

BALANCE SHEET AS AT 31ST MARCH 2005

	SCHEDULE REFERENCE	As at 31st March 2005 (Rs. in '000')		As at 30th Sept. 2004 (Rs. in '000')	
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	1	135654		143839	
Advance against equity		30000		30000	
Reserve & Surplus	2	194651	360305	182910	356749
Loan Funds					
Secured Loans	3	396687		377701	
Unsecured Loans	4	128174	524861	148220	525921
Deferred Tax Liability (Net)			56797		57535
TOTAL			941963		940205
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	1210655		1189609	
Less : Depreciation		634789		603525	
Net Block		575866		586084	
Capital work in progress		1933	577799	549	586633
Investments	6		70050		70050
Current Assets, Loans & Advances					
Inventories	7	117802		102049	
Sundry Debtors	8	253920		255169	
Cash and Bank Balances	9	37029		26741	
Loans and Advances	10	148323		136659	
		557074		520618	
Less: Current Liabilities and Provisions					
Liabilities	11	249626		226873	
Provisions	12	13334		10223	
		262960		237096	
Net Current Assets			294114		283522
TOTAL			941963		940205
Significant Accounting Policies and Notes to the Accounts	18				

The Schedules referred above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date.

On Behalf of the Board

J.P.Jain
Proprietor
For and on behalf of
JOGINDER P. JAIN & CO.
Chartered Accountants
Membership No. 8881
PLACE : New Delhi
DATE : June 30, 2005

CHAND SETH
Chairman & Managing Director

HARISH SETH
Vice-Chairman & Managing Director

NARESH KAPOOR
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2005

	SCHEDULE REFERENCE	For the 6 Months Period Ended 31st March 2005 (Rs. in '000')	For the 18 Months Period Ended 30th Sept. 2004 (Rs. in '000')
INCOME			
Gross Sales		679880	1721808
Less: Excise Duty		<u>101770</u>	<u>250820</u>
Net Sales		578110	1470988
Other Income	13	<u>14816</u>	<u>45794</u>
TOTAL		<u>592926</u>	<u>1516782</u>
EXPENDITURE			
Materials	14	350217	809433
Personnel	15	36875	106358
Manufacturing, Admn, Selling and Others	16	131899	381616
Excise Duty		(114)	2471
Finances	17	32587	116234
Depreciation		<u>31264</u>	<u>92972</u>
TOTAL		<u>582728</u>	<u>1509084</u>
Profit/(Loss) before Tax, Exceptional Items & Prior Period adjustments		10198	7698
Extraordinary items & prior period adjustments		(60)	779
Profit/(Loss) before Tax		10138	8477
Tax adjustment/payment for earlier year		(73)	(72)
Provision for Tax			
- Current		(794)	(604)
- Deferred		738	4976
Profit/(Loss) After Tax carried forward to Balance Sheet		<u>10009</u>	<u>12777</u>
Earning Per Share (Rs.) - Basic*		0.80	1.05
- Diluted*		0.66	1.05

(Nominal Value of Rs. 10/- Each)

*Not Annualised

**Significant Accounting Policies and
Notes to the Accounts** 18

The Schedules referred above form an integral part of the Profit & Loss Account
This is the Profit & Loss Account referred to in our report of even date.

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Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2005

	As at 31st March 2005 (Rs. in '000')	As at 30th Sept. 2004 (Rs. in '000')
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX & EXTRA ORDINARY ITEMS		
ADJUSTMENT FOR :		
DEPRECIATION	10198	7698
LOSS ON SALE OF FIXED ASSETS	31264	92972
INTEREST EXPENSES	-	888
INCOME TAX	32587	116234
PREVIOUS YEAR EXPENSES	(794)	(604)
WEALTH TAX	(60)	779
PROVISION FOR BAD & DOUBTFUL DEBTS	(73)	(72)
DIVIDEND INCOME	(564)	1911
INTEREST INCOME	(11)	(7)
	(791)	(3484)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	71756	216315
ADJUSTMENT FOR :		
TRADE & OTHER RECEIVABLES	1813	(28097)
INVENTORIES	(15753)	(10138)
CURRENT LIABILITIES & PROVISIONS	25278	22871
LOAN & ADVANCES	(11664)	15672
TOTAL ADJUSTMENTS	(326)	308
CASH GENERATED FROM OPERATIONS	71430	216623
NET CASH FROM OPERATING ACTIVITIES	71430	216623
CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(22447)	(86392)
SALE OF FIXED ASSETS	17	2684
PURCHASE/SALE OF INVESTMENTS	-	(14200)
DIVIDEND INCOME	11	7
INTEREST INCOME	791	3484
NET CASH USED IN INVESTING ACTIVITIES	(21628)	(94417)
CASH FLOW FROM FINANCING ACTIVITIES		
PROCEED FROM ADVANCE AGAINST EQUITY	-	30000
PROCEED FROM LONG TERM BORROWING & OTHERS (NET)	4755	(48228)
PROCEED FROM ISSUE OF SHARE CAPITAL	16047	-
REDEMPTION OF PREFERENCE SHARE CAPITAL	(22500)	-
INTEREST PAID	(37816)	(122367)
NET CASH FROM FINANCING ACTIVITIES	(39514)	(140595)
NET INCREASE IN CASH EQUIVALENTS	10288	(18389)
CASH & CASH EQUIVALENTS OPENING BALANCE	26741	45130
CASH & CASH EQUIVALENTS CLOSING BALANCE	37029	26741
	10288	(18389)

Notes :

- The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outgo.
- Previous period figures have been regrouped wherever necessary to conform to the current period's classification. This is the Cash Flow Statement referred to in our report of even date. The significant accounting policies and notes to account (Schedule 18) form an integral part of the Cash Flow Statement.

