

**19th  
Annual Report  
2010 - 2011**



**fine Plast Polymers limited**

## **FINE PLAST POLYMERS LIMITED**

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## **FINE PLAST POLYMERS LIMITED**

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### **BOARD OF DIRECTORS:**

Mr. Y SURYANARAYANA : Managing Director  
Mr. P MASTAN RAO : Non-Executive Director  
Mr. J NAGABHUSHANARAO : Independent Director  
Mr. B V BHASKARAKRISHNA : Independent Director

Mr. CHDVV PRASAD : Chief Financial Officer

### **AUDIT COMMITTEE:**

Mr. B V BHASKARAKRISHNA : Chairman  
Mr. J NAGABHUSHANARAO : Member  
Mr. P MASTAN RAO : Member

### **REMUNERATION COMMITTEE:**

Mr. B V BHASKARAKRISHNA : Chairman  
Mr. J NAGABHUSHANARAO : Member  
Mr. P MASTAN RAO : Member

### **INVESTOR GRIEVANCE COMMITTEE:**

Mr. Y SURYANARAYANA : Chairman  
Mr. J NAGABHUSHANARAO : Member  
Mr. B V BHASKARAKRISHNA : Member

### **REGISTERED OFFICE:**

A-108, Sri Saidatta Apartments,  
Srinivasa Nagar (East)  
Ameerpet, Hyderabad - 500038

### **FACTORY:** Pradesh

S No.373/2, Pamur, Prakasam Dist, Andhra

### **AUDITORS:**

M/s. Sanjeeva Rao & Associates  
Chartered Accountants  
Besides Axis Bank, S R Nagar  
Hyderabad-500038

### **BANKERS:**

Canara Bank  
IDBI Bank

### **LISTED AT:**

Bombay Stock Exchange Limited

### **REGISTRARS & SHARE TRANSFER AGENT:**

Aarthi Consultants Private Limited  
1-2-285, Domalguda, Hyderabad – 500029, AP

## **FINE PLAST POLYMERS LIMITED**

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### **NOTICE**

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the Members of **Fine Plast Polymers Limited** will be held on Friday, the 30<sup>th</sup> day of September 2011 at 11.00 AM at its Register Office at Flat No. A-108, Sri Saidatta Apartments, Srinivasa Nagar (East), Ameerpet, Hyderabad-500038, AP to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and Profit & Loss Account for the financial year ended on that date together, with the report of the Board of Directors and Auditors thereof.
2. To appoint a director in place of Mr. J Nagabhushan Rao, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company and fix remuneration.

#### **SPECIAL BUSINESS:**

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

"RESOLVED THAT in pursuance of the recommendations of the Remuneration Committee of the Board of the Directors and pursuant to Sections 198, 269, 309, 310, 311, 317 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act, the Company hereby approves the appointment and terms of remuneration of Mr. Y. Suryanarayana as Managing Director of the Company for a period of 3 years with effect from September 01, 2011, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Suryanarayana."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or the Remuneration Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

**BY THE ORDER OF THE BOARD**

**Hyderabad  
01-09-2011**

**SD/-  
P MASTAN RAO  
DIRECTOR**

#### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the company's registered office not less than 48 hours before the meeting.
2. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under Item No 4 set out above is annexed hereto.
3. The Register of Members and the Share Transfer Books will remain closed from Wednesday, 28<sup>th</sup> September 2011 to Friday, 30<sup>th</sup> September 2011 (both days inclusive).
4. Members are requested to quote their Folio No. in their correspondence to avoid delay in communication.
5. Members/Proxies are requested to bring their copies of Annual Report and the attendance slip duly filed in for attending the meeting. Copies of the Annual Reports will not be provided at the Meeting.
6. The Company has designated an exclusive e-mail ID called [info@fineplastpoly.com](mailto:info@fineplastpoly.com) for redressal of shareholders' complaints/grievances.

## FINE PLAST POLYMERS LIMITED

### ANNEXURE 1 TO THE NOTICE

Details of Directors seeking appointment / re-appointment at the forthcoming AGM (In Pursuance of Clause 49 (IV) (G) (i) of the Listing Agreement)

| Particulars   | Mr. J Nagabhushan Rao  | Mr. Y Suryanarayana   |
|---|--|---|
| Date of Birth   | August 24, 1947  | December 10, 1965   |
| Date of Appointment   | March 29, 2002   | September 01, 2011  |
| Expertise in specific functional areas  | 27 years of experience in the areas of Accounts, Banking and Finance | 21 years of experience in the areas of corporate law, management, and animation software  |
| Qualifications  | B Com  | B Com, LLB  |
| No. of Shares held as on March 31, 2011   | NIL  | NIL   |
| Directorships held in other companies (excluding private limited and foreign companies) | NIL  | 1. Tirumala Seung Han Textiles Ltd  |
| Positions held in mandatory committees in other companies                               | NIL  | Member in Audit Committee, Remuneration Committee and Investor Grievance Committee of the Board of Directors of Tirumala Seung Han Textiles Ltd |

### ANNEXURE 2 TO THE NOTICE

#### EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

#### **ITEM NO. 4**

Keeping in view the vast experience and leadership qualities supported by experience of Mr. Y. Suryanarayana, the Board of Directors in their meeting held on September 01, 2011 had appointed him as Managing Director for a period of 3 years with effect from September 01, 2011 at the remuneration which was duly approved by the Remuneration Committee, as under:

- A) Tenure of Appointment:  
3 years commencing from September 01, 2011
- B) Remuneration:  
Rs.6,00,000/- per annum (including all) and the total remuneration including allowances and perquisites shall not exceed the limits specified in Section 309 of the Companies Act, 1956 read with Schedule XIII of the Act and no sitting fees shall be paid to Mr. Suryanarayana for attending Meetings of the Board of Directors or any committee(s) thereof.  
Minimum Remuneration  
Where, in any financial year during the currency of the tenure of Mr. Suryanarayana, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of basic salary, allowances and incentive remuneration, as per the provisions of Schedule XIII of the Companies Act, 1956.
- C) The terms and conditions of the appointment also include clauses pertaining to adherence with the Fine Plast Code of Conduct, non-competition, conflict of interest with the Company and maintenance of confidentiality.
- D) This appointment may be terminated by either party by giving to the other party three months' notice of such termination or the Company paying three months' remuneration in lieu of notice.

The Board considers that the re-appointment of Mr. Suryanarayana as aforesaid is in the best interest of the Company. None of the Directors is concerned or interested in the resolution.

This explanatory statement together with the accompanying notice is, and may be treated as an abstract of terms of appointment and memorandum of interest in respect of appointment of Suryanarayana under Section 302 of the Companies Act, 1956.

Your Directors commend the Resolution for your approval as an Ordinary Resolution.

## FINE PLAST POLYMERS LIMITED

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### DIRECTORS' REPORT

Your Directors have the pleasure of presenting this 19<sup>th</sup> Annual Report along with the Audited Financial Statements and the Auditor's Report thereon for the Financial Year ended 31<sup>st</sup> March 2011.

