

BOARD OF DIRECTORS	:	H. C. Parekh B. C. Parekh Akshay Bhatt Sandeep Poddar	Chairman & Managing Director Executive Director Independent Director Independent Director
AUDITORS	:	M/S. B. R. DALAL & CO. Chartered Accountants	
BANKERS	:	Union Bank of India Kokan Mercantile Co-op. Bank Ltd.	
FINANCIAL INSTITUTIONS	:	SICOM Investment & Finance Ltd.	
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 NINTH 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 Saturday, the 9th day of July, 2011 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, 2011 and 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. B.C. Parekh, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. B. R. Dalal & Co., Chartered Accountants, as auditor 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 MEMBER 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 Eight 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 Saturday, 2nd day of July, 2011 to Saturday, 9th day of July, 2011 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

For and on behalf of Board

Date : 30th May, 2011

H. C. PAREKH

Chairman

DIRECTOR'S REPORT

To,
The Members,
TPI INDIA LIMITED

Your Directors are pleased to present the Twenty Ninth Annual Report together with the audited financial statements for the year ended 31st March, 2011. (Rs. in Lacs)

FINANCIAL RESULTS :	Year ended 31.03.2011	Year ended 31.03.2010
Total Income	2092.14	1734.95
Total Expenditure	1695.89	1463.81
Profit/(Loss) before Interest, Depreciation, Amortisation Exceptional Items	396.25	271.14
Less : Interest	244.33	189.05
Depreciation	76.52	74.11
Profit / (Loss) before Exceptional Item & Tax	75.40	7.98
Less : Prior Years' Expenses	0.50	2.50
Add : Exceptional Items - under OTS & Waiver	0.00	55.79
Profit / (Loss) Before Tax	74.90	61.27
Less : Provision for Taxation	Nil	Nil
Profit / (Loss) After Tax	74.90	61.27
Add : (Loss) Brought Forward from Previous Years	(3828.46)	(3889.73)
Balance Carried to Balance Sheet	(3753.56)	(3828.46)

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, 2011

OPERATION REVIEW :

During the year under review, your Company has earned total income of Rs. 2092.14 lacs as against 1734.95 lacs during the previous year. The operational profit before interest and depreciation for the year under review is Rs. 396.25 as against Rs. 271.14 lacs during the previous year showing increase of about 46 %. Thus the operational review reveal achievement of economies in production process due to its gross contribution, but due to high interest cost of Rs. 244.33 lacs during the year under review as against Rs. 189.05 lacs in the previous year, the Profit after depreciation and interest is Rs. 75.40 lacs during the year under review as against Rs. 7.98 lacs in the previous year. Your Management is committed to ensure comprehensive internal controls across its operations to achieve optimum commercial & technical economies.

FUTURE OUTLOOK:

The centralized factory operation at Murbad has resulted in improved input-output ratio, cost effectiveness and economies in direct factory overhead and during the current year, with further better capacity utilization, the financial results shall be encouraging. Further with the approval of Rehabilitation Scheme by BIFR and implementation thereof, the management was successful in swapping over of the part of High Cost borrowing to normal rate of interest with longer repayment schedule, the result whereof can be appraised in the current financial year. The Company has implemented the modernization cum optimization programme on the key area of cost effectiveness, excellence in product quality and customer service, operational productivity and efficiency. Your Management will continue their efforts in developing & concentrating in value added product to maintain lead position in the market and improve bottom margin. However, the overall outlook for 2011-12 appears to be positive but nevertheless challenging.

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.

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.

DIRECTOR'S:

Mr. B.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 Director's 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, TECHNOLOGY 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. Dalal & Co. Chartered Accountants, retires at the conclusion of the forthcoming Annual General Meeting and have expressed their willingness to continue as Statutory Auditor for the Financial Year 2011-12. 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.

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.

At the hearing held on 1st September, 2010 BIFR has approved the Rehabilitation Scheme under reference SS-10. The IDBI has been appointed as Monitoring Agency and Monitoring Committee has been constituted for review and appraisal.

CORPORATE GOVERNANCE:

With the constitution of the various committees in terms of the requirement of Listing Agreement with Stock Exchange and the appointment of Independent Directors, the efforts are being made to ensure the compliance of Clause 49 of the Listing Agreement.

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

HUMAN RESOURCES:

The Company views its employees as valuable resources who contribute in the growth, prosperity and development of the organization. The Company is committed to create an appropriate climate, opportunities and systems to facilitate identification, development and utilization of their full potential. The Company is providing in-house training to its worker.

