,857.98	46.28
B Cash Flow from Investing Activities			
Purchase of Fixed Assets / Capital Expenditure		(17.48)	(10.16)
Sale of Fixed Assets		-	0.11
Purchase of Investments		-	-
Sale of Investment		-	-
Staff Loans & Advances Recovered/Adjusted		(0.34)	0.88
Interest Received		-	0.08
Dividend Received		0.03	0.03
Net Cash used in investing Activities	(B)	(17.79)	(9.06)
C Cash Flow from Financing Activities			
Proceeds from long Term Borrowings		604.71	-
Repayment of long Term Borrowings		(9,391.37)	(33.92)
Interest Paid		(42.88)	(1.15)
Net Cash used in Financing Activities	(C)	(8,829.53)	(35.07)
D) Net increase / (decrease) in Cash and Cash Equivalent	(A+B+C)	10.66	2.15
Cash and Cash Equivalent at beginning of the year		6.80	4.65
Cash and Cash equivalent at end of the year		17.45	6.80

Note : 1 Previous year figures have been regrouped/recast wherever necessary
2 Cash and Cash equivalent includes Cash & Bank balance and balance in margin account.

As per our attached report of even date
For B. R. DALAL & CO.
Chartered Accountants
BHARAT DALAL
Proprietor
Membership No. 31052
Mumbai, dated 21st May, 2009

For and on behalf of the Board of Directors

H. C. Parekh	Chairman & Managing Director
B. C. Parekh	Executive Director
Akshay Bhatt	Independent Director

Mumbai, dated 21st May, 2009

Schedule Forming Part of the Balance Sheet As On 31st March, 2009

		CURRENT YEAR Rs.		PREVIOUS YEAR Rs.
Schedule - A				
SHARE CAPITAL				
AUTHORISED				
10,000,000 Equity Shares of Rs. 10 each (Previous year 10,000,000 Equity Shares of Rs. 10 each)		100,000,000		100,000,000
500,000 Preference Shares of Rs. 10/- each (Previous year 500,000)		5,000,000		5,000,000
		105,000,000		105,000,000
ISSUED, SUBSCRIBED, AND PAID UP				
7,963,470 Equity Shares of Rs. 10 each	79,634,700		79,634,700	
Less : Calls in Arrears	19,000	79,615,700	19,000	79,615,700
		79,615,700		79,615,700

Notes :

1) Of the above Subscribed Capital 15,075 Equity Shares are issued and allotted as fully paid shares for consideration other than cash as purchase consideration for acquisition of firm as per agreement dated July 31, 1982.

2) Paid up Share Capital Includes : 2,418,120 Bonus Equity Shares of Rs. 10/- each issued on 22.05.1996

SCHEDULE B
RESERVE & SURPLUS

Capital Reserve :		
Subsidy received from Maharashtra Government	5,000,000	5,000,000
Capital Reserve Account (See Note 7)	179,284,000	Nil
Share Premium Account	19,924,000	19,924,000
	204,208,000	24,924,000

Note :

The Share Premium Account denotes :

A) Premium received on issue of 671,000 Equity Shares of Rs. 10 each at a Premium of Rs. 15 per share.

B) Premium received on issue of 1,515,150 Equity Shares of Rs. 10 each at premium of Rs.6.50 per Share.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2009

		CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
Schedule C			
SECURED LOANS			
Indian Overseas Bank	TL and CC *	-	189,705,495
Bank of Baroda	Cash Credit *	-	39,323,514
The federal Bank Ltd.	Cash Credit *	-	87,670,756
The South Indian Bank Ltd.	Cash Credit *	-	155,515,716
The Federal Bank Ltd.	Term Loan *	-	20,519,147
The South Indian Bank Ltd.	Term Loan *	-	34,065,008
Maharashtra State Finance Corporation Ltd.		***3,500,000***	18,574,551
Industrial Development Bank of India *		-	262,103,411
17% Non-Convertable Debenture (IDBI) *		-	171,513,628
SICOM Investment & Finance Ltd.			
Medium Term Loan		***50,000,000***	Nil
Bill Discounting		***10,990,201***	2,510,667
		64,490,201	981,501,904