#### **FINANCIAL PERFORMANCE:**

(Rs. '000)

| Particulars   | 2010-11 | 2009-10 |
|---|---------|---------|
| Gross Total Income  | 2288.30 | 1336    |
| Other Income  | 121.63  | 0       |
| Profit before financial expenses, depreciation and taxation | 8661.06 | 316709  |
| Financial Expenses  | 0       | 0       |
| Depreciation  | 3000.00 | 0       |
| Profit Before Taxation                                      | 5661.06 | 316709  |
| Provision of Taxes  | 0       | 0       |
| Profit After Taxation                                       | 5661.06 | 316709  |

#### **OPERATIONS:**

The Company's operations during the year are very poor. Due to lack of sufficient working capital your Company has not performed well. The Company came out from BIFR in the FY 2010-11.

#### **LISTING:**

The equity shares of the Company are listed at Bombay Stock Exchange Limited and trading is suspended from February 05, 2001. The Board of Directors of your Company is seriously putting efforts to get revocation of suspension and also planning to get electronic connectivity for equity shares from NSDL and CDSL.

#### **DIVIDEND:**

Your Directors do not recommend any dividend for the financial year due to accumulated losses.

#### **DIRECTORS:**

During the year Mr. J Nagabhushan Rao retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. During the year under review Mr. Dodda Kishore has resigned as Chief Executive Officer of the Company and Mr. Y. Suryanarayana has been appointed as appointed as Managing Director of the Company with effect from September 01, 2011.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors of your Company hereby report:

- (i) that in the preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2011, the applicable accounting standards have been followed along with the proper explanation relating to material departures:
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31<sup>st</sup> March, 2011 and of the profit and loss of the company for that period.
- (iii) That the directors have taken proper and sufficient care for 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:
- (iv) That the directors have prepared the annual accounts on a going concern basis.

## **FINE PLAST POLYMERS LIMITED**

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### **FIXED DEPOSITS:**

During the Financial year, company has not accepted any deposits falling with the preview of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

### **AUDITORS:**

M/s. Sanjeeva Rao & Associates, Chartered Accountants, the Statutory Auditors of your Company, who retires at the conclusion of the ensuing Annual General Meeting, and being eligible, expressed their willingness for re-appointment. The board recommends their re-appointment.

### **PARTICULARS OF EMPLOYEES:**

There are no employees drawing remuneration exceeding the limits as specified under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

### **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO:**

|   | 2010-11 | 2009-10 |
|---|---------|---------|
| <b>Conservation of Energy</b>                 |         |         |
| - Electricity                                 |         |         |
| - Purchased Units in Lakhs                    | 0.32    | 0.31    |
| - Total Rupees in Lakhs                       | 1.56    | 1.28    |
| - Rate per Unit                               | 4.23    | 4.12    |
| - Own Generation                              | 0       | 0       |
| - Consumption per Unit of Production (in Kgs) | 0.38    | 0.37    |
| - Power consumption per Kg (in Units)         | 3.07    | 3.05    |
| <b>Research and Development</b>               | NA      | NA      |
| <b>Technology Absorption</b>                  | NA      | NA      |
| <b>Foreign Exchange Earnings and Outgo</b>    | NIL     | NIL     |

### **SECRETARIAL COMPLIANCE CERTIFICATE:**

Certificate from the Practicing Company Secretary as stipulated in Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 and attached to the Directors' Report form a part of this Annual Report.

### **CORPORATE GOVERNANCE:**

A report on Corporate Governance, in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges is set out separately for the information of the shareholders.

### **MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis is set out separately for the information of the shareholders.

### **ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to record their appreciation for the continuous support and co-operation extended by the customers and bankers. The Directors also acknowledge the confidence reposed by the investors and shareholders in the Company.

**BY ORDER OF THE BOARD**

Hyderabad  
01-09-2011

**SD/-  
P MASTAN RAO  
CHAIRMAN**

## FINE PLAST POLYMERS LIMITED

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### MANAGEMENT DISCUSSION AND ANALYSIS

(Forming part of Directors' Report)

#### Industry Structure and Development:

Just when the global economy was showing signs of consolidation, the political crisis in the Middle East has once again led to uncertainty. The crude oil prices have moved up from US\$ 80 to US\$ 120 per barrel in a short span of 4 months. The commodity prices are once again volatile due to uncertain global developments though the demand supply scenario has shown improvement during the year as compared to past year. Uncertain times still continue with some more economies in Europe showing financial crisis which requires to be resolved. A very high inflation rate, supply constraints, and governance issues have significantly affected the Indian economic situation during the year under review. However, the economy has shown resilience in spite of all these impediments, by showing good GDP growth of over 8.5%. The rural economy is also growing at a good pace which has given an impetus to Pipes demand of your Company. The demand for PVC Pipes continued to show strong growth for the third year in succession. The growth in demand during the year under review for your Company's products was over 20%. The bulk of the PVC Pipes demand comes from rural areas for Agriculture and Irrigation sectors. Due to the large network of dealers spread across pan India, your Company has been able to reach even the remotest villages where the demand for PVC Pipes exists. It is expected that the Government will continue its thrust on agriculture and rural sectors which will enhance further demand for Pipes.

#### Transparency in Sharing Information

Transparency refers to sharing information and acting in an open manner. Processes, instructions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them. Your Company believes in total transparency in sharing information about its business operations with all its stakeholders. Your Company strives to provide maximum possible information in the Management Discussion and Analysis in the Annual Report and also through other means to keep the stakeholders informed about the business performance.

#### Strengths:

- Strong Promoter and Management Team.
- Growing Infrastructure Industry.

#### Opportunities:

- Rapid movement in the infrastructure industry.
- Massive investment in various economic activities which will boost the level of living of people.

#### Threats:

- Competition from existing players
- Delay in arranging capital to fund the additional products
- Increase in interest rate and cost of material would impact our results of operations. Inherent risks of changes in government policies, laws, regulations etc.

#### Internal Control:

Parmatma has adequate internal control systems and procedure with regards to purchase of raw materials and other consumables. Parmatma has clearly defined roles and responsibilities for all the managerial positions and all operating parameters are monitored and controlled.

#### Performance Review:

During the fiscal year 2010-11 your Company recorded total income of Rs.22.88 Lakhs and net profit of Rs.56.61 Lakhs including other income of Rs.121 Lakhs as compared to the total income of Rs.13.36 Lakhs and a net loss of Rs.31.67 Crores for the previous financial year.

#### Human Resource:

Your company recognizes that the human resources are the most crucial factor for achieving sustained growth over the years. The management considers it's highly motivated and passion driven work force as it's partner in the growth of the company.

#### Cautionary Statement:

The statements contained above may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include changes in economic environment, rise in input costs and competitive pressures.



## **FINE PLAST POLYMERS LIMITED**

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### **REPORT ON CORPORATE GOVERNANCE**

(Forming part of Directors' Report)

#### **COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The era of good Corporate Governance came into existence with the insertion of Clause 49 of the listing agreement. Your Company believes in attainment of highest levels of transparency in all facets of its operations. The Company is committed to maximize the shareholder value by adopting the principles of good corporate governance in line with the provisions stipulated in the listing agreement.

#### **I. BOARD OF DIRECTORS:**

##### **Composition of Board:**

As on March 31, 2011, Board consists of 3 Members of whom 2 are Independent Directors.