The Management of the Company enjoys cordial relations with its employees at all levels. The Board of Directors wish to place on record its highest appreciation for the contribution made by all the employees in achieving growth of the Company.

CASH FLOW STATEMENT:

In conformity with the clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31st March, 2011 is annexed hereto.

ACKNOWLEDGEMENT:

Your Directors place on record their appreciation for the assistance and co-operation extended by SICOM Ltd. SICOM Investment and Finance Limited (SIFL), Kokan Mercantile Co-op. Bank Ltd., Union Bank of India and all the government authorities. Your Directors also acknowledge with thanks the continued support and confidence posed in the Management by the Company's Shareholders, Customers and suppliers.

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2011

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 EARNING AND OUTGO :

	(Rs. In lacs)	
	31.3.2011	31.3.2010
Foreign Exchange Earned :	Nil	Nil
Foreign Exchange Outgo :	Nil	Nil

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2011

H. C. Parekh
Chairman

REPORT ON CORPORATE GOVERNANCE

Your Directors submit their report on the Corporate Governance of the Company for the Financial year 2010-2011.

COMPANY PHILISOPHY 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 under section 3(i)(o) of Sick Industrial Companies (Special Provision) Act, 1985 and at the BIFR hearing held on 1st September, 2010, BIFR has approved the Rehabilitation Scheme under reference SS-10. The IDBI has been appointed as Monitoring Agency and Monitoring Committee has been constituted for review and appraisal. Due to 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:

With the approval of Rehabilitation Scheme by BIFR and implementation thereof, the management was successful in swapping over of the part of High Cost borrowing to normal rate of interest with longer repayment schedule, the results whereof can be appraised in the current financial year. Your Management is committed to ensure comprehensive internal controls across its operations to achieve optimum commercial & technical economies. The centralized factory operation at Murbad has resulted in improved input-output ratio, cost effectiveness and economies in direct factory overhead and during the current year, with further better capacity utilization, the financial results shall be encouraging. The Company has implemented the modernization cum optimization programme on the key area of cost effectiveness, excellence in product quality and customer service, operational productivity and efficiency.

BOARD OF DIRECTORS:

The Board of Directors comprises of Two Executive Directors and Two Independent Non-Executive Directors. During the financial year 1st April, 2010 to 31st March 2011, 5 (Five) Board Meetings were held on 31st May, 2010, 13th August, 2010, 15th September, 2010, 4th November, 2010 and 31st January, 2011.

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		
					Member	Chairman
Mr. H. C. Parekh	ED	5	YES	—	NIL	NIL
Mr. B. C. Parekh	ED	5	YES	—	NIL	NIL
Mr. Akshay Bhatt	NED	5	YES	—	-	-
Mr. Sandeep Poddar	NED	5	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 31st May, 2010, 13th August, 2010, 15th September, 2010, 4th November, 2010 and 31st January, 2011..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:

Shareholder's Grievance Committee was constituted to look into shareholder's/Investor's 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.Akshay Bhatt and Mr. Sandeep Poddar.

Name & Designation of Compliance Officer:

Mr. B.C. Parekh
102 Atlanta
Nariman point
Mumbai 400 021

GENERAL BODY MEETINGS:

Financial Year	Date	Venue
1st April 2007 to 31st March 2008	Wednesday, 10th day of September 2008 at 11 a.m.	Plot No. J-61, Additional MIDC Area, Murbad, District Thane.
1st April 2008 to 31st March 2009	Monday, 29th day of June, 2009 at 11 a.m.	Plot No. J-61 Additional MIDC Area, Murbad, District Thane.
1st April 2009 to 31st March 2010	Tuesday, 28th day of September, 2010 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 listed and the same has been published in Two Newspaper-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 9th July, 2011
2. Financial Year : 1st April 2010 to 31st March, 2011
3. Dividend Payment Date : NIL
4. Venue : Plot No. J-61, Additional MIDC Area, Murbad
Dist 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, Dist Thane, Maharashtra.
9. Share Transfer Agent : Computronics Financial Services (India) Limited
Mittal Chambers, Nariman Point, Mumbai - 400 021.
10. Demat Arrangement : NSDL and CDSL
11. ISIN : INE578C01013
12. BSE Stock Code : 500421

AUDITOR'S REPORT**TO THE MEMBERS OF TPI INDIA LIMITED.**

1. We have audited the attached Balance Sheet of TPI INDIA LIMITED as on 31st March 2011, 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.
 4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it 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) **On the basis of representations received from directors as on March 31, 2011 and taken on the record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a director 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. 25 of Notes to Accounts in Schedule 'T' 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, 2011.
 - 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 : 30th May, 2011

Bharat Dalal
(Proprietor)
Membership No. 31052
Firm Reg. No.: 102024W

ANNEXURE TO THE AUDITOR'S 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, 2011.