On Behalf of the Board

J.P.Jain
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Company Secretary

SCHEDULES TO THE ACCOUNTS

SCHEDULE - 1

SHARE CAPITAL

	As at 31st March 2005 (Rs. in '000')	As at 30th Sept. 2004 (Rs. in '000')
Authorised		
4,00,00,000 (Previous period-4,00,00,000) Equity shares of Rs.10/- each	400000	400000
10,00,000(Previous period-10,00,000) Redeemable Cumulative Preference Shares of Rs.100/- each	100000	100000
	500000	500000
Issued, Subscribed & Paid Up		
1,35,73,474 (Previous period 1,21,41,950) Equity shares of Rs.10/-each.	135735	121420
Less : Calls in Arrears	(81)	(81)
-Includes 2,01,670 Equity Share of Rs.10/- each issued as Bonus Shares by Capitalisation of General Reserve		
-includes 14,31,524 Equity Shares allotted during the period to IDBI (922362 Equity Shares) & LIC (509162 Equity Shares) as per SEBI pricing formula @ Rs.11.21 per share including Rs.1.21 on Share Premium account-Refer Note 21 to the Accounts)		
Nil (Previous period-225000) 14.50% Redeemable Cumulative Preference Shares of Rs.100/- each (Redeemed during the period)	-	22500
	135654	143839

SCHEDULE - 2

RESERVES & SURPLUS

Capital Reserve			
As at the commencement of the period	8472		8472
Share Premium Account			
As at the commencement of the period	175694	175694	
Less: Calls in Arrears	(176)	(176)	
Add : Addition during the period	1732	-	175518
	177250		
Debenture Redemption Reserve			
As at the commencement of the period	13500	42190	
Transferred to General Reserve	-	(28690)	
	13500		13500
General Reserve			
As at the commencement of the period	14742		
Transferred from Debenture Redemption Reserve	-	28690	
	14742	28690	
Less:Provision for Diminution in value of investment	-	(13948)	14742
	14742		
Profit & Loss A/C			
As at the commencement of the period	(29322)	(42099)	
Surplus/(Deficit) during the period	10009	12777	(29322)
	194651		182910

SCHEDULE - 3 SECURED LOANS

	As at 31st March 2005 (Rs. in '000')	As at 30th Sept. 2004 (Rs. in '000')
1. Debentures		
(a) 14% Non Convertible Debentures	1281	1301
(b) 9% Non Convertible Debentures	50000	50000
2. Working Capital Loans		
(a) Banks	139708	143036
3. Working Capital Demand Loan		
(a) Others	98750	100000
4. Term Loans		
(a) Others	104673	77474
5. Interest Accrued & Due On Loans	75	5890
6. Funded Interest Term Loan	2200	-
	396687	377701

NOTES :

1. Debentures

(a) Comprising 51280 (Previous period.-52037) - 14% Non-Convertible part of Rs.35/- each of Secured Redeemable Debentures secured by first charge on land and immovable property of the Company situated at village Chhatral, Taluka Kalol, Distt.Mehsana (Gujarat) and further secured by second and subservient charge on the Company's properties situated at 13-A Part I, Jigani Industrial Area, Anekal, Bangalore and at B-3/2, MIDC Industrial Estate, Mahad. Distt. Raigarh (Maharashtra). These debentures are unclaimed for redemption. First & Second instalment towards unclaimed redemption amounting to Rs. 521 ('000) and Rs. 510 ('000) respectively were transferred to Investor's Education and Protection Fund Account on 6.6.2004 & 6.6.2005. Third instalment towards unclaimed redemption, to the extent remaining unclaimed, will be transferred on 6.6.2006.

(b) Comprising 5,00,000 (Previous period 5,00,000) 9% Secured Redeemable Non Convertible Debentures of Rs.100/- each issued on private placement basis, secured by Parri Passu charge on the immovable property of the Company situated at 2-A, Sector - 18 , HSIDC, Gurgaon. together with Plant & Machinery except Plant & Machinery exclusively charged as referred to in Note no. 4 (e).

The Debentures are to be redeemed to the extent of 5% in four equal quarterly instalments commencing from 30th April 2005 with the balance 95% to be repaid in 19 equal quarterly instalments commencing from 30th April 2006.