#### **II. BOARD MEETINGS:**

The Board of Directors met 7 times during the year on 30-04-2010, 14-06-2010, 17-07-2010, 01-08-2010, 31-10-2010, 31-01-2011, and 31-03-2011. The company has held at least one Board meeting in every three months. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

The details of directors' attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/memberships held by the Directors during the year are as follows:

| Name of the Director | Category                          | No. of meetings held during the Tenure | No. of meetings Attended | Whether Attended Last AGM | No. of other directors hips * |
|----------------------|-----------------------------------|--|--------------------------|---------------------------|-------------------------------|
| P Mastan Rao         | Promoter & Non-Executive Director | 7                                      | 7                        | YES                       | -                             |
| B V Bhaskara Krishna | Independent Director              | 7                                      | 7                        | YES                       | 1                             |
| J Nagabhushana Rao   | Independent Director              | 7                                      | 7                        | YES                       | -                             |

\*Excluding private, foreign and companies registered under Section 25 of the Companies Act, 1956.

#### **III. AUDIT COMMITTEE:**

##### **► Brief description of terms of reference**

The terms of reference as per Clause 49 of the Listing Agreement are as follows:

- a. To review the results announcement and the report and accounts at the end of a quarter, half year and the full year before submission to the board, focusing particularly on:
  - (i) any changes in accounting policies and practices.
  - (ii) Compliance with accepted accounting standards.
  - (iii) Major Judgmental Decisions; etc.
- b. To consider appointment of Statutory Auditors, internal auditors and to fix their remuneration and any matter of resignation and dismissal.
- c. To discuss with the statutory Auditor before the audit commences the nature and scope of the Audit.
- d. To review the effectiveness of the system of internal financial control and discuss the same periodically with the statutory auditors.

## FINE PLAST POLYMERS LIMITED

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- e. To discuss problems and reservations arising from the statutory audit, and any matters the statutory auditor may wish to discuss.
- f. To consider other topics as may be delegated by the board from time to time.

### ► **Composition**

The committee comprise of the following 2 Non Executive Independent Directors under the Chairmanship of Mr. B V Bhaskara Krishna, an Independent Director:

|                          |   |          |
|--------------------------|---|----------|
| Mr. B V Bhaskara Krishna | - | Chairman |
| Mr. J Nagabhushan Rao    | - | Member   |
| Mr. P Mastan Rao         | - | Member   |

Further, CFO was also invited for the meetings of the Audit Committee.

### ► **Meetings during the financial year**

During the Financial year, the Audit Committee met 5 times on 30-04-2010, 14-06-2010, 31-07-2010, 31-10-2010, and 31-01-2011.

## **IV. REMUNERATION COMMITTEE:**

### **Terms of Reference:**

The terms of reference as per Clause 49 of the Listing Agreement are as follows  
Determine and review the remuneration, performance, and related bonus of Directors.

### ► **Composition**

Remuneration Committee of the Company consists of following non-executive directors, which is as follows:

|                          |   |          |
|--------------------------|---|----------|
| Mr. J Nagabhushan Rao    | - | Chairman |
| Mr. P Mastan Rao         | - | Member   |
| Mr. B V Bhaskara Krishna | - | Member   |

### ► **Remuneration paid to directors during the financial year**

No Remuneration paid to Directors.  
Further, none of the non-executive Directors holds any shares in the Company.

## **V. INVESTORS GRIEVANCE COMMITTEE:**

### ► **Brief description of terms of reference:**

To look into various affairs relating to the shareholders with regard to redressal of complaints in relation to transfer of shares, non-receipt of share certificates, balance sheets, dividends etc.,

### ► **Composition**

The said Committee comprises of the following members:

|                          |   |          |
|--------------------------|---|----------|
| Mr. Y Suryanarayana      | - | Chairman |
| Mr. B V Bhaskara Krishna | - | Member   |
| Mr. J Nagabhushan Rao    | - | Member   |

### ► **Name and designation of Compliance officer:**

|             |   |                   |
|-------------|---|-------------------|
| Name        | : | Y. Suryanarayana  |
| Designation | : | Managing Director |

|   |   |     |
|---|---|-----|
| No. of shareholders complaints received during the financial year | : | Nil |
| No. of complaints solved to the satisfaction of the share holders | : | Nil |
| No. of pending  | : | Nil |

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### VI. GENERAL BODY MEETINGS:

► Location and time where the last three AGMs held:

| Year    | Date       | Location  | Time      |
|---------|------------|---|-----------|
| 2009-10 | 30-09-2010 | 8-3-430/1/23, New No.1183, Street No.10, 430, Yellareddyguda, Hyderabad -500073, AP | 11.00 A.M |
| 2008-09 | 30-09-2009 | 8-3-430/1/23, New No.1183, Street No.10, 430, Yellareddyguda, Hyderabad -500073, AP | 11.00 A.M |
| 2007-08 | 30-09-2008 | 8-3-430/1/23, New No.1183, Street No.10, 430, Yellareddyguda, Hyderabad -500073, AP | 11.00 A.M |

- No Special Resolutions were passed in the previous three Annual General Meetings.
- No Ballots papers were used for voting at above meetings.
- No Special Resolutions passed last year through postal ballot (under Section 192A).
- No special resolution is proposed to be passed through postal ballot at the ensuing AGM.

### VII. DISCLOSURES:

Materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large. – NIL -

Details on non-compliance by the Company, penalties and strictures imposed on the company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. -NIL-

### VIII. GENERAL SHAREHOLDER INFORMATION:

**AGM:** The 19<sup>th</sup> Annual General Meeting of the Company will be held on FRIDAY, 30<sup>th</sup> SEPTEMBER, 2011, at 11.00 A.M. Register Office at A-108, Sri Saidatta Apartments, Srinivasa Nagar (East), Ameerpet, Hyderabad-500038.

### FINANCIAL CALENDAR

| Event  | Dates                       |
|--|-----------------------------|
| Financial Reporting for the 1 <sup>st</sup> quarter ending | Last Week of July, 20 11    |
| Financial Reporting for the 2 <sup>nd</sup> quarter ending | Last Week of October, 20 11 |
| Financial Reporting for the 3 <sup>rd</sup> quarter ending | Last Week of January, 20 11 |
| Financial Reporting for the year ending                    | Last Week of April, 2012    |

## FINE PLAST POLYMERS LIMITED

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### Means of Communication:

The un-audited quarterly results and audited results for the year are generally published in one English newspaper (Financial Express) and at least one vernacular newspaper (Andhra Prabha) shortly after its submission to the Stock Exchanges. The results are also displayed on the Company's web-site i.e. [www.fineplastpoly.com](http://www.fineplastpoly.com)

### Book Closure:

Wednesday, 28<sup>th</sup> September, 2011 to Friday, 30<sup>th</sup> September 2011 (both days inclusive)

### Listing on Stock Exchanges:

The shares of the Company are listed at Bombay Stock Exchange Limited and the Listing Fees is due for payment from FY 2000-2001 and it has been resolved to pay arrears of Listing Fees to BSE.

### Market Price Data:

The Trading in equity shares are suspended by BSE due to penal reasons with effect from February 5, 2001 and the Company is putting serious efforts to get revocation of suspension of trading.