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 the 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 6 parties aggregating to Rs.6,86,18,132/- at the year end. The Maximum amount involved during the year was Rs.6,92,33,677/-*
- (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 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 for the above said defaults.**
7. In our opinion, the internal audit function carried out during the period by a firm of Chartered 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 with the appropriate authorities except for payment of excise duty. Further items mentioned in clause No. (b) i) below which were outstanding as at 31st March, 2011 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	Remarks
1	Central Sales Tax	2002-03	28,69,602/-	Relief sought under BIFR Scheme
2	Deferred Sales Tax	91-92, 92-93 etc.	2,39,24,812/-	-Do-
3	Unpaid Dividend	95-96,96-97,97-98	3,17,429/-	-

ii) *The disputed statutory dues aggregating to Rs. NIL that have not been deposited on account of matter pending before appropriate authorities.*

10. **The Company has accumulated losses as on 31st March, 2011 which is more than of it's 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 there is marginal delay in repayment of dues and interest on secured loans.**

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 No Dues Certificate from them, there is no Guarantee outstanding at the year end to them.
16. According to information and explanations given to us, the Company has Substantially 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.
Firm Reg. No. 102024W

Place: Mumbai
Date: 30th May, 2011

BALANCE SHEET AS ON 31ST MARCH 2011

	SCH	31.03.2011		31.03.2010	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
<i>Shareholders' Funds</i>					
a) Share Capital	A	79,634,700		79,634,700	
b) Reserves & Surplus	B	204,208,000	283,842,700	204,208,000	283,842,700
<i>Loan Funds</i>					
a) Secured	C	112,239,746		94,396,122	
b) Unsecured	D	112,952,514	225,192,260	112,810,382	207,206,504
Total Funds Employed			509,034,960		491,049,204
II. APPLICATION OF FUNDS					
<i>Fixed Assets</i>					
a) Gross Block	E	189,845,846		188,076,286	
b) Less : Depreciation		112,394,369		104,742,374	
c) Net Block			77,451,477		83,333,912
<i>Investments</i>					
<i>Current Assets, Loans & Advances</i>	F		176,648		76,647
a) Inventories	G	26,832,566		14,147,766	
b) Sundry Debtors	H	72,522,602		48,946,872	
c) Cash & Bank Balances	I	3,089,002		4,311,391	
d) Loans & Advances	J	5,900,799		6,170,925	
		108,344,969		73,576,954	
<i>Less : Current Liabilities & Provisions</i>					
a) Liabilities	K	51,868,332		48,021,389	
b) Provisions		425,972		762,746	
		52,294,304		48,784,135	
Net Current Assets			56,050,665		24,792,819
<i>Misc. Expenditure</i> (To the extent not written off)			---		---
Debit Balance of Profit & Loss A/c			375,356,169		382,845,826
TOTAL			509,034,960		491,049,204

Note on Accounts
As per our attached report of even date
For B. R. DALAL & CO.
Chartered Accountants
BHARAT DALAL
Proprietor
Membership No. 31052
Firm Reg. No. 102024W
Mumbai, dated 30th May, 2011

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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 30th May, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	SCH	31.03.2011 Rs.	31.03.2010 Rs.
INCOME			
Sales & Income from other operations	L	219,411,146	180,266,166
Less : Excise Duty		(14,199,634)	(9,180,953)
		205,211,512	171,085,213
Other Income	M	4,002,465	2,410,666
Accession in stock of Finished Goods & Stock in Progress	N	11,898,267	3,373,712
		221,112,244	176,869,591
EXPENDITURE			
Material Input	O	120,374,234	91,396,721
Manufacturing Expenses	P	42,154,442	41,926,457
Salaries, Wages & Benefits to employees	Q	6,926,544	5,298,932
Administrative & Selling Exp.	R	12,032,346	11,133,002
		181,487,567	149,755,112
Profit before Depreciation Interest, Extraordinary / exceptional items and tax & Profit on Sale of Fixed Assets		39,624,677	27,114,479
Depreciation		7,651,995	7,411,210
Interest	S	24,432,488	18,904,969
Profit/(Loss) for the year before Extra-ordinary / Exceptional items and tax		7,540,194	798,300
Prior year's Expenses (Net)		(50,537)	(250,081)
Expenses on account of OTS of Secured Loan (Refer Note No.20 of Section T)		-	(789,206)
Exceptional expenses		-	(685,020)
Income on a/c. of waiver of creditors		-	7,053,021
Profit/(Loss) Before Taxes		7,489,657	6,127,014
Less : Provision for Fringe Benefit Tax		-	-
Profit/(Loss) after taxes		7,489,657	6,127,014
Profit/(Loss) brought forward from last year		(382,845,826)	(388,972,840)
Balance Carried to Balance Sheet		(375,356,169)	(382,845,826)