2. Working Capital

- Working Capital Loans from Banks are secured by hypothecation of inventories and Book Debts and are further secured by first charge on Company's immoveable property at Okhla and second charge on Company's immoveable property at Gurgaon

3. Working Capital Demand Loans

- Working Capital Demand Loan from others are secured by Parri Passu charge on immoveable property of the Company situated at Mahad (Maharastra) and Jigani (Karnataka) together with factory building constructed / to be constructed alongwith Plant & Machinery installed / to be installed except Plant & Machinery exclusively charged as referred to Note No. 4 (a).

The Same has been restructured and is repayable to the extent of 5% in four equal quarterly installments commencing from 1st April, 2005 with the balance 95% to be repaid in 19 equal quarterly installments commencing from 1st April, 2006.

4. Term Loans

- (a) Term Loan of Rs.Nil (previous period-Rs10,00('000)) was secured by exclusive charge on specific items of machinery at the Company's unit at Jigani (Karnataka).
- (b) Term Loan of Rs. 2,52,00('000) (previous period-Rs. 2,52,00('000)) is secured by exclusive charge on specific items of machinery at the Company's units at Mahad (Maharashtra) & Jigani (Karnataka). The Company is in the process of extending the security to cover the fresh Term Loan of Rs. 30,000('000) availed during the period.
- (c) Term Loans of Rs. 3,17,96('000) (previous period-Rs. 3,20,86('000)) are secured by way of pari-passu charge on the immovable property situated at Company's unit at Mahad (Maharashtra) together with factory building constructed / to be constructed with Plant & Machinery installed / to be installed except Plant & Machinery specifically hypothecated as referred to Note No. 4(b).
- (d) Term Loans of Rs.1,20,64('000) (previous period -Rs. 1,20,64('000)) are secured by way of pari-passu charge on the immovable property of the company situated at Jigani (Karnataka) together with factory building constructed with Plant & Machinery installed/to be installed except Plant & Machinery specifically hypothecated as referred to in Note No. 4 (a) and(b).
- (e) Term Loan of Rs. 56,13('000) (previous period-Rs. 71,24('000)) is secured by exclusive charge on specific items of machinery at the Company's unit situated at Gurgaon (Haryana).

Loans due within one year Rs. 2,33,70('000) (previous period-Rs. 2,58,47('000)).

SCHEDULE - 4

UNSECURED LOANS

	As at 31st March 2005 (Rs. in '000')	As at 30th Sept. 2004 (Rs. in '000')
1) Fixed Deposits (Due within 1 Year Rs. 6,43,08('000) – Previous period-Rs. 6,57,39('000))	68819	69618
2) Deferred SalesTax (Due within 1 Year Rs. 1,41,53('000) – Previous period-Rs.1,86,29('000))	50092	61529
3) From Others (Due within 1 year Rs. 57,08('000) - Previous period-Rs.1,25,96('000))	9263	17073
	128174	148220

SCHEDULE - 5

FIXED ASSETS AS AT 31st March, 2005

(Rs. '000')

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1.10.2004	Additions	Deductions	As at 31.03.2005	As at 30.09.2004	For the Period	Deduction	As at 31.03.2005	As at 31.03.05	As at 30.09.2004
LAND										
– FREEHOLD	8748	–	–	8748	–	–	–	–	8748	8748
– LEASEHOLD	1365	–	–	1365	61	8	–	69	1296	1304
BUILDINGS	144313	571	–	144884	37832	2149	–	39981	104903	106481
PLANT & MACHINERY	719546	12744	–	732290	325617	18720	–	344337	387953	393929
MOULDS	262209	7001	17	269193	211506	8389	–	219895	49298	50703
FURNITURE & FIXTURES	17712	338	–	18050	9787	567	–	10354	7696	7925
OFFICE EQUIPMENTS	9827	–	–	9827	4488	232	–	4720	5107	5339
VEHICLES	19544	330	–	19874	9090	929	–	10019	9855	10454
COMPUTERS	6345	79	–	6424	5144	270	–	5414	1010	1201
	1189609	21063	17	1210655	603525	31264	–	634789	575866	586084
PREVIOUS PERIOD Capital Work in Progress	1109749	85843	5983	1189609	512964	92972	2411	603525	586084	1933
									1933	549

Note:- The title deed of Land & Building aggregating to Rs.10,000('000) Lacs are in the process of being transferred in the name of the Company.

**SCHEDULE - 6
INVESTMENTS (LONG TERM)
(Fully Paid Up, unless otherwise specified)**

A) SHARES – UNQUOTED

Non Trade

- i) 24,11,250(Previous period-24,11,250) Equity Shares of Rs.10/- each in Pacific Pearl Finance & Leasing Ltd- a company under the same management (Net of provision for diminution in the value of investment Rs.192,90('000) Previous period Rs. 192,90('000))
- ii) 1,00,000 (Previous period-1,00,000) 1% Redeemable Cumulative Preference Shares of Rs.100/-each. of Pearl International Tours & Travels Ltd-a company under the same management (Net of provision for diminution in the value of investment Rs. 5,000('000) Previous period Rs. 5,000('000))

B) DEBENTURES – UNQUOTED

- 1,65,000 (Previous period 1,65,000) 20% Unsecured Debentures of Rs. 100/- each in Pacific Pearl Finance & Leasing Ltd -a company under the same management (Net of provision for the diminution in the value of investment Rs. 123,75('000), Previous period Rs. 123,75('000))

C) SHARES – QUOTED

- i) 54,41,040 Equity Shares (Previous period - 54,41,040) Equity Shares of Rs.10/- each in Pearl Engineering Polymers Ltd a company under the same management
- ii) 27,450 (Previous period 27,450) Equity Shares of Rs.10/- each in Pearl Apartments Ltd.