**Stock Code: BSE: 514336**

### Registrar and Transfer Agents

Aarathi Consultants Private Limited  
1-2-285, Domalaguda, Hyderabad- 500029  
Phones: 040-27638111, 040-66611921, Fax: 040-27632184  
Email: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com)  
Website: [www.aarthiconsultants.com](http://www.aarthiconsultants.com)

### Share Transfer System:

The Company is taking care to ensure that the Share Transfer work gets completed within the stipulated time of one month. The Board of Directors have delegated the power of approving transfer of Shares severally to Managing Director and one Director. The Board has also constituted a Share Transfer Committee which has been assigned the task of approving splitting of Shares, Issue of duplicate Share Certificates, consolidation of Share Certificates, change of status of a shareholder and other allied matters.

### Shareholding Pattern as on 31<sup>st</sup> March, 2011:

| Category  | No. of Shares held | Percentage    |
|---|--------------------|---------------|
| Promoters   | 1553000            | 47.34         |
| Mutual Funds & UTI  | 0                  | NA            |
| Banks, Financial Institutions, Insurance Companies, & FII | 250000             | 7.62          |
| Private Corporate Bodies                                  | 556900             | 16.98         |
| Indian Public   | 915800             | 27.92         |
| NRIs / OCBs   | 4800               | 0.15          |
| Foreign Nationals   | 0                  | NA            |
| Any other (please specify)                                | 0                  | NA            |
| <b>Total</b>  | <b>3280500</b>     | <b>100.00</b> |

## FINE PLAST POLYMERS LIMITED

### Distribution of Shareholding as on 31<sup>st</sup> March, 2011:

| Nominal Value of Shares in Rupees | No. of Shareholders | % of Shareholders | No. of Shares  | % to Total    |
|-----------------------------------|---------------------|-------------------|----------------|---------------|
| (1)                               | (2)                 | (3)               | (4)            | (5)           |
| Up to 5000                        | 1725                | 98.96             | 663100         | 20.22         |
| 5001 10000                        | 4                   | 0.23              | 36900          | 1.12          |
| 10001 20000                       | 0                   | 0                 | 0              | 0             |
| 20001 30000                       | 0                   | 0                 | 0              | 0             |
| 30001 40000                       | 1                   | 0.06              | 38500          | 1.17          |
| 40001 50000                       | 1                   | 0.06              | 47000          | 1.43          |
| 50001 100000                      | 8                   | 0.46              | 1645800        | 50.17         |
| 100001 and above                  | 4                   | 0.23              | 849200         | 25.89         |
| <b>Total</b>                      | <b>1743</b>         | <b>100.00</b>     | <b>3280500</b> | <b>100.00</b> |

#### **Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs / ADRs / Warrants / any convertible instruments.

#### **Dematerialization of Equity Shares:**

As on March 31, 2011 all equity shares of the Company are in physical form. However, the Company is seriously planning to get electronic connectivity for its equity shares with NSDL and CDSL.

#### **Plant Location of the Company:**

S No.373/2, Pamur, Prakasam Dist, Andhra Pradesh

#### **Address for Investors Correspondence:**

Shareholders may address their communications/suggestions/grievances/queries pertaining to share transfer requests and other related matters to the Company's Registrar and Share Transfer Agents and/or to the Company at the following address:

#### **RTA:**

Aarathi Consultants Private Limited  
1-2-285, Domalaguda, Hyderabad- 500029  
Phones: 040-27638111, 040-66611921  
Fax: 040-27632184  
Email: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com)  
Website: [www.aarthiconsultants.com](http://www.aarthiconsultants.com)

#### **COMPANY:**

Fine Plast Polymers Limited  
A-108, Sri Saidatta Apartments, Srinivasa Nagar (East)  
Ameerpet, Hyderabad- 500038, AP  
Email: [info@fineplastpoly.com](mailto:info@fineplastpoly.com)

## **FINE PLAST POLYMERS LIMITED**

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### **CEO/CFO Certification:**

As required by the clause 49 (V) of the Listing Agreement, the certificate from CEO/CFO was placed before the Board of Directors at their meeting held on 01-09-2011.

### **Compliance Certificate of the Auditors:**

The Statutory Auditor has certified that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

### **DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

As provided under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, all Board members and Senior Management personnel have affirmed the compliance with Fine Plast Polymers Limited Code of Conduct for the year ended 31<sup>st</sup> March, 2011.

Hyderabad  
September 01, 2011

**SD/-**  
**Y Suryanarayana**  
**Managing Director**

## **FINE PLAST POLYMERS LIMITED**

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### **CERTIFICATE BY CEO / CFO:**

We have reviewed the financial statements, read with the cash flow statement of Fine Plast Polymers Limited for the year ended March 31, 2011 and that to the best of my knowledge and belief, I state that:

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.  
(ii) These statements present true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b) These are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluating the effectiveness of internal control systems of the Company and have disclosed to the auditors and audit committee deficiencies in the design or operation of internal control, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the auditors and audit committee:
  - (i) Significant changes in accounting policies made during the year and that the same haven disclosed suitably in the notes to the financial statements; and
  - (ii) There are no instances of fraud involving the management or an employee.

Hyderabad  
September 01, 2011

**SD/-**  
**Y SURYANARAYANA**  
**Managing Director**

**SD/-**  
**CHDVV PRASAD**  
**Chief Financial Officer**

### **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:**

To  
The Members  
Fine Plast Polymers Limited

We have examined the compliance of conditions of corporate governance by Fine Plast Polymers Limited for the year ended on 31<sup>st</sup> March 2011 as stipulated in clause 49 of the listing agreement of the said company with concerned Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management, our examination has been limited a review of the procedures and implementation thereof adopted by the company for ensuring the compliance the conditions of corporate governance. It is neither an audit not expression of opinion on the financial statements of the company

In our opinion and best of our information and according to the explanation given to us and the representations made the Directors and Management, we certify that the company has complied with the conditions of corporate governance as stipulated in the aforesaid listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For Sanjeeva Rao & Associates**  
**Chartered Accountants**