Notes:

1. Term Loan from MSFC is secured by:
   (A) First charge on the entire fixed assets of Unit A-1/2 G.D.D.I.D.C., Daman Estate, SomnathDaman, the possession of which had been taken over by MSFC and sold to Party for Rs. 25.11 lakhs. Rest of the machinaries are also taken over by MSFC towards dues.
   (B) Joint and several personal guarantees of the Executive Director and the Managing Director of the Company.
   (C) The Company has submitted a negotiated settlement proposal for Rs. 35 lacs to MSFC. Pending their acceptance the company has written back Rs. 150.75 lacs to Income Account, leaving the liability of Rs. 35 lacs to MSFC as on 31-3-2009. The balance amount with MSFC payable by the company is subject to confirmation and adjustment if any.

2 The Medium Term Loan from SICOM Investment & Finance Ltd. of Rs. 500 lacs is secured by
   (A) Mortgage of all the Fixed Assets of the Company located at Plot No.J-61, Addl. MIDC, Murbad, F-4, MIDC, Murbad and office at 102, Atlanta, 10th Floor, Nariman Point, Mumbai - 21.
   (B) Hypothecation of all Current Assets of the Company at above location
   (C) Pledge of 62.66% shares in the company of Parekh family
   (D) Hypothecation of receivable from Storsack India Pvt. Ltd., and other identified customers
   (E) Personal Guarantees of Directors, Shri Hasmukh Parekh & Shri Bharat Parekh

3 The Bill Discounting from SICOM is secured by assignment of receivable from certain identified customers

4* During the year company has made One Time Settlement with Banks & Financial Institutions in respect of working capital and term Loans. By virtue of One Time Settlement with the Banks & Financial Institutions as stated the Company has obtained No Dues Certificates form them and got released the Securities offered to them.

	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
SCHEDULE D		
UNSECURED LOAN		
Development Corporation of Konkan Ltd.	***873,069***	873,069
Deferred Sales Tax Loan	***23,924,812***	23,924,812
Inter Corporate Deposits	***35,387,501***	10,445,098
Other Deposits	***46,864,427***	33,460,876
	107,049,809	**68,703,855**

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2009

SCHEDULE E
FIXED ASSETS

	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 31-3-08 Rs.	Addition Rs.	Deduction Rs.	As at 31-3-09 Rs.	Upto 31-03-2008	Deduction Rs.	For the Year Rs.	Total Rs.	As at 31-03-09 Rs.	As at 31-03-08 Rs.
Land (Leasehold)	2,173,120	-	-	2,173,120	217,532	---	-	217,532	1,955,588	1,955,588
Buildings	55,130,909	1,59,000	-	55,289,909	21,372,097	---	1,844,777	23,216,874	32,073,035	33,758,812
Plant & Machinery	100,496,953	1,373,125	-	101,870,078	55,964,724	---	4,679,297	60,644,021	41,226,057	44,532,229
Electrical Installations	9,544,632	-	-	9,544,632	5,332,369	---	453,370	5,785,739	3,758,893	4,212,263
Furniture & Fixtures	2,752,271	-	-	2,752,271	1,862,507	---	166,080	2,028,587	723,684	889,764
Office Equipments	1,663,190	116,590	-	1,779,780	811,545	---	69,285	880,830	898,950	851,645
Factory Equipments	2,209,554	-	-	2,209,554	1,429,707	---	94,925	1,524,632-	684,922	779,847
Computers	2,727,649	99,350	-	2,826,999	2,518,830	---	31,907	2,550,737	276,262	208,819
Laboratory Equipments	945,870	-	-	945,870	440,710	---	41,502	482,212	463,658	505,160
Total	**177,644,148**	**1,748,065**	-	**179,392,213**	**89,950,021**	---	**7,381,143**	**97,331,164**	**82,061,049**	**87,694,127**
Previous Year	176,851,442	1,016,101	223,395	177,644,148	82,837,756	212,221	7,324,486	89,950,021	87,694,127	94,013,686

Notes :-
The Company has decided to write off lease in respect of value of lease hold land once in a period of ten years.