Earnings per share before exceptional Items (Note 18 of Schedule T) 0.95 0.10
Basic and diluted Earnings after Tax & Exceptional Items 0.94 0.77

As per our attached report of even date

For B. R. DALAL & CO.

Chartered Accountants

BHARAT DALAL

Proprietor

Membership No. 31052

Firm Reg. No. 102024W

Mumbai, dated 30th May, 2011

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 30th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.3.2011 Rs. In Lacs	31.3.2010 Rs. in Lacs
A) Cash Flow from Operating Activities		
a) Net profit/(Loss) before tax & Extraordinary item	74.89	7.98
Adjustment for:		
Depreciation	76.52	74.11
Interest Expenses	244.32	189.05
Interest Income	0.00	(0.09)
Dividend Income	(0.03)	(0.03)
b) Operating Profit before working Capital Changes	<u>395.71</u>	<u>271.02</u>
Adjustment for:		
Trade & Other receivable	(234.64)	(249.60)
Inventories	(126.85)	(33.44)
Trade Payables	39.13	(94.35)
c) Cash generated from operations	73.35	(106.38)
Direct Tax Paid [Net]	(0.58)	4.06
Cash from operating activities before exceptional items	<u>73.93</u>	<u>(110.44)</u>
d) Exceptional Item	-	(55.80)
Net Cash From Operating Activities (A)	<u>73.94</u>	<u>(54.64)</u>
B Cash Flow from Investing Activities		
Purchase of Fixed Assets / Capital Expenditure	(17.70)	(86.84)
Sale of Fixed Assets	-	-
Purchase of Investments	(1.00)	-
Sale of Investment	-	-
Loans repaid by other Companies	(3.03)	-
Staff Loans & Advances Recovered/Adjusted	-	(0.79)
Interest Received	-	0.09
Dividend Received	0.03	0.03
Net Cash used in investing Activities (B)	<u>(21.69)</u>	<u>(87.50)</u>
C Cash Flow from Financing Activities		
Fresh Issue of Share Capital	-	0.19
Proceeds from long Term Borrowings	179.86	356.66
Repayment of long Term Borrowings	-	-
Interest Paid	(244.32)	(189.05)
Net Cash used in Financing Activities (C)	<u>(64.47)</u>	<u>(167.80)</u>
D) Net increase / (decrease) in Cash and Cash Equivalent (A+B+C)	<u>(12.22)</u>	<u>25.66</u>
Cash and Cash Equivalent at beginning of the year	43.11	17.45
Cash and Cash equivalent at end of the year	<u>30.89</u>	<u>43.11</u>

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

Firm Reg. No. 102024W

Mumbai, dated 30th May, 2011

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 30th May, 2011

Schedule Forming Part of the Balance Sheet As On 31st March, 2011

	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 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
	<u>105,000,000</u>	<u>105,000,000</u>
ISSUED, SUBSCRIBED, AND PAID UP		
7,963,470 Equity Shares of Rs. 10 each	79,634,700	79,634,700
	<u>79,634,700</u>	<u>79,634,700</u>

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	179,284,000
Share Premium Account	19,924,000	19,924,000
	<u>204,208,000</u>	<u>204,208,000</u>

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 a premium of Rs.6.50 per Share.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2011

	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
Schedule C		
SECURED LOANS		
Maharashtra State Finance Corporation - TL		
Interest due on above Loan	-	89,206
Medium Term Loan from SICOM Inv. & Fin. Ltd.	-	50,000,000
Medium Term Loan form SICOM Inv. & Fin. Ltd.-Capital Expenditure.	1,000,000	9,000,000
Revolving Short Term Woking Capital Loan (1) -Sicom Inv. & Fin. Ltd.	35,000,000	14,000,000
Revolving Short Term Woking Capital Loan (2) -Sicom Inv. & Fin. Ltd.	35,000,000	-
Term Loan - Kokan Mercantile Co-op. Bank Ltd.	40,000,000	-
Bill Discounting from SICOM Ltd.	-	19,963,167
Interest due to Sicom Loans	1,239,746	1,343,749
	<u>112,239,746</u>	<u>94,396,122</u>