D) OTHER INVESTMENTS – QUOTED

- i) 17,350 (Previous period 17,350) Equity Shares of Rs.10/- each in Mazda Industries Ltd.
- ii) 21,300 (Previous period 21,300) Equity Shares of Rs.10/- each in Pretto Leather Ltd.
- iii) 1,100 (Previous period 1,100) Equity Shares of Rs.10/- each in Kongrar Integrated Fibre Ltd.
- iv) 2,000 (Previous period 2,000) Equity Shares of Rs.10/- each (fully paid) in Valliant Communications Ltd.
- v) 1,000 (Previous period 1,000) Equity Shares of Rs.10/- each of B.K.Duplex Boards Ltd.
- vi) 11,700 (Previous period 11,700) Equity Shares of Rs.10/- each of Rams Transformers Ltd.
- vii) 3,300 (Previous period 3,300) Equity Shares of Rs.10/- each of Pasupati Fincap Ltd.
- viii) 20,100 (Previous period 20,100) Equity Shares of Rs.10/- each of Prism Cement Ltd.
- ix) 5,000 (Previous period 5,000) Equity Shares of Rs.10/- each of Master Trust Ltd.
- x) 600 (Previous period 600) Equity Shares of Rs.10/- each of Fortis Financial Services Ltd.
- xi) 5,900 (Previous period 5,900) Equity Shares of Rs.10/- each of Market Creator Ltd.
- xii) 1,363 (Previous period-1363) Equity Shares of Rs.10/- each of Reliance Industries Ltd.
- xiii) 500 (Previous period 500) Equity Shares of Rs.10/- each of Rolta India Ltd.

* (Net of provision for diminution in the value of investment of Rs.36,65('000) (Previous period-Rs. 36,65('000))

** Market Value as on 31.03.2005 : Rs. 4,34,23('000) Previous period Rs. 3,28,55('000))

	As at 31st March 2005 (Rs. in '000')	As at 30th Sept. 2004 (Rs. in '000')
	4823	4823
	5000	5000
	4125	4125
	*13948	13948
	54410	54410
	87	87
	879	879
	26	26
	4	4
	20	20
	4	4
	35	35
	21	21
	87	87
	57	57
	2	2
	27	27
	388	388
	55	55
	**56102	56102
	70050	70050

SCHEDULE - 7

INVENTORIES

(As Verified, Valued and Certified by the Management)

	As at 31st March 2005 (Rs. in '000')	As at 30th Sept. 2004 (Rs. in '000')
Raw Materials (including Raw Materials in transit Rs. 38,14('000) (Previous period-Rs. 13,76('000))	41998	25366
Finished Goods and Accessories (Including Finished Goods in transit Rs. 5,46('000) (Previous period Rs.1,79('000))	52067	526860
Semifinished Goods (Preforms)	3386	1672
Packing Materials	7146	7725
Stores & Spares	13205	14426
	<u>117802</u>	<u>102049</u>

SCHEDULE - 8

SUNDRY DEBTORS (UNSECURED)

Debts outstanding for a period exceeding six months

- Considered Good	18337	19742
- Considered Doubtful	21534	22098
Less : Provision for Doubtful Debts	(21534)	(22098)
Other Debts-Considered good	18337	19742
	<u>235583</u>	<u>235427</u>
	<u>253920</u>	<u>255169</u>

SCHEDULE - 9

CASH & BANK BALANCES

Cash in Hand	404	474
Cheques in Hand	8448	121
Balance with Scheduled Banks in		
a) Current Accounts	4383	5208
b) Fixed Deposit Accounts-pledged as margin money Rs. 1,76,04('000) (previous period Rs.1,87,48('000)) against Bank Gurantees and Letters of Credit)	<u>23794</u>	<u>20938</u>
	<u>37029</u>	<u>26741</u>

SCHEDULE - 10

LOANS & ADVANCES

(Unsecured considered Good)

Advances recoverable in cash or in kind or for Value to be Received	78886	76786
Security Deposits	60222	52244
Advance Tax/Tax Deducted at Source	2622	1917
Balances with Excise and Customs Authorities	6593	5712
	<u>148323</u>	<u>136659</u>

SCHEDULE - 11

CURRENT LIABILITIES

Acceptances	910	601
Sundry Creditors-		
- Amount due to Small Scale Industrial Units	12183	2883
- Amount due to Others	213915	203611
Security Deposits from Dealers and Agents	6442	5626
Interest Accrued but not Due	6600	6014
Other Liabilities	9576	8138
	<u>249626</u>	<u>226873</u>