	Current Year Rs.	Previous Year Rs.
SCHEDULE F		
INVESTMENTS (AT COST)		
Long Term Investment :		
UNQUOTED :		
800 (800) Equity Shares of Janaseva Sahakari Bank Ltd. of Rs. 25 each	20,000	20,000
QUOTED :		
640 (640) Equity Shares of Industrial Development Bank of India of Rs. 10 each [Market value Rs. 29,056/- Rs. 45.40 (Previous Year Rs. 56,992)]	56,647	56,647
	76,647	76,647
SCHEDULE G		
INVENTORIES		
PHYSICALLY VERIFIED, VALUED AND CERTIFIED BY THE MANAGEMENT : at Cost or Realisable Value whichever is Less		
a) Stores & Spares Parts	2,668,867	2,901,934
b) Loose Tools	23,104	23,450
c) Stock in trade		
1) Raw Material	3,351,776	2,618,396
2) Finished Goods	795,375	935,552
3) Work-in-progress	3,964,696	2,982,833
	10,803,818	9,462,165
SCHEDULE H		
SUNDRY DEBTORS		
Unsecured, Considered Good		
1. Outstanding for more than six months	-	1,780,555
2. Others[Incl. of Rs.Nil (Previous year 2,50,000) for sale of Fixed Assets]	23,234,696	12,358,161
	23,234,696	14,138,716
SCHEDULE I		
CASH & BANK BALANCES		
a) Cash on hand	1,284,978	276,203
b) Bank Balances With Scheduled Banks		
1) In Current Account	345,194	345,194
2) In Margin Account	115,046	57,994
	1,745,218	679,392

	Current Year Rs.	Previous Year Rs.
SCHEDULE J		
LOANS AND ADVANCES		
(UNSECURED CONSIDERED GOOD)		
Prepaid Expenses	***128,386***	171,033
Advance Recoverable in cash or in kind or for value to be received	***3,833,373***	2,550,000
Loans and advances to staff & workers	***158,147***	123,935
Excise Balance	***24,745***	34,733
Deposits	***1,631,045***	1,348,054
Advance Fringe Benefit Tax	***460,652***	435,132
	6,236,347	4,662,887

SCHEDULE K
CURRENT LIABILITIES & PROVISIONS

A) CURRENT LIABILITIES				
Sundry Creditors				
Outstanding Dues of Small & Medium Enterprises (See Note No. 15 of schedule T)	**464,322**		464,332	
Outstanding Dues of other Creditors	***43,726,459***	***44,190,781***	42,563,061	43,027,383
Sundry Creditors for expenses		***10,521,819***		10,402,227
Other Liabilities		***657,882***		292,305
Advances from parties		-		1,800,000
Dividend Payable A/c(Refer Note No. 23 Schedule'T')		***317,429***		317,429
Union Bank-Book overdraft		***1,518,564***		6,529,205
		57,206,475		62,368,549
B) PROVISIONS				
for Fringe Benefit Tax		***560,427***		402,427
		57,766,902		62,770,976

