

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the members of Pearl Polymers Limited will be held as under:

Day : **Thursday**
Date : **July 28, 2005**
Time : **11.30 A.M.**
Venue : **MPCU, Shah Auditorium,
Shree Delhi Gujrati Samaj Marg,
Civil Lines, Delhi-110054**

to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2005 and Profit & Loss Account for the period ended on the said date together with the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Dr. Sai Ramachandran, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration.
"RESOLVED THAT M/s. J. C. Bhalla & Co. Chartered Accountants, 18A, Nizamuddin (West), New Delhi-110013, be and are hereby appointed as Statutory Auditors of the Company to fill casual vacancy caused by the resignation of M/s. Joginder P. Jain & Co., Chartered Accountants, New Delhi, to hold the office until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.
"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 316 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any modification(s) or re-enactment thereof, for the time being in force) and subject to necessary approvals as may be required under the Companies Act 1956 read with rules framed thereunder, the consent of the Company be and is hereby accorded to the reappointment of Mr. Harish Seth, as Vice-Chairman & Managing Director of the Company for a period of three years with effect from 1st August, 2005, on the terms and conditions including remuneration as are set out in the Explanatory Statement."

**By the Order of the Board
for Pearl Polymers Ltd.**

Place : New Delhi
Date : June 30, 2005

(NARESH KAPOOR)
COMPANY SECRETARY

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON POLL ONLY) INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSED PROXY FORM, IF INTENDED TO BE USED, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED IN ALL RESPECTS, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. **The Explanatory Statement, pursuant to Section 173(2) of Companies Act, 1956 in respect of Special Business stated above is annexed.**
3. Members are requested to bring their copy of the Annual Report and duly filled Attendance Slips.
4. Members who hold shares in dematerialised 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. The Register of Members and Share Transfer Books of the Company will remain closed from 20th July, 2005 to 28th July, 2005 (both days inclusive).
6. The Company has entered into Agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Further, as per SEBI Notification dated May 29, 2000, trading in shares of the Company is now permitted only in dematerialised form. **SHAREHOLDERS ARE, THEREFORE, ADVISED TO DEMATERIALISE THEIR SHAREHOLDING TO AVOID INCONVENIENCE IN FUTURE.**
7. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 1998 which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Shareholders, who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company at its Registered Office, for the year ended 31st March, 1998 .

Information in respect of such unclaimed dividend, interest and redemption statement of NCD's is as follows:

Particulars	Date of Payment	Last Date for Claiming Unpaid Amount	Due Date for Transfer to IEPF Fund
Dividend 1997-98	29.10.98	28.10.2005	27.11.2005
Interest on NCDs	01.10.98 01.04.99	30.09.2005 31.03.2006	31.10.2005 30.04.2006
Illrd Redemption Instalment of NCDs	07.05.99	06.05.2006	06.06.2006

Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for repayment and no payment shall be made in respect of any such claim.

8. Corporate members intending to send their authorised representatives are requested to send a duly certified copy of the Board resolution authorising their representatives to attend and vote at the Annual General Meeting.
9. Section 109A of the Companies Act, 1956 has extended nomination facility to individuals holding shares in Companies. Shareholders, in particular, those holding shares in single name, are advised to avail of the above facility by furnishing the prescribed Nomination form (Form 2B) to the Company.
10. Members desiring any information on the accounts are requested to write to the company at least 7 days before the meeting so as to enable the management to keep the information ready.

EXPLANATORY STATEMENT

Pursuant to clause 49 of the Listing Agreement readwith Section 173(2) of the Companies Act, 1956.

Item No. 2- Profile of Dr. Sai Ramachandran

Dr. Sai Ramachandran holds Master degree in Chemistry from Madras University, MBA in Marketing from University of Minnesota, USA and Phd. from M.D. University, Rohtak. He has an experience of more than 34 years and has held Sr. Sales & Marketing positions in Companies like DCM, AMUL, RANBAXY and PROCTER & GAMBLE. He joined as Marketing Manager in Dabur and rose to the position of General Manager (Mktg.) and during this period, he was credited with the growth of sales in Dabur from Rs. 27 crores to Rs. 175 crores. He has also been the Managing Director of EMAMI Foods Ltd. and Director on the Board of EMAMI Cosmetics. He is currently a Management Consultant to various companies like India Gypsum Ltd., Lal Bhai Group & Multani Pharmaceuticals, Eicher Consultancy Services Ltd., Atlas Cycle Industries Ltd. Besides being a director on

the Board of Elpro International and Indo-Asian Fusegear Ltd., he has been involved in Academics and has been teaching for the last 26 years the subject of Management in most of the Management Institutes, being a visiting faculty to FMS, Delhi University. He is also the Vice-Chairman of Sri Sringeri Sharda Institute of Management. He is also the chairman of Audit Committee, Shareholder's/ Investor's Grievance Committee & Remuneration Committee of M/s. Pearl Polymers Ltd.