SCHEDULE - 12

PROVISIONS

For Taxation	1398	604
For Gratuity	8099	5836
For Leave Encashment	3837	3783
	<u>13334</u>	<u>10223</u>

**SCHEDULE - 13
OTHER INCOME**

	For the 6 Months Period Ended 31st March 2005 (Rs. in '000')	For the 18 Months Period Ended 30th Sept. 2004 (Rs. in '000')
Income from Investments-Dividend	11	7
Interest on Deposits & Advances*	791	3484
Jobwork**	8884	14176
Misc Receipts***	5130	28127
	<u>14816</u>	<u>45794</u>

* (Tax deducted at source Rs. 54('000) (previous period Rs. 4,89('000))

** (Tax deducted at source Rs.1,84('000) (previous period Rs. 1,69('000))

*** (Tax deducted at source Rs. 94('000) (previous period Rs. 4,38('000))

**SCHEDULE - 14
MATERIAL COSTS**

a) Raw Materials		
- Opening Stock	25366	21205
- Add : Purchase	<u>306856</u>	<u>656872</u>
	332222	678077
- Less : Closing Stock	<u>41998</u>	<u>25366</u>
	290224	652711
b) Direct Purchases		
- Caps	6495	19063
- Pet Preforms	7339	11036
- Others	538	3285
- Packing Material	<u>45963</u>	<u>128420</u>
	60335	161804
c) Increase/Decrease in Finished Goods etc.		
Opening Stock		
- Finished Goods	45665	44596
- Caps	6984	4698
- Pet Preforms	1672	1132
- Others	211	278
- Packing Material	<u>7725</u>	<u>6471</u>
	62257	57175
Closing Stock		
- Finished Goods	44371	45665
- Caps	7696	6984
- Pet Preforms	3386	1672
- Others	235	211
- Packing Material	<u>6911</u>	<u>7725</u>
	62599	62257
	(342)	(5082)
	<u>350217</u>	<u>809433</u>

**SCHEDULE - 15
PERSONNEL COSTS**

Salary, Wages, Bonus & Other Allowances	30138	87701
Contribution to P.F., E.S.I. & Other Funds	4762	14463
Staff Welfare Expenses	1975	4194
	<u>36875</u>	<u>106358</u>

SCHEDULE - 16

MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER COSTS

	For the 6 Months Period Ended 31st March 2005 (Rs. in '000')	For the 18 Months Period Ended 30th Sept. 2004 (Rs. in '000')
Stores & Spares Consumed	8326	19863
Freight, Octroi & Cartage	15467	47092
Power and Fuel	52246	147863
Advertisement, Publicity & Selling Expenses	6162	8690
Printing, Stationery, Postage, Telephone & Telex	4059	12888
Rent / Lease Rent	1073	6285
Repairs & Maintenance		
- Building	785	4842
- Machinery	2156	9613
- Others	2064	4525
Insurance	1122	4628
Rates & Taxes	585	1300
Commission, Rebate & Discount	7414	21701
Conveyance & Travelling expenses	6136	17123
Legal & Professional Fees	2484	6064
Audit Remuneration	209	480
Donations to Charitable Funds	101	95
Loss on Sale of Assets	-	888
Director's Sitting Fee	8	11
Sales Tax Additional Demand	147	1700
Provision for Doubtful Debts (Net)	(564)	1911
Miscellaneous Expenses	21919	64054
	<u>131899</u>	<u>381616</u>

SCHEDULE - 17

FINANCE CHARGES

Interest		
- On Fixed Loans and Debentures	16286	63549
- Others	14011	45732
Other Finance Charges	2290	6953
	<u>32587</u>	<u>116234</u>

SCHEDULE - 18

I. SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Preparation of Financial Statements:

The financial statements are prepared on the accrual basis under the Historical cost convention in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

B) Fixed Assets:

Fixed assets are stated at cost, net of modvat, less Depreciation. Cost includes finance cost till commencement of commercial production, freight, duties, taxes & other incidental expenses related to acquisition and installation of Fixed Assets.

C) Depreciation:

Depreciation on fixed assets is provided on straight-line method at rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except for leasehold land, which is amortized over the period of the lease. The depreciation on assets acquired/sold/discarded/ demolished during the year is provided from/up to the period the asset is commissioned/sold or discarded.

D) Investments:

Long term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary, in the opinion of the management. Current investments are valued at lower of cost or market price.

E) Inventories:

Raw materials and stores and spares are valued at lower of cost determined on FIFO basis & net realisable value. Work-in-process and finished goods are valued at lower of weighted average cost including applicable manufacturing overheads and net realizable cost.

F) Income:

Sale of goods is recognized at the point of dispatch to the customer, except in the case of export sales, which are recognised as per the terms of the contract. Sales are inclusive of Excise Duty and net of trade discounts.

G) Retirement Benefits:

Gratuity and Leave encashment benefits are charged to Profit & Loss Account on the basis of amount determined actuarially at the year-end. Superannuation is provided on the basis of amount paid under the Insurance Scheme, taken from Life Insurance Corporation of India.