	Current Year Rs.	Previous Year Rs.
SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009		
SCHEDULE L SALES AND INCOME FROM OTHER OPERATIONS		
Sales - Manufacturing	*113,404,206*	71,891,192
Jobwork	*44,792,925*	38,075,850
	158,197,131	109,967,043
SCHEDULE M OTHER INCOME		
Interest Income-gross	-	7,808
Dividend	*3,000*	3,000
Sundry Balance Written Back (Net)	*2,219,310*	2,353,911
Doubtful Debts Recovered	*1,153,000*	691,790
Other Income	*174,813*	—
	3,550,122	3,056,509
SCHEDULE N ACCRETION/DECRETION TO STOCK OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Stock — Finished Goods	*935,552*	388,394
Work-in-progress	*2,982,833*	1,808,925
	3,918,385	2,197,319
Closing Stock — Finished Goods	*795,375*	935,552
Work-in-progress	*3,964,696*	2,982,833
	4,760,071	3,918,385
ACCRETION/(DECRETION) TO STOCK	*841,686*	1,721,066
SCHEDULE O MATERIAL INPUT		
Opening Stock of Raw Materials	*2,618,396*	1,208,831
Add : Purchases of Raw Materials (Net of Modvat Credit)	*76,602,705*	49,208,018
Freight Inward, Loading & Unloading Charges	*705,060*	634,613
	79,926,161	51,051,462
Less : Closing stock of Raw Materials	3,351,776	2,618,396
Raw Materials Consumed	*76,574,385*	48,433,066

		Current Year Rs.	Previous Year Rs.
SCHEDULE P MANUFACTURING EXPENSES			
Processing Charges		27,106,379	19,627,123
Consumption of Stores		6,048,747	5,543,124
Power & Fuel		11,167,768	12,005,740
Water Charges		222,300	174,989
Insurance		278,378	65,673
Repairs and Maintenance		8,646	6,450
(A) Building		796,603	601,240
(B) Plant and Machinery			
		45,628,821	38,024,339
SCHEDULE Q SALARIES, WAGES & BENEFITS TO EMPLOYEES			
Salaries & Wages Including Bonus & Gratuity		4,228,242	3,878,218
Workmen & Staff Welfare Expenses		382,043	331,827
Contribution to Provident Fund and Other Funds		70,776	64,763
		4,681,061	4,274,808
SCHEDULE R ADMINISTRATIVE & SELLING EXPENSES			
Printing and Stationery		300,351	229,219
Postage, Telegram and Telephone		258,304	342,300
Repairs and Maintenance of Vehicles		369,124	360,983
Repairs and Maintenance of Others		61,474	81,783
Rent		153,400	107,550
Rates & Taxes		40,500	40,500
Packing, Forwarding & Transport Charges		3,155,480	1,950,826
Legal and Professional Fees		1,304,212	937,000
Bank Charges and Bank Commission incl. Guarantee Com.		244,058	231,745
Travelling Expenses		315,645	232,835
Foreign Travelling Expenses		-	159,913
Conveyance		339,809	183,741
Donation		14,967	13,217
Brokerage & Commission		672,216	293,389
Guarantee Commission to Directors		660,000	668,800
Advertisement, Sales Promotion & Presentations		358,428	244,561
Sundry Expenses		1,106,687	864,289
Auditor's Remuneration		60,250	50,370
Bad Debts Written off	18,731,748		
Less : Provision for Doubtful Debts	18,731,748	-	118,885
Service Tax		102,872	
		9,517,776	7,111,906

	Current Year Rs.	Previous Year Rs.
SCHEDULE S		
INTEREST CHARGES		
On Term Loan *	***205,480***	---
Interest on Loan & Others	***4,082,083***	115,352
(* Refer Note No. 7 of Schedule T)	***4,287,563***	115,352

SCHEDULE T

NOTES ON ACCOUNTS	**2008-09**	**2007-08**
1. CONTINGENT LIABILITIES		
I. Disputed Amount in respect of Excise Duty for which appeals has been decided and the matter is remitted back to the adjudicator for re-determination	***Amount not Ascertained***	Amount not Ascertained
II. Contingent liabilities in respect of disputed suit/claims pending against the Company	***7.66 Crores***	6.49 Crores

2. In the opinion of the company the Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business. Provisions for known Liabilities is adequate and not in excess of amount reasonably necessary

3. Sundry Debtors, Sundry Creditors, Secured & Unsecured Loans & Advances given & taken are subject to their confirmation and adjustments if any. No provision has been made for Doubtful Debts if any arising out of confirmation and reconciliation.