- The Medium Term Loan including for Capital Expenditure, Revolving Working Capital Loans 1 & 2 from SICOM Investment & Finance Limited aggregating Rs.710 lacs is secured by Pari Pasu charge of Kokan Mercantile Co-op Bank Ltd. for Term Loan of Rs. 400 Lacs.
 - Mortgage of Factory Premises located at Plot No.J-61, Addl. MIDC, Murbad, F-4, MIDC, Murbad and all the Fixed Assets of the Company and office at 102, Atlanta, 10th Floor, Nariman Point, Mumbai - 21 owned by Chairman & Managing Director.
 - Hypothecation of all Current Assets of the Company at above location
 - Pledge of 62.66% shares in the company of Parekh family
 - Hypothecation of all receivable including from Storsack India Pvt. Ltd., and other identified customers
 - Personal Guarantees of Directors, Shri Hasmukh Parekh & Shri Bharat Parekh
- The Bill Discounting from SICOM is secured by assignment of receivable from certain identified customers and charge on assets of the Company.
- The Term Loan of Rs. 4,00,00,000/- from Kokan Mercantile Co-op. Bank Ltd. is secured against pari pasu charge on the following assets.
 - Mortgage of all the Factory Premises 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 owned by Chairman & Managing Director and Hypothecation of all Plant & Machineries.
 - Personal Guarantees of Directors, Shri Hasmukh Parekh & Shri Bharat Parekh & Sureties of Two other Persons.

SCHEDULE D**UNSECURED LOAN**

	AS ON 31.3.2011	AS ON 31.3.2010
Development Corporation of Konkan Ltd.	873,069	873,069
Deferred Sales Tax Loan	23,924,812	23,924,812
Inter Corporate Deposits	32,487,501	31,487,501
Other Deposits	55,667,132	56,525,000
	<u>112,952,514</u>	<u>112,810,382</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2011

SCHEDULE E
FIXED ASSETS

	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	As at 31-3-10 Rs.	Addition Rs.	Deduction Rs.	As at 31-3-11 Rs.	Upto 31-03-2010	Deduction Rs.	For the Year Rs.	Total Rs.	As at 31-03-11 Rs.	As at 31-03-10 Rs.
Land (Leasehold)	2,173,120	-	-	2,173,120	217,532	---	21,750	239,282	1,933,838	1,955,588
Buildings	56,365,609	209,890	-	56,575,499	25,066,609	---	1,884,692	26,951,301	29,624,198	31,299,000
Plant & Machinery	108,975,917	1,384,981	-	110,360,898	65,350,483	---	4,934,110	70,284,593	40,076,305	43,625,434
Electrical Installations	9,711,907	-	-	9,711,907	6,241,093	---	461,315	6,702,408	3,009,499	3,470,814
Furniture & Fixtures	2,753,351	-	-	2,753,351	2,190,280	---	88,153	2,278,433	474,918	563,071
Office Equipments	1,820,906	46,764	-	1,867,670	949,192	---	70,027	1,019,219	848,451	871,714
Factory Equipments	2,215,754	-	-	2,215,754	1,614,513	---	86,394	1,700,907	514,847	601,241
Computers	2,942,420	127,925	-	3,070,345	2,588,186	---	56,745	2,644,931	425,414	354,234
Laboratory Equipments	1,117,302	-	-	1,117,302	524,486	---	48,809	573,295	544,007	592,816
Total	188,076,286	1,769,560	-	189,845,846	104,742,374	---	7,651,995	112,394,369	77,451,477	83,333,912
Previous Year	179,392,213	8,684,073	-	188,076,286	97,331,164	---	7,411,210	104,742,374	83,333,912	82,061,049

Notes :-

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

ASON 31.03.2011 ASON 31.03.2010
Rs. 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
10000 (Nil) Shares of Kokan Mercantile Co-Op. Bank Ltd. of Rs. 10/- each **100,001** Nil

QUOTED :

640 (640) Equity Shares of Industrial Development Bank of India of Rs. 10 each **56,647** 56,647
[Market value Rs. 91,168/- Rs. 142.45 (Previous Year Rs. 73,600)]

176,648**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	2,363,572	2,034,685
b) Loose Tools	14,230	12,444
c) Stock in trade		
1) Raw Material	4,422,714	3,966,854
2) Finished Goods	2,890,768	4,000,453
3) Work-in-progress	17,141,282	4,133,330