H) Research and Development Expenses:

Expenditure relating to capital items are debited to Fixed Assets and depreciated at applicable rates. Revenue Expenditure is charged to Profit & Loss Account of the year in which they are incurred.

I) Lease Assets:

- i. For assets acquired on lease prior to 31.3.2001, the lease rentals are charged to Profit and Loss Account.
- ii. For assets acquired on lease after 01.04.2001. In terms of A.S.-19 lease of assets under which all the risks and benefits of owner are effectively retained by the lessor are classified as operating lease. Payment made under operating lease is charged to profit and loss account on a straight-line basis over the period of lease. Rentals payable under operating lease are charged to the profit and loss account as incurred.

J) Borrowing Cost:

Interest on Term Loans, Debentures and Working Capital is charged to revenue account. Further, interest on borrowings for qualifying assets is capitalised till the date of commencement of commercial use of asset.

K) Taxation:

Tax expenses for the period, comprising current tax and deferred tax, is included in determining the net profit or loss for the year.

The provision for current taxation is based on assessable profits of the company as determined under the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for all timing differences. Deferred tax assets are carried forward to the extent it is probable that future taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured at the tax rate that have been enacted or substantially enacted by the Balance Sheet date.

L) Foreign Currency Transactions:

Transactions in Foreign Exchange are accounted for at the exchange rates prevailing on the date of the transaction. The exchange differences arising out of their settlement other than those relating to fixed assets are dealt with in the Profit & Loss Account. Foreign currency assets and liabilities are stated at the year-end foreign exchange rates or forward contract rates, as the case may be. The resultant gains or losses are recognised in Profit & Loss Account except exchange difference arising in settlement and/or transaction of foreign currency liabilities on acquisition of fixed assets which are adjusted against the carrying cost of corresponding fixed asset.

Premium / discount on Forward Exchange Contracts is recognised as income or expense in the Profit & Loss Account over the period of the Contract.

M) Impairment of Assets:

All assets other than inventories, investments and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

N) Provisions and Contingencies:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

II. NOTES TO THE ACCOUNTS

	As at 31st March 2005 (Rs. in '000')	As at 30th Sept. 2004 (Rs. in '000')
1 Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of Advances)	344	5245
2 Contingent Liabilities		
a) Bills discounted	2576	4132
b) In respect of Demand for Sales Tax for which the company has preferred an appeal	1126	2076
c) In respect of guarantees executed by Banks against lodgement of counter guarantees of the Company	6054	9414
* Provided by way of Margin Money to the extent of Rs.17,77('000) (Previous period-Rs.26,17('000))		
d) In respect of demands for Excise Duty;*	43474	36000
*includes:		
- The Company had received for its unit at Mahad show cause notice from excise department for Rs.36059('000) for producing and clearing dutiable and non-dutiable products under notification 4/97 dated 1.03.97. The Company has preferred an appeal against the same. Similar case for a different period has been adjudicated in Company's favour by CESTAT, DELHI		
- At its unit at Mahad, the excise department has filed an appeal against a demand of Rs.72,72('000) which had been dropped by the Commissioner, Central Excise. (The original show cause notice was received on 17.2.2002 & related to imposition of Excise Duty on recovery of freight charges, detention charges etc separately by the company & non inclusion of the same)		
	For the 6 Months Period Ended 31st March 2005 (Rs. in '000')	For the 18 Months Period Ended 30th Sept. 2004 (Rs. in '000')
3 Auditors' Remuneration		
a) Audit Fee	202	368
b) Other Services	3	21
c) Out of Pocket expenses	4	91
4 Managerial Remuneration		
- Salary and Other Allowances	840	2520
- Contribution to Provident Fund & Other Funds	63	189
- Estimated value of Perquisites	79	236
As the provision for Gratuity & Leave Encashment is determined for the Company as a whole based on actuarial valuation, no separate figures are ascertainable		
5 CIF Value of Imports		
a) Raw Materials	4121	7698
b) Capital Goods	1716	1845
6 Expenditure in Foreign Currency(Cash Basis)		
a) Travelling	1066	700
b) Legal & Professional	-	9
7 Earning in Foreign Exchange Value of Exports on FOB Basis	3518	2589

8 Value of Raw Material, Spare Parts and Components consumed during the period

	Percentage		Value (Rs. '000)	
	Period ended 31.3.05	Period ended 30.9.04	Period ended 31.3.05	Period ended 30.9.04
a) Raw Materials				
– Imported	0.78	1.22	2267	7995
– Indigeneous	99.22	98.78	287957	644716
	100.00	100.00	290224	652711
b) Spare parts & components				
– Imported	0.47	2.15	39	428
– Indigeneous	99.53	97.85	8287	19435
	100.00	100.00	8326	19863

9 Particulars in respect of goods

Class of Goods	Unit of quantity	Licenced Capacity ***	Installed Capacity*		Acutal Production**	
			As at 31.3.05	As at 30.9.04	Period ended 31.3.05	Period ended 30.9.04
PET Bottles & Jars	Pcs.in '000'	—	258,650	252,860	117882	325,050

* Annualised and as certified by the management being a technical matter. Installed capacity is on the basis of three shifts working.