Hyderabad  
September 01, 2011

**SD/-**  
**K. Sanjeeva Rao**  
**Partner**

## FINE PLAST POLYMERS LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2011

| PARTICULARS  | Sch | As at<br>31st March, 2011 |                   | As at<br>31st March, 2010 |            |
|--|-----|---------------------------|-------------------|---------------------------|------------|
|  |     | Rs.                       | Rs.               | Rs.                       | Rs.        |
| <b><u>SOURCES OF FUNDS</u></b>                                       |     |                           |                   |                           |            |
| <b>SHAREHOLDER'S FUNDS</b>   |     |                           |                   |                           |            |
| a) SHARE CAPITAL   | 1   | 31,501,000                |                   | 31,501,000                |            |
| b) RESERVES & SURPLUS  | 2   | 37,085,951                |                   | 37,085,951                |            |
|  |     |                           | <b>68,586,951</b> |                           | 68,586,951 |
| <b>LOAN FUNDS</b>  |     |                           |                   |                           |            |
| a) SECURED LOANS   | 3   |                           | -                 |                           | -          |
| b) UNSECURED LOANS   | 4   |                           | <b>10,599,706</b> |                           | 20,489,355 |
| TOTAL  |     |                           | <b>79,186,657</b> |                           | 89,076,306 |
| <b><u>APPLICATION OF FUNDS</u></b>                                   |     |                           |                   |                           |            |
| <b>FIXED ASSETS</b>  |     |                           |                   |                           |            |
| GROSS BLOCK  | 5   | 98,071,245                |                   | 109,936,528               |            |
| Less: DEPRECIATION   |     | 78,520,542                |                   | 84,374,181                |            |
|  |     |                           | <b>19,550,703</b> |                           | 25,562,347 |
| <b>INVESTMENTS</b>   |     |                           |                   |                           |            |
|  | 6   |                           | -                 |                           | -          |
| <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>                          |     |                           |                   |                           |            |
| a) INVENTORIES   | 7   | 823,597                   |                   | 475,705                   |            |
| b) SUNDRY DEBTORS  |     | 915,022                   |                   | 129,259                   |            |
| c) CASH & BANK BALANCES  |     | 322,032                   |                   | 47,505                    |            |
| d) LOANS & ADVANCES  |     | 136,710                   |                   | 120,455                   |            |
|  |     | 2,197,361                 |                   | 772,924                   |            |
| Less: CURRENT LIABILITIES & PROVISIONS                               | 8   | 1,064,454                 |                   | 1,340,700                 |            |
| <b>NET CURRENT ASSETS</b>  |     |                           | <b>1,132,907</b>  |                           | (567,776)  |
| <b>MISCELLANEOUS EXP</b> (to the extent not written off or adjusted) | 9   |                           | <b>20,888</b>     |                           | -          |
| <b>PROFIT &amp; LOSS ACCOUNT</b>                                     |     |                           | <b>58,482,159</b> |                           | 64,081,735 |
| TOTAL  |     |                           | <b>79,186,657</b> |                           | 89,076,306 |
| <b>NOTES TO ACCOUNTS</b>   | 16  |                           |                   |                           |            |

AS PER OUT REPORT OF EVEN DATE

**FOR SANJEEVA RAO & ASSOCIATES**  
Chartered Accountants

SD/-  
**K. S ANJEEVA RAO**  
Partner  
M.No. 211604  
Hyderabad  
01-09-2011

**FOR AND ON BEHALF OF THE BOARD**

SD/-  
**P.M.RAO**  
Director  
SD/-  
**CHDVV PRASAD**  
CFO

SD/-  
**J. NAGABHUSHANA RAO**  
Director



## FINE PLAST POLYMERS LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

| PARTICULARS  | Sch  | Year Ended<br>31st March, 2011<br>Rs.   | Year Ended<br>31st March, 2010<br>Rs. |   |  |   |  |  |   |
|--|--|---|---------------------------------------|---|--|---|--|--|---|
| <b>INCOME</b>  |  |   |                                       |   |  |   |  |  |   |
| SALES  |  | 2,288,295   | 1,335,768                             |   |  |   |  |  |   |
| Write back a/c   |  | -   | 17,604,621                            |   |  |   |  |  |   |
| Other Income   | 10   | 12,163,905  | 400                                   |   |  |   |  |  |   |
| INCREASE/(DECREASE) IN STOCK   | 11   | 331,760   | 321,280                               |   |  |   |  |  |   |
| <b>TOTAL INCOME</b>  |  | <b>14,783,960</b>   | <b>19,262,069</b>                     |   |  |   |  |  |   |
| <b>EXPENDITURE</b>   |  |   |                                       |   |  |   |  |  |   |
| PURCHASE OF FINISHED GOODS   |  | 1,953,415   | -                                     |   |  |   |  |  |   |
| <b>RAW MATERIAL CONSUMED</b>   | 12   | 576,512   | 843,656                               |   |  |   |  |  |   |
| MANUFACTURING EXPENSES   | 13   | 239,110   | 220,601                               |   |  |   |  |  |   |
| ADMINISTRATIVE & SELLING EXPENSES  | 14   | 2,818,054   | 55,620                                |   |  |   |  |  |   |
| FINANCIAL EXPENSES   | 15   | 591,471   | -                                     |   |  |   |  |  |   |
| DEPRECIATION   |  | 3,005,822   | -                                     |   |  |   |  |  |   |
| <b>TOTAL EXPENDITURE</b>   |  | <b>9,184,384</b>  | <b>1,119,877</b>                      |   |  |   |  |  |   |
| Interst reversal on a/c of OTS   |  | -   | 298,517,968                           |   |  |   |  |  |   |
| <b>PROFIT / (LOSS) BEFORE TAX</b>  |  | <b>5,599,576</b>  | <b>18,142,192</b>                     |   |  |   |  |  |   |
| PRIOR PERIOD ADJUSTMENTS   |  | -   | 49,067                                |   |  |   |  |  |   |
| NET PROFIT   |  | 5,599,576   | 316,709,227                           |   |  |   |  |  |   |
| <b>PROFIT / (LOSS) BROUGHT FORWARD</b>   |  | <b>(64,081,735)</b>   | <b>(380,790,962)</b>                  |   |  |   |  |  |   |
| BALANCE IN PROFIT AND LOSS<br>ACCOUNT AS PER LAST BALANCE<br>SHEET   |  | <b>(64,081,735)</b>   | <b>(380,790,962)</b>                  |   |  |   |  |  |   |
| <b>LOSS CARRIED TO BALANCE SHEET</b>   |  | <b>(58,482,159)</b>   | <b>(64,081,735)</b>                   |   |  |   |  |  |   |
| <b>NOTES TO ACCOUNTS</b>   | 16   |   |                                       |   |  |   |  |  |   |
| <p>AS PER OUT REPORT OF EVEN DATE</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 40%; vertical-align: top;"> <p><b>FOR SANJEEVA RAO &amp; ASSOCIATES</b><br/>Chartered Accountants</p> <p>SD/-<br/><b>K. S ANJEEVA RAO</b><br/>Partner<br/>M.No. 211604<br/>Hyderabad<br/>01-09-2011</p> </td> <td style="width: 20%; vertical-align: top; text-align: center;"> <p><b>FOR AND ON BEHALF OF THE BOARD</b></p> </td> <td style="width: 40%; vertical-align: top;"> <p>SD/-<br/><b>P.M.RAO</b><br/>Director</p> <p>SD/-<br/><b>CHDVV PRASAD</b><br/>CFO</p> </td> </tr> <tr> <td></td> <td></td> <td style="vertical-align: top;"> <p>SD/-<br/><b>J. NAGABHUSHANA RAO</b><br/>Director</p> </td> </tr> </table> |  |   |                                       | <p><b>FOR SANJEEVA RAO &amp; ASSOCIATES</b><br/>Chartered Accountants</p> <p>SD/-<br/><b>K. S ANJEEVA RAO</b><br/>Partner<br/>M.No. 211604<br/>Hyderabad<br/>01-09-2011</p> | <p><b>FOR AND ON BEHALF OF THE BOARD</b></p> | <p>SD/-<br/><b>P.M.RAO</b><br/>Director</p> <p>SD/-<br/><b>CHDVV PRASAD</b><br/>CFO</p> |  |  | <p>SD/-<br/><b>J. NAGABHUSHANA RAO</b><br/>Director</p> |
| <p><b>FOR SANJEEVA RAO &amp; ASSOCIATES</b><br/>Chartered Accountants</p> <p>SD/-<br/><b>K. S ANJEEVA RAO</b><br/>Partner<br/>M.No. 211604<br/>Hyderabad<br/>01-09-2011</p>  | <p><b>FOR AND ON BEHALF OF THE BOARD</b></p> | <p>SD/-<br/><b>P.M.RAO</b><br/>Director</p> <p>SD/-<br/><b>CHDVV PRASAD</b><br/>CFO</p> |                                       |   |  |   |  |  |   |
|  |  | <p>SD/-<br/><b>J. NAGABHUSHANA RAO</b><br/>Director</p>                                 |                                       |   |  |   |  |  |   |