Item No. 3:

M/s. Joginder P. Jain & Co., Chartered Accountants, New Delhi, have submitted their resignation and have expressed their inability to continue as Statutory Auditors of the Company. The Statutory Auditors were appointed by shareholders at the last Annual General Meeting held on 28th January, 2005. With this resignation, casual vacancy has been caused and filling of casual vacancy is required to be approved by the shareholders. A written certificate has been obtained from M/s. J.C. Bhalla & Co., Chartered Accountants, New Delhi, who are proposed to be appointed as Statutory Auditors to fill the casual vacancy caused by resignation, to the effect that the said appointment, if made, will be in accordance with regulations as specified u/s 224 (1B) of the Companies Act, 1956. The matter, as such is being placed before members to consider appointment of M/s. J.C. Bhalla & Co., Chartered Accountants as Statutory Auditors to hold office until the conclusion of next Annual General Meeting.

The resolution is intended for this purpose.

None of the director of the Company has any interest or concern in the resolution.

Item No. 4:

Mr. Harish Seth was re-appointed as Vice-Chairman & Managing Director of the Company w.e.f. 1st April, 2003 for a period of three years. Accordingly, his tenure of appointment expires on 31st March, 2006.

In terms of provisions of Companies Act, 1956, reappointment of managerial personnel can be made within two years before the expiry of the existing tenure

In terms of the recommendations of the Remuneration Committee and subject to the approval of the members, the Board of Directors of the Company in its meeting held on June 30, 2005 has re-appointed Mr. Harish Seth as Vice-Chairman & Managing Director for a further period of three years with effect from 1st August 2005, on the terms and conditions as are set out hereunder: -

- A. **REMUNERATION** including Basic Salary, House Rent Allowance, Expenditure on Gas, Electricity, Water and Furnishing, Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance aggregating to, but not exceeding, Rs. 3,00,000/- (Rupees Three Lacs only) per month.

B. PERQUISITES IN ADDITION TO ABOVE :

- (a) Company's contribution towards Provident Fund as per rules of the Company but not exceeding



- 12% of the salary as laid down under the Income-Tax Rules, 1962.
 - (b) Company's contribution towards Superannuation Fund as per rules of the Company but it shall not, together with the Company's contribution to Provident Fund, exceed 27% of the salary as laid down under the Income-Tax Rules, 1962.
 - (c) Gratuity - Not exceeding half month's salary for each completed year of service, subject to a ceiling of Rs. 3,50,000/- or such amount as may be laid down under the provisions of Payment of Gratuity Act, 1972.
 - (d) Earned/Privilege Leave - As per rules of the Company. Leave accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure.
 - (e) Free use of Company's car with driver for the business of the Company.
 - (f) Free telephone facility at Company's cost at residence. However, personal long distance calls shall be billed to the appointee.
- Further, in the event of absence or inadequacy of profits, Mr. Harish Seth shall be paid a consolidated remuneration of Rs.3,00,000/- per month plus the permissible perquisites in accordance with the provisions of Schedule XIII to the Companies Act, 1956.

INFORMATION REQUIRED PURSUANT TO THE PROVISIONS OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 READ WITH CLAUSE 49 OF THE LISTING AGREEMENT IS FURNISHED AS UNDER :

I. GENERAL INFORMATION :

- 1. Nature of Industry**
Pearl Polymers Ltd. which is one of the largest plastic processors in India has production facilities for manufacturing blow moulded PET Bottles, Jar and Containers, injection moulded plastic products.
- 2. Date of expected date of commencement of Commercial Production**
Not Applicable
- 3. In case of new companies, expected date of commencement of activities as per Project approved by Financial Institutions appearing in the prospectus**
Not Applicable
- 4. Financial Performance based on given indicators (Rs. in Lacs)**

Period Ended	Turnover	Net Profits
2003-2004 (18 Months)	17676.02	127.77
2004-2005 (06 Months)	6946.96	100.09

5. Export performance and Net Foreign Exchange Collaborations

Export performance of the Company has only been marginal during the Period Ended on 31st March, 2005, the earnings in Foreign Exchange being Rs.35.18 Lacs against Foreign Exchange outgo of Rs. 69.03 Lacs respectively, on import of Raw Materials, Capital Goods and Components etc.