4. No Provision for Income Tax is made since there will be no taxable income for the current year. No provision is made for tax based on MAT as the provision of MAT is not applicable to sick industrial company in term of section 115JB read with explanation (1) (vii)

5. Payments to Auditors :	**2008-09**	**2007-08**
Audit Fees	***60,000***	50,000
Out of pocket expenses	***250***	370
	60,250	50,370

6. Payment to Directors for Guarantee Commission in respect of personal guarantees given for Loans and Credit facilities obtained by the Company & reimbursment of Car Expenses	***660,000***	668,800
	660,000	668,800

	Current Year Rs.	Previous Year Rs.

7. During the year Company has made One Time Settlement with Banks & Financial Institutions in respect of working capital and term Loans. In view of One Time Settlement the company has availed the Waiver from the Banks & Financial Institutions towards the Principal and Interest amount. Accordingly the following amounts have been credited to (a) Capital Reserves in respect of Waiver of the Principal amount and (b) to Exceptional Income in respect of Waiver of Interest amount.

Name of Banks/Institutions	Capital Reserves		Exceptional Income Account
Indian Overseas Bank	48,835,000		122,346,658
Bank of Baroda	10,922,000		28,261,514
The Federal Bank Ltd.	32,233,000		75,435,313
South Indian Bank Ltd.	38,459,000		135,274,946
IDBI	48,835,000		332,877,780
MSFC	-		15,074,551
Total	**179,284,000**		**709,270,762**

By virtue of One Time Settlement with the Banks & Financial Institutions as stated above the company has obtained No Dues Certificates from them and got released the Securities offered to them.

8.ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956
QUANTITATIVE AND TURNOVER INFORMATION (as Certified By The Directors)

A) CAPACITY AND PRODUCTION		*2008-2009*		2007-2008	
I. CAPACITY	*UNIT*	*Licensed Capacity*	*Installed Capacity*	Licensed Capacity	Installed Capacity
PP/LDPE Laminated to kraft paper/ Poster paper / Glassine paper / OLB Paper / Polycoated paper	*Tons*	*N.A.*	*2,972*	N.A.	2,000
PP/HDPE/PE/woven fabrics/rolls/ sheets/bags/sacks/FIBC Laminated/ Unlaminated / lined with kraft paper on circular looms	*Tons*	*N.A.*	*4,500*	N.A.	4,500

II. PRODUCTION:		*2008-2009*	2007-2008
PP/HDPE/PE/woven fabrics/rolls/ sheets/bags/sacks/FIBC Laminated/ Unlaminated/lined with kraft paper on circular looms	*Nos.*	*5,106,321*	3,691,332

B) TURNOVER	*Unit*	*Quantity*	*Value Rs.*	*Quantity*	Value Rs.
PP/HDPE/PE/woven fabrics/rolls/ sheets/bags/sacks/FIBC Laminated/ Unlaminated / lined with kraft paper on circular looms	*Nos.*	*5,137,003*	*113,404,206*	3,639,875	71,891,192
Job Work			*44,792,925*		38,075,850
			158,197,131		109,967,042

C) STOCK		*2008-2009*		2007-2008	
CLOSING STOCK	*Unit*	*QTY. Rs.*	*VALUE Rs.*	QTY.	VALUE
PP/HDPE/PE/woven fabric/rolls/ Sheets/bags/sacks/FIBC laminated/ Unlaminated/lined with kraft paper on circular looms	*Nos.*	*48,153*	*795,375*	78835	935,552
			795,375		935,552
OPENING STOCK	*Unit*	*QTY.*	*VALUE*	QTY.	VALUE
PP/HDPE/PE/woven fabrics/rolls/ sheets/bags/sacks/FIBC Laminated/ Unlaminated / lined with kraft Paper on circular looms	*Nos.*	*78,835*	*935,552*	27378	388,394
			935,552		388,394