## FINE PLAST POLYMERS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31-3-2011

(Rs. In Lacs)

| PARTICULARS                                      | Year Ended<br>31-3-2011 | Year Ended<br>31-3-2010 |
|--|-------------------------|-------------------------|
| <b>A. Cash Flow from Operating Activities:</b>   |                         |                         |
| INFLOW:  |                         |                         |
| Net Profit/Operating Profit                      | 56                      | 3167.09                 |
| Capital Reserve                                  |                         | 340.99                  |
| Share Capital                                    | 0.01                    |                         |
| Preliminary Expenses                             |                         |                         |
| Depreciation                                     | 30.05                   |                         |
| Decrease in Fixed Assets                         | 30.05                   |                         |
| Increase in Unsecured Loans                      |                         | 170.58                  |
| Inventories                                      |                         |                         |
| Current Liabilities                              |                         |                         |
| Investments                                      |                         |                         |
| Sundry Debtors                                   |                         |                         |
| Cash and Bank Balances                           |                         |                         |
| Loans and Advances                               |                         |                         |
|  | 116.11                  | 3678.66                 |
| OUTFLOW:   |                         |                         |
| Operating Loss                                   |                         |                         |
| Secured Loans                                    |                         | 3676.22                 |
| Decrease in Unsecured Loans                      | 98.89                   |                         |
| Inventory  | 3.48                    | 2.97                    |
| Increase in Cash and Bank Balances               |                         |                         |
| Increase in Sundry Debtors                       | 7.86                    | 0.4                     |
| Increase in Loans and Advances                   | 0.18                    | 0.32                    |
| Decrease in Current Liabilities                  | 2.75                    | 0.55                    |
| Increase in Miscellaneous Assets                 | 0.2                     |                         |
|  | 113.36                  | 3680.46                 |
| Net Increase in Cash & Cash Equivalents          | 2.75                    |                         |
| Decrease in Cash and Cash Equivalents            |                         | 1.8                     |
| Reconciliation:                                  |                         |                         |
| .A. Opening cash & Cash Equivalents:             |                         |                         |
| Cash in Hand                                     | 10903                   | 219805                  |
| Cash at Bank                                     | 36602                   | 8017                    |
| Opening Balance of Cash & Cash Equivalents       | 47505                   | 227822                  |
| B. Cash & Cash Equivalents at the Closing:       |                         |                         |
| Cash in Hand                                     | 279794                  | 10903                   |
| Cash in Bank                                     | 42238                   | 36602                   |
| Closing Balance of Cash & Cash equivalents (B-A) | 322032                  | 47505                   |
| Increase/Decrease in Cash & Cash Equivalents     | 274527                  | -180317                 |

AS PER OUT REPORT OF EVEN DATE

**FOR SANJEEVA RAO & ASSOCIATES**  
Chartered Accountants

SD/-  
**K. S ANJEEVA RAO**  
Partner  
M.No. 211604  
Hyderabad  
01-09-2011

**FOR AND ON BEHALF OF THE BOARD**

SD/-  
**P.M.RAO**  
Director  
SD/-  
**CHDVV PRASAD**  
CFO

SD/-  
**J. NAGABHUSHANA RAO**  
Director

## FINE PLAST POLYMERS LIMITED

### SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

| PARTICULARS  | As at<br>31st March, 2011 |            | As at<br>31st March, 2010 |
|--|---------------------------|------------|---------------------------|
|  | Rs.                       | Rs.        | Rs.                       |
| <b>SCHEDULE - 1</b>  |                           |            |                           |
| SHARE CAPITAL :  |                           |            |                           |
| <b>Authorised Capital</b><br>4,000,000 Equity Shares of Rs. 10/- each  |                           | 40,000,000 | 40,000,000                |
| <b>Issued Capital</b><br>3,392,200 Equity Shares of Rs. 10/- each  |                           | 33,922,000 | 33,922,000                |
| <b>Subscribed Capital</b><br>3,280,500 Equity Shares of Rs. 10/- each  |                           | 32,805,000 | 32,805,000                |
| <b>Paid Up Capital</b><br>3,280,500 Equity Shares of Rs. 10/- each<br>Less : Calls in Arrears on 260,800 equity shares   | 32,805,000<br>1,304,000   | 31,501,000 | 31,501,000                |
| TOTAL  |                           | 31,501,000 | 31,501,000                |
| <b>SCHEDULE - 2</b>  |                           |            |                           |
| <b>RESERVES &amp; SURPLUS</b>  |                           |            |                           |
| General Reserve  | 1,650,000                 |            | 1,650,000                 |
| State Subsidy  | 1,335,951                 |            | 1,335,951                 |
| Capital Reserve (OTS)  | 34,100,000                |            | 1,335,951                 |
| TOTAL  |                           | 37,085,951 | 2,985,951                 |
| <b>SCHEDULE - 3</b>  |                           |            |                           |
| <b>SECURED LOANS</b>   |                           |            |                           |
| Working Capital Loan From Canara Bank<br>(Secured by equitable mortgage of Land and Buildings and Hypothecation of Plant and Machinery, Stocks, Consumables and bookdebts and guaranteed by Promoter Directors in their personal capacities) | -                         | -          | 79,676,999                |
| Term Loans From Canara Bank<br>(Secured by Hypthecation of Machinery and guaranteed by promoter Directors in their personal capacities)  | -                         | -          | 17,410,214                |
| Term Loan from IDBI<br>(Secured by <i>paripassu</i> Hypothecation of Machinery and guaranteed by Promoter Directors in their Personal capacities)  | -                         | -          | 252,930,755               |
| Others :<br>(Secured by the assets acquired under their purchase agreement with Non Banking Financial Companies and guaranteed by the Chairman & MD in his personal capacity)  | -                         | -          | 17,604,621                |
| TOTAL  | -                         | -          | 367,622,589               |