6. Foreign Investments or Collaborators, if any
Nil

II. INFORMATION ABOUT THE APPOINTEE :

1. Background Details

Mr. Harish Seth is a Chemical Engineer from IIT (Madras) and M.Tech from U.S.A. He possess 35 years of experience in the field of polymers.

2. Past Remuneration

A sum of Rs. 29.45 Lacs and Rs 9.82 Lacs has been paid to Mr. Harish Seth, being the remuneration and allowable perks as per Schedule XIII to the Companies Act, 1956 during the 18 Months period ended 30th September, 2004 and 6 Months period ended 31st March, 2005 respectively.

3. Recognition or Awards

Under the dynamic leadership of Mr. Harish Seth, the following awards were received by the Company.

- India Star Award (2002) from Indian Institute of Packaging, Mumbai, which is the highest award in the Country towards excellence in packaging for two years in succession.
- World Star Award from World Packaging Foundation, Mumbai.
- Plastindia Award, (2003 & 1997), from Plast India Foundation, Mumbai.
- Asia Star Award from Asian Packaging Federation, Manila.

4. Job Profile and his Suitability

As stated above, Mr. Harish Seth is a Chemical Engineer from IIT (Madras) and M. Tech from USA with over 35 years of experience in the plastic processing field. Mr. Harish Seth is vested with substantial managerial powers for making decisions for day to day management of the Company.

As is evident, the field of specialisation of Mr. Harish Seth is ideally suited to the nature of our industry, the benefits of which the Company has reaped. The efforts put in by Mr. Harish Seth to bring about increased application of Company's products in the Pharma and Personal Care items has resulted in achieving the increased capacity utilisation.

5. Remuneration Proposed

As mentioned above.

6. Comparative Remuneration Profile with respect to Industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

The proposed remuneration is comparable to the level of remuneration paid to persons at the said position, in similar companies of the same size.

7. Pecuniary Relationship, directly or indirectly with the Company or relationship with the managerial personnel, if any

Mr. Harish Seth is one of the Promoters of the Company and has been instrumental in bringing significant growth in the volume of its business since its inception. He is also related to Mr. Chand Seth, who is the other Promoter and the Chairman & Managing Director of the Company.

The Company has made efforts for cost reduction so as to improve profits margins and for this purpose cost of labour and other staff by way of salary and wages has been substantially brought down.

The Company has intensified the efforts for consolidation to bring about maximisation of revenue within the existing resources and assets available and to achieve substantial increase in Company's turnover.

Expected increase in Productivity and Profits in measurable terms.

The company is in process of setting up its fourth unit at Baddi near Himachal and expects to cater the packaging need of food and pharma companies coming up in Baddi. The prospects of packaging business are encouraging and focus on expansion of market size with consequent market gains will be persisted with.

III. OTHER INFORMATION :

1. Reasons of Loss or Inadequate Profits

- Stiff and Cut Throat Competition
- Sluggish Market.
- Increase in Price of Raw Materials.

2. Steps taken or Proposed to be taken for Improvement

Despite sluggish market conditions, the Company continued its growth trend and could achieve a turnover of Rs. 6946 Lacs during the 6 months period ended on 31st March, 2005 against Rs. 17676 Lacs during the previous period (18 months) ended on 30th September 2004. However, in order to achieve higher sales, the Company had to offer various discounts and rebates and accordingly the profits of the Company have come under severe pressure.

The Company's Management has taken many steps to improve its performance, including the following :

The Company has increased its installed capacity from 252860000 bottles per annum to approx. 258650000 bottles per annum.

The Company has introduced "Two Stage Technology" for blowing PET bottles, which is the latest innovation and allows for manufacture of greater variety of products.

The Company has intensified its efforts for bringing about new applications in PET products in segments relating to Pharma and Personal Care products.

The Company engineered itself for meeting the needs of the emerging sector of CSD and mineral water, since on a global basis, 70% of the total PET Resin is used for the above two sectors.