D) CONSUMPTION OF RAW MATERIALS	Unit	2008-09 Qty.	2008-09 Value in Rs.	2007-08 Qty.	2007-08 Value in Rs.
i) Paper	Kgs.	523897	15,404,892	390466	11,156,882
ii) Polythene Fabrics	Kgs.	813227	54,490,716	594928	35,257,238
iii) Other Miscellaneous			6,678,777		2,018,947
			76,574,385		48,433,066

(E) VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL AND STORES & SPARES PARTS (INCLUDING COMPONENTS)

CONSUMED	Value	% Rs.	Value	% Rs.	
i) Raw Materials					
i) Imported		Nil	Nil	Nil	Nil
ii) Indigenous		76,574,385	100.00	48,433,066	100.00
		76,574,385	100.00	48,433,066	100.00
ii) Stores & Spares Parts (Including Components)					
i) Imported		Nil	Nil	Nil	Nil
ii) Indigenous		6,048,747	100.00	5,543,124	100.00
		6,048,747	100.00	5,543,124	100.00

	2008-2009	2007-2008
9. Expenditure in Foreign Currency		
Travelling Expenses	---	159,913
10. Earning in Foreign Currency	---	---
11. Prior Years Adjustments Includes		
Expenses:	Rs. in Lacs	Rs. in Lacs
Sundry Expenses	0.07	0.00
Payment to staff	0.00	0.77
Stores-Raw material purchases	0.00	0.28
Professional Fees	0.00	0.03
Gratuity	0.42	0.00
Central Sales Tax	0.13	0.00
Electricity Charges etc.	0.00	0.01
Excise Duty	0.00	0.10
Total Expenses	0.62	1.18

12. ***ACCOUNTING POLICIES***

a) The Financial Statements are prepared under the Historical Cost Convention, in accordance with applicable accounting standards.

b) (I) Fixed Assets are stated at cost, Net of Cenvat, Less accumulated depreciation. All Cost including Financing Cost till commencement of Commercial Production, Net Charges on Foreign Exchange

Contracts and Adjustment arising from Exchange rate variations relating to borrowing attributable to the Fixed Assets are capitalised.

(II) Depreciation is charged in accordance with schedule XIV of the Companies Act, 1956 on straight line method.

C) Investment are stated at cost:

D) Inventories:

Raw Material are stated at lower of cost or realisable value. Work-in-progress is valued at material cost and conversion cost appropriate to their location Finished goods are started at cost or realisable value whichever is lower. Cost includes Material Cost, Conversion and other cost incurred in bringing the Inventory at their present location and condition. Stores & Spares and loose tools are stated at cost or realisable value whichever is less. Scrapes are stated at realisable value.

E) Liabilities/Assets in Foreign Currencies are recorded in the accounts as per the following governing principles:

i) All Foreign Currency transactions are recorded at rates prevailing on the date of the transaction.

ii) All Foreign Currency Assets and Liabilities, other than Investments and those covered by forward contracts, are restated at the exchange rate prevailing at year end.

iii) All exchange differences arising out of actual Purchase/Sale of Foreign Currencies and those arising out of restatement mentioned in (B) above are:

1) Adjusted to the cost of Fixed Assets, if the Foreign Currency Liability concerned is contracted for acquisition of Fixed Assets, and

2) Recognised as Income/Expense for the period, in all other cases.

iv) Exchange differences arising on booking of forward contracts are recognised as income or expense over the life of the contract, except in respect of liabilities incurred for acquiring fixed assets, in which case such differences are adjusted to the cost of the fixed assets.