** For the Purpose of comparison of actual production to installed capacity, the actual production when converted into 1 Ltr bottles, which is the basis of ascertaining the installed capacity is 99139488 Pcs (previous period-329294118 Pcs)

*** Industry Delicenced

10 Particulars In Respect of Sales And Finished Goods

Class of Goods	Unit of Quantity	Quantity		Value (Rs. '000)	
		Period ended 31.3.05	Period ended 30.9.04	Period ended 31.3.05	Period ended 30.9.04
PET Bottles & Jars					
i) Sales	Pcs.in '000'	118907	323089	679880	1721808
ii) Opening Stock	Pcs.in'000'	10371	8410	45665	44597
iii) Closing Stock	Pcs.in'000'	9346	10371	44371	45665

11 Particulars of Raw Material Consumed

Class of Goods	Unit of Quantity	Quantity		Value (Rs. '000)	
		Period ended 31.3.05	Period ended 30.9.04	Period ended 31.3.05	Period ended 30.9.04
PET Chips	Tonnes	2506.69	11196.00	173103	579672
Purified Terephthalic Acid/ Isophthalic Acid	Tonnes	1134.20	—	50746	—
Others				66375	73039
				290224	652711



12 Purchases are net of the incentives received during the period from the suppliers.

13 Current Assets, Loans and Advances :

In the opinion of the Board, the current assets, loans and advances have a value on realisation in the ordinary course of business, atleast equal to the amount stated in the Balance Sheet.

14 Balances of Sundry Debtors, Loans & Advances and Sundry Creditors are subject to confirmation by the parties.

15 Earning per share has been calculated as under:

Particulars	Period ended 31.03.2005		Period ended 30.09.2004	
	No. of Shares	Weighted Average No. of Shares	No. of Shares	Weighted Average No. of Shares
No. of Shares at the beginning of the year Add: Allotment of 14,31,524 Equity Shares of Rs.10/- each to Financial Institution on 11.02.2005 as part of restructuring settled with them (previous period Nil)	12141950 1431524	12141950 385410	12141950 -	12141950 -
Total No. of weighted average Equity Shares outstanding at the end of the period	13573474	12527360	12141950	12141950
Net Profit available to Equity Shareholder (Rs.'000)		10,009		12,777
Basic Earning Per Share (Rs.)		0.80		1.05
Advance against Equity yet to be allotted	2676181	2676181	-	-
Total No. of weighted average Equity Shares including diluted potential Equity Shares outstanding during the period.		15203541		12141950
Diluted Earning per share		0.66		1.05

16 Segment Reporting as defined in Accounting Standard (AS) 17 issued by the Institute of Chartered Accountants of India is not applicable to the company since its entire operations relates to only one segment,namely manufacturing of PET containers.

17 Related party Disclosures:

1) As per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related parties as defined in the Accounting Standard is given below :-

a) Key Management Personnel

Mr. Chand Seth

Mr. Harish Seth

c) Other related parties where control exists

M/s Pearl Agencies

Pearl Engineering Polymers Ltd

Amit Apartments Ltd

Pacific Pearl Finance and Leasing Ltd

Pearl Apartments Ltd

Pearl Flats (I)Ltd

Gama Investments Pvt Ltd

Pearl International Tours & Travels Ltd

Theta Investments (P) Ltd

Beta Finance & Trading Pvt Ltd

b) Relatives of Key Management personnel and their enterprises where transactions have taken place.

Mr M L Seth

Mrs. Suneeta Seth/ Madhu Seth

Mr. Varun Seth/Adhar Seth

Mrs Rachna Seth/Rupali Seth

Ms Tavanya Seth/Surina Seth

ii) Transactions carried out with related parties referred in (i) above, in ordinary course of business.

	Key Management Personnel & Relatives		Amount Rs. ('000) Associates	
	Period ended	Period ended	Period ended	Period ended
	31.3.05	30.9.04	31.3.05	30.9.04
Purchase				
Raw Material & Goods	–	–	70895*	404282
Job Work	–	–	6593*	–
Expenses				
Rent & Other service charges	315	945	1231**	3600
Remuneration	667	2000	–	–
Interest Paid (on F.D.)	–	1361	–	–
Agency Commission	–	335	30*	148
Directors Sitting Fees	2	5	–	–
Ticketing Expenses	–	–	688*	4948
Investments				
Advance agst Equity	–	7000	–	22800***
21500				
Income				
For Rent and other Services	–	–	2040****	7971
Outstandings				
Sundry Creditors	45	45	1971	67009

* Represents transaction with the one associated company

** Includes Rs.12,00 ('000) paid to Pearl Agencies

*** The company has yet to receive allotment of shares against Rs. 22,800 ('000) application money advanced to companies referred to 1© above.