26,832,566**14,147,766****SCHEDULE H****SUNDRY DEBTORS**

Unsecured, Considered Good

1. Outstanding for more than six months	13,089,764	290,949
2. Others	59,432,838	48,655,923
	72,522,602	48,946,872
	72,522,602	48,946,872

SCHEDULE I**CASH & BANK BALANCES**

a) Cash on hand	632,951	630,428
b) Bank Balances With Scheduled Banks		
1) In Current Account	2,456,051	345,194
2) In Margin Account	-	3,335,768

3,089,002**4,311,391**

AS ON 31.03.2011
Rs.AS ON 31.03.2010
Rs.**SCHEDULE J
LOANS AND ADVANCES****(UNSECURED CONSIDERED GOOD)**

Prepaid Expenses	310,929	452,203
Advance Recoverable in cash or in kind or for value to be received	1,565,860	2,852,385
Loans and advances to staff & workers	539,250	236,647
Excise Balance	87,037	280,742
Deposits	3,101,328	1,732,864
Advance Fringe Benefit Tax & TDS	155,432	616,084
Vat Refund	140,963	
	<u>5,900,799</u>	<u>6,170,925</u>

**SCHEDULE K
CURRENT LIABILITIES & PROVISIONS****A) CURRENT LIABILITIES**

Sundry Creditors

Outstanding Dues of Small & Medium Enterprises
(See Note No. 13 of schedule T)Outstanding Dues of other Creditors 30,284,239 30,284,239 16,828,673 16,828,673

Sundry Creditors for expenses 3,378,041 5,918,446

Other Liabilities 464,678 402,592

Sundry Creditors under BIFR Scheme [Refer Note No.24] 12,049,602 18,828,401

Dividend Payable Account [Refer No. No.19 Schedule T] 317,429 317,429

Book Overdraft [On Account of uncleared cheques] 5,374,342 5,725,849

51,868,332 48,021,389**B) PROVISIONS**

for Fringe Benefit Tax 158,000 560,427

for Gratuity 267,972 202,319

52,294,304 48,784,135

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	ASON 31.03.2011 Rs.	ASON 31.03.2010 Rs.
SCHEDULE L SALES AND INCOME FROM OTHER OPERATIONS		
Sales - Manufacturing	164,639,063	127,619,803
Jobwork	54,772,083	52,646,363
	<u>219,411,146</u>	<u>180,266,166</u>
SCHEDULE M OTHER INCOME		
Interest Income-gross	-	9,240
Dividend-gross	3,000	3,000
Sundry Balance Written Back (Net)	3,999,465	2,398,426
	<u>4,002,465</u>	<u>2,410,666</u>
SCHEDULE N ACCRETION/DECRETION TO STOCK OF FINISHED GOODS AND WORK IN PROGRESS		
Opening Stock		
Finished Goods	4,000,453	795,375
Work-in-progress	4,133,330	3,964,696
	<u>8,133,783</u>	<u>4,760,071</u>
Closing Stock		
Finished Goods	2,890,768	4,000,453
Work-in-progress	17,141,282	4,133,330
	<u>20,032,050</u>	<u>8,133,783</u>
ACCRETION/(DECRETION) TO STOCK	<u>11,898,267</u>	<u>3,373,712</u>
SCHEDULE O MATERIAL INPUT		
Opening Stock of Raw Materials	3,966,854	3,351,776
Add : Purchases of Raw Materials (Net of Modvat Credit including processing charges for material)	119,504,041	90,715,070
Freight Inward, Loading & Unloading Charges	1,326,053	1,296,729
	<u>124,796,948</u>	<u>95,363,575</u>
Less : Closing stock of Raw Materials	4,422,714	3,966,854
Raw Materials Consumed	<u>120,374,234</u>	<u>91,396,721</u>