F) Revenue expenditure on research and development are charged as an expense in the year in which they are incurred. Capital expenditure on research and development are shown as an addition to fixed assets.

G) The provision for tax is based on the assessable profits of the company computed in accordance with the Income Tax Act, 1961.

H) Pre-Operative expenditure is carried forward to be capitalised and apportioned to various assets on commissioning the project.

I) Leave encashment is accounted for the Employees payable upto March 2008 & No provision has been made thereafter in view of the Company's policy of compulsory availment of earned leave.

J) Sales are exclusive of Excise Duty and VAT / sales Tax.

K) Gratuity is provided on the basis of working done as per the payment of Gratuity Act.

L) Capital issue and preliminary expenses are amortised as per section 35 D of the Income Tax Act, 1961.

M) Compensation to employees who have opted for retirement under voluntary retirement scheme and heavy revenue expenditure on account of foreign travelling, advertisement incurred are debited to deferred revenue expenditure and the said expenditure is being written off over a period of five years.

N) Capital subsidy received from Maharashtra Government is credited to Capital Reserve Account.

O) Deferred tax is recognised subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

P) An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Q) (i) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if a) the company has a present obligation as a result of a past event, b) a probable outflow of resources is expected to settle the obligations and c) the amount of the obligation can be reliably estimated. (ii) Contingent liabilities is disclosed in the case of a) a present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation b) a possible obligation, unless the probability of outflow of resources is remote (iii) Contingent Assets are neither recognised, nor disclosed. Provision, Contingent Liability and Contingent Assets are reviewed at each Balance Sheets date.

13. Dividend payable accounts and refund order payable accounts are under reconcillation pending receipt of details from banks.

14. The amount due to Micro, small & medium Enterprises as per the Micro, small & Medium Enterprises Development [MSMED] act, 2006 is furnished under the relevant head, on the basis of information available with / received by the company regarding the status of Micro, small & medium enterprises to which the Company owes a sum exceeding Rupees One Lac for more than 30 days are M/s.Rang Rasayan Limited Rs. 2,67,625/- (Rs. 2,67,625) and M/s. A. K. Industries Rs. 1,96,697/- (Rs. 1,96,697/-). However no interest is provided in respect thereof.

15. The accounts are prepared on the basis of "Going Concern". The continuation of the company as a going concern is dependent upon the availability of adequate finance and future profitability of the company.

16. On concept of prudence "Deferred Tax Asset" has not been recognised as there is reasonable uncertainty of sufficient future taxable income since the Company has been declared as sick company registered with Board for Industrial and financial Reconstruction.

17. As the company's business activities fall within single segment viz; flexible packaging goods, the disclosure requirements of Accounting Standard 17 segment reporting issued by Institute of Chartered Accountants of India is not applicable.

18. In terms of AS 18 "Related Party Disclosures" issued by the ICAI, related party transactions are as follows :

a. Parties where control exists :
Shreeji Sales Corporation
Sanjay Enterprises
Storsack India Pvt. Ltd.

b. Other related parties with whom transactions have taken place during the year :
Key Management personnel & Relatives
H.C Parekh - Managing director
B. C. Parekh - Executive director
Sanjay Enterprises - Deposit
Storsack India Pvt. Ltd. - Depo
A. H. Parekh - Deposit
L. C. Parekh - Deposit A/c.
Shreeji Sales Corporation

c.

Nature of Transaction	*Current Year*	Previous Year
i. Guarantee Commission		
Key Management personnel	***660,000***	668,800
ii. Jobwork-Income	***44,792,925***	38,075,850
iii. Purchases	***9,704,363***	4,200,000
iv. Outstanding Balance as at 31st March		
a) Unsecured Loan		
Key Management personnel & Relatives & controlling firm (Net)	***47,989,427***	29,371,473
Received	***42,341,449***	16,682,119
paid	***155,000***	17,255,238
b) Payment to Creditors	***4,000,000***	3,704,400