**** Includes Rs.18,00('000) received from Pearl Engineering Polymers Ltd

18 List of Small Scale Industrial Undertakings to whom the Company owes monies for more than 30 day's as at March 31, 2005

I	Nu-teck Couplings Pvt. Ltd.	XX	Himgiri Plastics
II	K.C.Toolroom Pvt. Ltd.	XXI	Monalax Industries
III	NTB International Pvt. Ltd.	XXII	Maruthi Metals & Plastics
IV	Maharashtra Packaging Indutires	XXIII	Arihant Enterprises
V	Pruthavi Industries	XXIV	Grip Tight Packaging
VI	Kedia Paper Industries Pvt Ltd.	XXV	Kaushik Products
VII	Mehule Colour and Master Batches	XXVI	Prem Packaging & Industries
VIII	Alok Industries	XXVII	Pyramid Packaging
IX	Rishabh Tapes	XXVIII	Vikram Industries
X	S.K.Packaging	XXIX	SCJ Plastics Ltd.
XI	Yash Fibre	XXX	Electronic Relays(I) Pvt. Ltd.
XII	Usha Plastics	XXXI	Poddar Pigment Ltd.
XIII	Enzen Automotives Pvt. Ltd.	XXXII	Sapthagiri Packaging industries
XIV	Box & Carton (India) Pvt. Ltd.	XXXIII	Shree Balaji Packaging Industries
XV	National Adhesives	XXXIV	Nuclear Offset Printers Pvt. Ltd.
XVI	Packraft Container India Pvt. Ltd.	XXXV	Sonika Graphics
XVII	Corona Plastics Pvt. Ltd.	XXXVI	K.S.Tapes
XVIII	Vel Mold Industries	XXXVII	Premier Prints
XIX	Makers Polyfilms Pvt. Ltd.		

	As at 31.3.05	As at 30.9.04
19 Deferred Tax		
Deferred Tax Liability as at the commencement of the period	57535	62511
Deferred Tax Asset Created during the period		
– On Account of Depreciation	738	4976
Deferred Tax Liability at the end of the period (net)	56797	57535
20 The Company had received Rs.30,000('000) from Promoters during the previous period as advance against Equity and is in the process of taking approval from relevant authorities for allotment of shares against the same		
21 IDBI and LIC have reduced the rate of interest on their Loans/ Debentures to 9% p.a. An amount of 50% of differential interest between their existing rate and 9% p.a. during the tenor of the loan on Net Present Value basis has been converted into equity shares of the company and allotted to them as per SEBI pricing formula. This amount aggregating to Rs. 1,60,47('000) shall be charged off over the revised tenor of the loans.		
22 The Adoption of Accounting Standard 28 on impairment detailed in Note "M" para 1 of schedule 18 does not have any impact on either the profit for the period or on the net assets of the company as at the end of the period.		
23 As no commission is payable to the Directors for the period, the computation of Net Profit as per Section 349 of the Companies Act 1956, has not been given		
24 Previous period figures have been recast / rearranged, wherever found necessary to conform to this period's presentation.		
25 The Current period accounts relate to a period of six months ended 31.3.2005 and the previous period accounts were prepared for a period of 18 months ended 30.9.2004. Thus, the figure of the current period are not strictly comparable with those of the previous period.		

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

		AMOUNT Rs. ('000)	
i) Registration Details			
Registration No. :	5 5 3 5	State Code :	5 5
Balance Sheet Date :	3 1 3 2 0 0 5		
ii) Capital raised during the year :			
Public Issue	N I L	Rights Issue :	N I L
Bonus Issue	N I L	Private Placement :	1 4 3 1 5
iii) Position of Mobilisation & Deployment of Funds			
Total Liabilities :	9 4 1 9 6 3	Total Assets :	9 4 1 9 6 3
Sources of funds			
Paid up Capital :	1 3 5 6 5 4	Reserves & Surplus :	1 9 4 6 5 1
Secured Loans :	3 9 6 6 8 7	Unsecured Loans :	1 2 8 1 7 4
Deferred Tax :	5 6 7 9 7	Advance agst Equity :	3 0 0 0 0
Application of Funds			
Net Fixed Assets :	5 7 7 7 9 9	Investments :	7 0 0 5 0
Net Current Assets :	2 9 4 1 1 4	Misc. Expenditure :	N I L
iv) Performance of Company			
Turnover :	5 9 2 9 2 6	Total Expenditure :	5 8 2 7 2 8
Profit Before Tax :	1 0 1 3 8	Profit After Tax :	1 0 0 0 9
Earning Per Share (in Rs.) - Basic :	0 .8 0	Dividend Rate (%) :	N I L
- Diluted :	0 .6 6		
v) Generic Names of Principal Products / Services of Company (as per monetary terms)			
Item Code No.			
(ITC Code) :	3 9 2 3 3 0 0 0		
Product Description :	Pet Bottles, Jars & Containers		

SIGNATURES TO SCHEDULES 1 TO 18

On Behalf of the Board

J.P.Jain
Proprietor
For and on behalf of
JOGINDER P. JAIN & CO.
Chartered Accountants
Membership No. 8881
PLACE : New Delhi
DATE : June 30, 2005

CHAND SETH
Chairman & Managing Director

HARISH SETH
Vice-Chairman & Managing Director

NARESH KAPOOR
Company Secretary