	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
SCHEDULE P MANUFACTURING EXPENSES		
Processing Charges	24,946,374	23,929,936
Consumption of Stores	3,302,491	4,544,906
Power & Fuel	12,773,633	12,094,948
Water Charges	228,185	232,132
Insurance	298,928	278,437
Repairs and Maintenance		
(A) Building	23,250	121,044
(B) Plant and Machinery	581,581	725,055
	<u>42,154,442</u>	<u>41,926,457</u>
SCHEDULE Q SALARIES & BENEFITS TO EMPLOYEES		
Salaries & Wages Including Bonus & Gratuity	6,026,692	4,723,102
Workmen & Staff Welfare Expenses	771,793	469,717
Contribution to Provident Fund and Other Funds	128,059	106,113
	<u>6,926,544</u>	<u>5,298,932</u>
SCHEDULE R ADMINISTRATIVE & SELLING EXPENSES		
Printing and Stationery	204,713	2,25,348
Postage, Telegram and Telephone	449,594	354,986
Vehicles Expenses	613,902	528,194
Conveyance	370,981	513,624
Travelling Expenses	455,157	494,644
Repairs and Maintenance of Others	81,228	179,913
Rent	97,150	117,648
Rates & Taxes	72,480	54,000
Service Tax	121,645	150,313
Packing, Forwarding & Transport Charges	3,854,305	4,130,491
Legal and Professional Fees	1,412,625	680,081
Loan Processing Fees	626,050	165,450
Bank Charges and Guarantee Com.	43,062	42,367
Donation	41,731	39,171
Brokerage & Commission	153,488	93,989
Service Charges	1,203,175	1,209,060
Guarantee Commission to Directors	660,000	660,000
Advertisement, Sales Promotion & Presentations	451,099	405,440
Sundry Expenses	1,059,961	1,008,291
Auditor's Remuneration	60,000	60,000
Bad Debts Written off	-	19,991
	<u>12,032,346</u>	<u>11,133,002</u>

	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
SCHEDULE S		
INTEREST & FINANCE CHARGES		
On Term Loan	18,016,370	14,125,654
On Working Capital Loans	3,812,499	2,477,431
Interest on Loan & Others	2,603,619	2,301,884
	<u>24,432,488</u>	<u>18,904,969</u>

SCHEDULE T**NOTES ON ACCOUNTS**

	2010-11	2009-10
1. CONTINGENT LIABILITIES		
Contingent liabilities in respect of disputed suit/claims pending against the Company & statutory penalties.	17.00 Crores	16.69 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 :		
Audit Fees	60,000	60,000
Out of pocket expenses	Nil	Nil
	<u>60,000</u>	<u>60,000</u>
6. Payment to Directors for Guarantee Commission in respect of personal guarantees given for Loans and Credit facilities obtained by the Company & reimbursement of Car Expenses		
	660,000	660,000
	<u>660,000</u>	<u>660,000</u>

7. 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

I. CAPACITY

	UNIT	2010-2011		2009-2010	
		Licensed Capacity	Installed Capacity	Licensed Capacity	Installed Capacity
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:

PP/HDPE/PE/woven fabrics/rolls/sheets/bags/sacks/FIBC Laminated/Unlaminated/lined with kraft paper on circular looms

	2010-2011	2009-2010
Nos.	6,560,193	6,379,861

B) TURNOVER

PP/HDPE/PE/woven fabrics/rolls/sheets/bags/sacks/FIBC Laminated/paper on circular looms

Unit	Quantity	Value Rs.	Quantity	Value Rs.
Nos.	6,600,598	164,639,063	6,175,777	127,619,803

C) STOCK

CLOSING STOCK

PP/HDPE/PE/woven fabric/rolls/Sheets/bags/sacks/FIBC laminated/Unlaminated/lined with kraft paper on circular looms

Unit	2010-2011		2009-2010	
	QTY. Rs.	VALUE Rs.	QTY.	VALUE
Nos.	2,11,832	2,890,768	2,52,237	4,000,453
		<u>2,890,768</u>		<u>4,000,453</u>

OPENING STOCK

PP/HDPE/PE/woven fabrics/rolls/sheets/bags/sacks/FIBC Laminated/Unlaminated / lined with kraft Paper on circular looms

Unit	QTY.	VALUE	QTY.	VALUE
Nos.	252,237	4,000,453	48,153	795,375
		<u>4,000,453</u>		<u>795,375</u>

D) CONSUMPTION OF RAW MATERIALS	Unit	Qty.	2010-11		2009-10	
			Value in Rs.	Qty.	Value in Rs.	
i) Paper	Kgs.	556,695	15,473,915	5,73,711	15,737,688	
ii) Polythene Fabrics	Kgs.	1,115,504	71,930,476	9,89,193	73,361,474	
iii) Other Miscellaneous			32,969,843		2,297,559	
			<u>120,374,234</u>		<u>91,396,721</u>	

(E) CONSUMPTION OF RAW MATERIALS AS WELL AS STORES ARE 100% INDIGENIUS IN THE CURRENT YEAR AS WELL AS IN THE LAST YEAR.