19. Earnings per share :

(a)	Profit/(Loss) before extra ordinary/ exceptional item & tax	Rs. in Lakhs	***27.79***	5.65
(b)	Profit/(Loss) after tax and exceptional items	Rs. in Lakhs	***7,118.30***	3.17
(c)	The weighed average number of Ordinary share	Nos.	***7,963,470***	7,963,470
(d)	The nominal value per Ordinary Share	Rupees	***10***	10
(e)	Earnings per share [Basic and diluted] before exceptional items	Rs.	***0.35***	0.07
(f)	Earning per share [Basic and diluted] after tax and exceptional items	Rs.	***89.39***	0.04

20. In the Financial year 2001-02 the company has adjusted Rs. 25.11 lacs in respect of auction value of Daman unit realised by Maharashtra State Financial Corporation (MSFC), from outstanding loan balance of MSFC as management of the company failed to discharge its liability of repayment of loan.

    The Company has submitted a negotiated proposal for Rs.35 Lacs to MSFC. Pending their acceptance the company has written back Rs. 150.75 Lacs to Income Account, leaving the liability of Rs. 35 Lacs to MSFC as on 31-3-2009. The balance amount with MSFC payable by the company is subject to confirmation and adjustment if any.

21. The dividend payable of Rs. 317,429 is comprising of Rs. 34,342.80 for F. Y. 1995-1996, Rs.98,376.00 for F. Y. 1996-1997 and Rs. 184,710 for F.Y. 97-98, and not deposited with Investors Education and Protection Fund Account. The same amount is lying with Bank of Baroda under dividend A/c No.4326 and Fedral Bank Limited under dividend A/c No. 3884 and 4034. The Management is in the process of transferring the same to Investors Education and Protection Fund Account.

22. The Company has been declared as Sick Industrial Company under SICA on 12th December, 2005. The Revised Rehabilitation Scheme was submitted to IDBI-operating agency and the same was placed before the BIFR hearing held on 20th April, 2009. The Company is awaiting for the necessary approval and implementation.

23. Sundry expenses in schedule S includes Write off of Loans & Advances to Workers & Staff Rs.700/- (Previous Year Rs. 83,895/-)

24. Previous year's figures have been rearranged and/or regrouped, reclassified wherever necessary to make them comparable with those o the current year.

25. Additional information pursuant to the provisions of part IV of schedule VI to the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

Registration No.	State Code	Balance Sheet date
26917	11	31-03-2009

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

Public Issue	Right Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	Nil

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities	455,364	Total Assets	455,364
Sources of Funds		***Application of Funds***	
Paid up Capital	79,616	Net Fixed Assets	82,061
Reserves & Surplus	204,208	Investments	77
Secured Loans	64,490	Net Current Assets	(15,747)
Deferred tax liability	NIL	Deferred tax assests	Nil
Unsecured Loans	107,050	Accumulated Losses	388,973

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Includes other Income)	105,849	Total Expenditure	561,138
Profit before Tax	711,988	Profit after Tax	711,830
Earning per Share (Rs.)	89.39	Dividend Rate %	Nil

V. General Names of Three Principal Products/services of Company (As per Monetary Terms)

Item Code No.	***39239000***	***39269000***	***48190000***
Product Description	Kraftilined HDPE Bags/FIBC-Bulk Bags/PP/HDPE/PE Bags	HDPE Tarpauline	Multiwall Paper Bags

Note : All Schedules From schedule "A" to schedule "T" have been signed by the following :

AS PER OUR ATTACHED REPORT OF EVEN DATE
For B. R. DALAL & CO.
Chartered Accountants

BHARAT DALAL
Proprietor
Membership No. 31052
Mumbai, dated 21st May, 2009

For and on behalf of the Board of Directors

H. C. Parekh	Chairman & Managing Director
B. C. Parekh	Director
Akshay Bhatt	Independent Director

Mumbai, dated 21st May, 2009