## FINE PLAST POLYMERS LIMITED

### SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

| PARTICULARS   | As at<br>31st March, 2011 |            | As at<br>31st March, 2010 |
|---|---------------------------|------------|---------------------------|
|   | Rs.                       | Rs.        | Rs.                       |
| <b>SCHEDULE - 4</b>   |                           |            |                           |
| <b><u>UNSECURED LOANS</u></b>   |                           |            |                           |
| a) From Directors   |                           | -          | -                         |
| b) From Others  |                           | 10,599,706 | 20,489,355                |
| <b>TOTAL</b>  |                           | 10,599,706 | 20,489,355                |
| <b>SCHEDULE - 6</b>   |                           |            |                           |
| <b><u>INVESTMENTS</u></b>   |                           |            |                           |
|   |                           | Nil        | Nil                       |
| <b>TOTAL</b>  |                           | Nil        | Nil                       |
| <b>SCHEDULE - 7</b>   |                           |            |                           |
| <b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>  |                           |            |                           |
| <b>A) Inventories</b><br>(as Valued and Certified by the Management)                                |                           |            |                           |
| Raw Materials   | 25,000                    |            | 8,867                     |
| Finished Goods  | 798,597                   |            | 466,838                   |
| Consumables   |                           | 823,597    |                           |
| Finished Scrap  |                           |            |                           |
| <b>TOTAL</b>  |                           | 823,597    | 475,705                   |
| <b>B) Sundry Debtors</b><br>(Unsecured but considered good)<br>Outstanding for more than six months |                           |            |                           |
|   |                           | Nil        | 129,259                   |
| <b>TOTAL</b>  |                           | Nil        | 129,259                   |
| <b>C) Cash &amp; Bank Balances</b>  |                           |            |                           |
| Cash on Hand  | 279,794                   |            | 10,903                    |
| Balances with Scheduled banks in Current accounts   | 42,238                    |            | 36,602                    |
| <b>TOTAL</b>  |                           | 322,032    | 47,505                    |
| <b>D) Loans &amp; Advances</b><br>(Unsecured but considered good)                                   |                           |            |                           |
| TA & DA advances to staff   | Nil                       |            | 47,339                    |
| Deposits with Govt. Depts   | Nil                       |            | 85,035                    |
| Other Current Assets (Vat)  | Nil                       |            | (11,919)                  |
| <b>TOTAL</b>  |                           | Nil        | 120,455                   |

## FINE PLAST POLYMERS LIMITED

### COMPUTATION OF DEPRECIATION UNDER THE PROVISIONS OF COMPANIES ACT, 1956 FOR THE YEAR ENDING 31ST MARCH, 2011

#### Schedule - 5

#### FIXED ASSETS

| PARTICULARS          | Rate   | GROSS BLOCK             |                      |                         |                        | DEPRECIATION            |                   |                        |                         | NET BLOCK               |  |
|----------------------|--------|-------------------------|----------------------|-------------------------|------------------------|-------------------------|-------------------|------------------------|-------------------------|-------------------------|--|
|                      |        | As at<br>01.04.10<br>Rs | Deletions<br>Rs      | As at<br>31.03.11<br>Rs | Upto<br>01.04.10<br>Rs | For the<br>Period<br>Rs | Deletions         | Upto<br>31.03.11<br>Rs | As at<br>01.04.10<br>Rs | As at<br>31.03.11<br>Rs |  |
| Land                 |        | 1,078,932               | 815,283.00           | 263,649                 |                        | -                       |                   | -                      | 1,078,932               | 263,649.00              |  |
| Buildings            | 10%    | 5,698,920               |                      | 5,698,920               | 3,253,581              | 244,534                 | 3,498,115         | 3,498,115              | 2,445,339               | 2,200,805.00            |  |
| Plant and Machinery  | 13.91% | 102,716,545             | 11,050,000.00        | 91,666,545              | 80,736,006             | 2,750,874               | 74,627,419        | 8,859,461.00           | 21,980,539              | 17,039,126.00           |  |
| Furniture & Fixtures | 18.10% | 171,026                 |                      | 171,026                 | 136,058                | 6,329                   | 142,387           |                        | 34,968                  | 28,639.00               |  |
| Office Equipment     | 18.10% | 112,430                 |                      | 112,430                 | 89,861                 | 4,085                   | 93,946            |                        | 22,569                  | 18,484.00               |  |
| Computers            | 40.00% | 158,675                 |                      | 158,675                 | 158,675                |                         | 158,675           |                        |                         | -                       |  |
| <b>TOTAL</b>         |        | <b>109,936,528.00</b>   | <b>11,865,283.00</b> | <b>98,071,245</b>       | <b>84,374,181</b>      | <b>3,005,822</b>        | <b>78,520,542</b> | <b>8,859,461.00</b>    | <b>25,562,347</b>       | <b>19,550,703</b>       |  |
| Previous Year Total  |        | 109,936,528             |                      | 109,936,528             | 80,538,255             | 3,835,926               | 84,374,181        |                        | 28,398,273              | 25,562,347.00           |  |

## FINE PLAST POLYMERS LIMITED

### SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

| PARTICULARS  | As at<br>31st March, 2011 |           | As at<br>31st March, 2010 |
|--|---------------------------|-----------|---------------------------|
|  | Rs.                       | Rs.       | Rs.                       |
| <b>SCHEDULE - 8</b>                                |                           |           |                           |
| <b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b> |                           |           |                           |
| (Refer Note No.10)                                 |                           |           |                           |
| Creditors for Trade                                |                           | 288,636   | 166,652                   |
| Creditors for others                               |                           | (187,919) | 46,459                    |
| Outstanding Expenses                               |                           | 963737    | 1,127,589                 |
|  |                           |           |                           |
| TOTAL  |                           | 1,064,454 | 1,340,700                 |
|  |                           |           |                           |
| <b>SCHEDULE - 9</b>                                |                           |           |                           |
| <b><u>MISCELLANEOUS ASSETS</u></b>                 |                           |           |                           |
| New Balaji Transport                               |                           | 6,584     | Nil                       |
| VAT A/c  |                           | 14,304    | Nil                       |
|  |                           |           |                           |
| TOTAL  |                           | 20,888    | Nil                       |

## FINE PLAST POLYMERS LIMITED

### SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| PARTICULARS  | Year Ended<br>31st March, 2011 |            | Year Ended<br>31st March, 2010 |
|--|--------------------------------|------------|--------------------------------|
|  | Rs.                            | Rs.        | Rs.                            |
| <b>SCHEDULE - 10</b>                                 |                                |            |                                |
| <b><u>OTHER INCOME:</u></b>                          |                                |            |                                |
| Capital Gains  | 12,026,717                     |            | -                              |
| Cheque Bounce Charges                                | 8,132                          |            | -                              |
| Discount VAT   | 79,128                         |            | -                              |
| Miscellaneous Income                                 | 49,065                         |            | -                              |
| Interest Received                                    | 863                            |            | -                              |
| TOTAL  |                                | 12,163,905 | Nil                            |
| <b>SCHEDULE - 11</b>                                 |                                |            |                                |
| <b><u>INCREASED / DECREASE IN FINISHED GOODS</u></b> |                                |            |                                |
| Opening Stock  |                                |            | 145,557                        |
| Scrap & Finished Goods                               | 466,837                        |            | -                              |
| Add: Purchases                                       | -                              |            | -                              |
|  | 466,837                        |            | 145,557                        |
| Less: Closing Stock                                  | 798,597                        |            | 466,837                        |
| TOTAL  |                                | 331,760    | 321,280                        |
| <b>SCHEDULE - 12</b>                                 |                                |            |                                |
| <b><u>RAW MATERIALS CONSUMED :</u></b>               |                                |            |                                |
| Opening Stock  | 8,866                          |            | 34,400                         |
| Add : Purchases                                      | 592,646                        |            | 818,122                        |
|  | 601,512                        |            | 852,522                        |
| Less : Closing Stock of Raw Material                 | 25,000                         |            | 8,866                          |
|  |                                | 576,512    | 843,656                        |
| TOTAL  |                                | 576,512    | 843,656                        |
| <b>SCHEDULE - 13</b>                                 |                                |            |                                |
| <b><u>MANUFACTURING EXPENSES:</u></b>                |                                |            |                                |
| Power  |                                | 223,995    | 127,624                        |
| Wages  |                                | -          | 91,084                         |
| Freight Charges                                      |                                | 15,115     | 1,893                          |
| Rent, Rates & Taxes                                  |                                | -          | -                              |
| Excise duty  |                                | -          | -                              |
| TOTAL  |                                | 239,110    | 220,601                        |