	2010-2011	2009-2010
8. Expenditure in Foreign Currency		
Travelling Expenses	---	---
9. Earning in Foreign Currency	---	---
10. Prior Years Expenses Includes		
Expenses :	Rs. in Lacs	Rs. in Lacs
Telephone Bills	0.00	0.17
Interest	0.00	0.08
Freight	0.00	0.06
Fringe Benefit Tax	0.50	0.00
Electricity Charges etc.	0.00	0.14
MPCB Fees	0.00	2.05
Total Expenses	<u>0.50</u>	<u>2.50</u>

11. 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 :
 1. Raw Material are stated at lower of cost or realisable value.
 2. Work-in-progress is valued at material cost and conversion cost appropriate to their location.
 3. Finished goods are stated 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.
 4. Stores & Spares are stated at cost or realisable value whichever is less.
 5. Scrapes are stated at estimated 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 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.
 - iii) 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. Sales is accounted on the removal of Finished goods from Factory.
- 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.

12. Dividend payable accounts and refund order payable accounts are under reconcillation pending receipt of details from banks.
13. 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. Nil (Rs. Nil) and M/s. A. K. Industries Rs. Nil (Rs. Nil). No interest is provided in respect thereof.
14. The accounts are prepared on the basis of "Going Concern". The continuation of the company as a going concern is dependent upon the implementation of Rehabilitation Scheme availability of adequate finance and future profitability of the company.
15. Based 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.
16. 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.
17. 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
Storsack India Pvt. Ltd. -
A. H. Parekh - Deposit
L. C. Parekh - Deposit A/c.
Shreeji Sales Corporation

c. Nature of Transaction	Current Year	Previous Year
i. Guarantee Commission Paid		
Key Management personnel	660,000	660,000
ii. Jobwork-Income (Storsack India Pvt. Ltd.)	54,772,083	52,646,363
iii. Purchases (Storsack India Pvt. Ltd.)	7,705,817	1,617,062
iv. Outstanding Balance as at 31st March		
a) Unsecured Loan		
Key Management personnel & Relatives & controlling firm (Net)	4,167,132	64,450,000
Received	12,532,132	33,812,262
paid	8,365,000	17,001,689
b) Payment to Creditors by adjustment of Debtors	4,113,188	1,617,062
c) Balance of Debtors (Storsack India Pvt. Ltd.)	18,930,697	13,488,876

b. Earnings per share :

(a) Profit/(Loss) before extra ordinary/ exceptional item & tax	Rs. in Lakhs	75.40	7.98
(b) Profit/(Loss) after tax and exceptional items	Rs. in Lakhs	74.90	61.27
(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.		0.95	0.10
(f) Earning per share [Basic and diluted] after exceptional items Rs.		0.94	0.77

19. 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.

20. The Company has been declared as Sick Industrial Company under SICA on 12th December, 2005. At the Hearing held on 1-9-2010 BIFR has approved the Rehabilitation Scheme under reference SS-10. The IDBI has been appointed as a Monitoring Agency and Managing Committee has been constituted for review and appraisal.

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

22. Capital Commitment at the end of the year Rs. 861780. (Advances paid Rs. 3,86,000).

23. Sundry Creditors under BIFR Schemes includes the following Creditors.

<u>Nature of Account</u>	<u>Amount</u>
(a) CST Payable-TPI-1	Rs. 28,69,602/-
(b) Shambulal Shah & Co.	Rs. 91,80,000/-

24. At the hearing held on 01-09-2010 BIFR has approved the relief in respect of extension of repayment of existing Deferred Sales Tax Liability of Rs. 2,39,24,812/- along with accrued interest thereon at the concession rate 7% per annum over the period of Five years subject to consideration of the same by Sales Tax Department. Accordingly the application is made with the concerned authority for the requisite approval to implement the relief sought and the same is pending. However the interest of Rs. 24.17 Lacs upto 31-03-2011 has not been provided in the annexed accounts on the outstanding deferred sales tax amount.

25. Additional information pursuant of 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	31-03-2011

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	509,035	Total Assets	509,035
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Sources of Funds

Paid up Capital	79,635
Reserves & Surplus	204,208
Secured Loans	112,240
Deferred tax liability (-Asset)	NIL
Unsecured Loans	112,953

Application of Funds

Net Fixed Assets	77,451
Investments	177
Net Current Assets	56,051
Deferred tax assests	Nil
Accumulated Losses	375,356

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

Turnover (Includes other Income)	221,112	Total Expenditure	213,623
Profit before Tax	7,490	Profit after Tax	7,490
Earning per Share (Rs.)	0.947	Dividend Rate (in %)	Nil

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

Item Code No.	39239000	39269000	48190000
Product Description	Kraftlined 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
Firm Reg. No. 102024W
Mumbai, dated 30th May, 2011

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 30th May, 2011