IV. DISCLOSURE :

The Proposed Remuneration Package of the Managerial Person.

As mentioned above.

The reappointment and remuneration payable to appointee needs to be approved by the shareholders in a general meeting and accordingly, the resolution is placed before the members.

The Board of Directors commend the resolution for approval of the shareholders. Mr. Harish Seth is also holding the office as Managing Director in Pearl Engineering Polymers Limited.

Mr. Chand Seth and Mr. Harish Seth may be deemed to be interested in this resolution. No other Director is in any way concerned or interested in these resolutions.

THE ABOVE MAY ALSO BE TREATED AS AN ABSTRACT OF TERMS OF APPOINTMENT AND MEMORANDUM OF INTEREST UNDER SECTION 302 OF THE COMPANIES ACT, 1956.

**By the Order of the Board
for Pearl Polymers Ltd.**

**Place : New Delhi
Date : June 30, 2005**

**(NARESH KAPOOR)
COMPANY SECRETARY**

Regd. Office :
**B-59, Greater Kailash Part-1
New Delhi – 110 048**



PEARL Polymers Limited

Registered Office :
B-59, Greater Kailash Part-I
New Delhi - 110 048

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the 34th ANNUAL GENERAL MEETING at M. P.C. U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi 110 054 on Thursday, the 28th July, 2005, at 11:30 A.M.

Name of the Member(s)/Proxy attending the Meeting	
Folio No./Client ID No. & DP ID No.	
No. of Shares Held	
Signature of the Member/Proxy	

- PLEASE NOTE THAT AS PER AUDITORIUM DIRECTIVES, NO EATABLES, HELMETS, BRIEF CASES, HANDBAGS CELLULAR PHONES ETC., WILL BE ALLOWED INSIDE THE HALL.
- NO GIFTS / SNACKS WILL BE GIVEN AT THE ANNUAL MEETING.



PEARL Polymers Limited

Registered Office :
B-59, Greater Kailash Part-I
New Delhi - 110 048

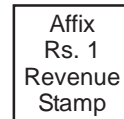
PROXY FORM

I/We
of
being a Member/Members of Pearl Polymers Limited, hereby appoint
of
or failing him
of

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 34th ANNUAL GENERAL MEETING of the said Company to be held at 11:30A.M. on Thursday, the 28th July, 2005, or at any adjournment thereof.

Signed this day of2005

Signature of
The Member(s)
Folio No./Client ID No. & DP ID No.....



N.B. (i) The Proxy, in order to be effective, must be deposited at the Registered Office of the Company, not later than 48 hours before the time of the Meeting.

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BOARD OF DIRECTORS

Chand Seth	— Chairman & Managing Director
Harish Seth	— Vice Chairman & Managing Director
Dr. Sai Ramachandran	— Director
Vijay Khurana	— Director (Resigned w.e.f. 19.5.05)
Ramesh Mehra	— Director
R.K. Gupta	— Nominee Director (HSIDC)

COMPANY SECRETARY

Naresh Kapoor

AUDITORS

Joginder P. Jain & Co.

BANKERSBank of Baroda
State Bank of India**REGISTERED OFFICE/SHARE DEPTT.**B-59, Greater Kailash Part-I
New Delhi - 110 048
Tel. : 51417917-21
Fax : 51417596**REGISTRARS & SHARE TRANSFER AGENTS****MAS Services (P) Ltd.**AB-4, Safdarjung Enclave, New Delhi-110 029
Ph : 26104142/26104326
Fax 26181081
E-mail : mas@vsnl.com
mas_serv@yahoo.com**UNITS**B-3/2, M.I.D.C.
Distt. Raigad, Mahad,
Maharashtra - 40330213-A, Part-I, Jigani Industrial Area
Distt. Anekal, Bangalore, Karnataka2-A, Sector-18, HSIDC
Near Bijlee Board, Gurgaon -122 001
Haryana27-A, Nazafgarh Road,
New Delhi**34TH ANNUAL GENERAL MEETING**

DATE	:	28th July, 2005
DAY	:	Thursday
TIME	:	11:30 A.M.
PLACE	:	MPCU, Shah Auditorium, Shri Delhi Gujarati Samaj Marg, Civil Lines, Delhi - 110 054

U.P.C.

If undelivered please return to:
PEARL Polymers Limited
B-59, Greater Kailash Part-I
New Delhi-110 048