## FINE PLAST POLYMERS LIMITED

### SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| PARTICULARS                                       | Year Ended<br>31st March, 2011 |           | Year Ended<br>31st March, 2010 |
|---|--------------------------------|-----------|--------------------------------|
|   | Rs.                            | Rs.       | Rs.                            |
| <b>SCHEDULE - 14</b>                              |                                |           |                                |
| <b><u>ADMINISTRATIVE AND SELLING EXPENSES</u></b> |                                |           |                                |
| Salaries  | 716,885                        |           | -                              |
| Repairs & Maintenance                             | 356,080                        |           | 14,150                         |
| Loss on sale of shares                            | -                              |           | 1,288                          |
| Coolie Charges                                    | 208,327                        |           | 4,384                          |
| Legal Charges                                     | 36,000                         |           | 8,000                          |
| Factory Maintenance                               | 336,673                        |           | -                              |
| Telephone Charges                                 | 43,223                         |           | 5,185                          |
| Freight Outward                                   | 77,407                         |           | 4,087                          |
| Courier charges                                   | 670                            |           | 2,226                          |
| Sales Discount                                    | 61,300                         |           | -                              |
| TA & DA Expenses                                  | 478,305                        |           | 3,680                          |
| Plastic Bags                                      | 127,135                        |           | 3,496                          |
| Printing & Stationery                             | 19,322                         |           | 300                            |
| Rent  | 3000                           |           | -                              |
| Bad debts written off a/c                         | 58,585                         |           | -                              |
| Factory Expenses                                  | -                              |           | 4,579                          |
| Bank Charges                                      | 13,005                         |           | 2,745                          |
| Operating Agency Charges - IDBI                   | 110,300                        |           | -                              |
| License   | 11,800                         |           | -                              |
| Professional Tax                                  | 7,748                          |           | -                              |
| Refreshments                                      | 27,289                         |           | -                              |
| Conveyance  | 75,000                         |           | -                              |
| Consultancy Charges                               | 50,000                         |           | -                              |
| Audit Fees  | -                              |           | 1,500                          |
| TOTAL   |                                | 2,818,054 | 954,163                        |
| <b>SCHEDULE - 15</b>                              |                                |           |                                |
| <b><u>FINANCIAL EXPENSES</u></b>                  |                                |           |                                |
| Interest paid to IDBI                             | 4,50,000                       |           | -                              |
| Interest paid to Canara Bank                      | 1,41,473                       |           | -                              |
| TOTAL   |                                | 591,473   | -                              |



## **FINE PLAST POLYMERS LIMITED**

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### **SCHEDULE -16**

#### **NOTES TO ACCOUNTS**

##### **1. Significant Accounts Policies:**

**a) System of Accounting:** The Company follows Mercantile system of accounting and recognizes Income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

##### **b) Fixed Assets:**

Fixed Assets are started at cost less depreciation

##### **c) Depreciation :**

Depreciation has been provided on straight line method at the rates specified in the schedule XIV of the companies Act, 1956.

##### **d) Inventories :**

- i) Stocks of raw materials and consumables are valued at cost.
- ii) Finished goods are valued at direct cost plus production and administrative overheads or net realizable value, whichever is lower.

##### **e) Sales/Turn over**

Sales/Turn Over for the year includes sale value of goods and sales tax. Sales in the state of A.P. are exclusive of Sales Tax since tax holiday is sanctioned to the company for the states at A.P.

##### **f) Modavbat**

Modavat benefit is accounted for by reducing from purchase of raw materials and adjusted against excise duty liability levied by Excise Department.

##### **g) Excise Duty :**

Liability on account of Excise Duty in respect of Finished Goods laid in factory is accounted as and when cleared.

##### **h) Investments**

Investments are stated at cost.

##### **l) Preliminary Expenses**

The Preliminary expenses are being amortised over a period of 10 years commencing from the year 1993-94.

## FINE PLAST POLYMERS LIMITED

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### j) Retirement benefits to employees :

Retirement benefits to employees will be provided as and when relevant acts are applicable to the company.

2. In the opinion of the Board of Directors of the company, The current assets, loans advance and deposits are approximately of the value stated in the accounts, if realized in the ordinary course of business, unless otherwise stated. The provision for all known liabilities is adequate and not excess of the amount reasonably necessary.

3. Previous year figures have been regrouped/rearranged/reclassified whenever necessary.

### 4. Managerial Remuneration :

|  | As on<br>31-03-2011<br>Rs. | As on<br>31-03-2010<br>Rs. |
|--|----------------------------|----------------------------|
| Managing Director's &<br>Executive Director'<br>Remuneration | 0                          | 0                          |

### 5. Auditors Remuneration

|           |   |      |
|-----------|---|------|
| Audit Fee | 0 | 1500 |
|-----------|---|------|

6. Confirmation of certain parties for amount due to them/due from them as per the accounts of the Company have not been received, necessary adjustments if any will be made when the accounts are reconciled and settled.

7. Additional information required under part-II of the Schedule – VI to the Companies Act, 1956 (as certified by the management of the Company).

|   | As on<br>31-03-2011<br>MTS | As on<br>31-03-2010<br>MTS |
|---|----------------------------|----------------------------|
| a) Opening Stock of Finished Goods<br>(production)  | 2.65                       | 2.62                       |
| b) Closing Stock of Finished Goods<br>PVC pipe Fittings (Own Productuion)<br>(Trade Purchase) | 4.86                       | 6.86                       |
| c) Closing Stock of Raw Material<br>PVC Resin   | 0.8                        | 0.2                        |

## FINE PLAST POLYMERS LIMITED

### PARTICULARS REGARDING CAPACITY AND PRODUCTION

|      |   |       |                        |       |                        |       |
|------|---|-------|------------------------|-------|------------------------|-------|
| i)   | Installed capacity (as certified by the Management) |       |                        |       |                        |       |
|      | PVC pipe Fittings                                   |       | 1338 TPA               |       | 778PPA                 |       |
| ii)  | ACTUAL PRODUCTION                                   |       | 31-03-2011             |       | 31-03-2010             |       |
|      | PVC pipe Fittings                                   |       | -                      |       | -                      |       |
| iii) | SALES   |       |                        |       |                        |       |
|      | Name of the Product                                 |       |                        |       |                        |       |
|      |   |       | Sales as on 31-03-2011 |       | Sales as on 31-03-2010 |       |
|      |   |       | Qty                    | Value | Qty                    | Value |
|      |   |       | MTS                    | Rs.   | MTS                    | Rs.   |
|      | PVC pipe Fittings (Mfg.)                            | 12.97 | 843,656                | 12.57 | 968,379                |       |
| iv)  | Consumption of raw materials                        |       | As on 31-03-2011       |       | As on 31-03-2010       |       |
|      |   |       | Qty                    | Value | Qty                    | Value |
|      |   |       | MTS                    | Rs.   | MTS                    | Rs.   |
|      | Name of the Product                                 |       |                        |       |                        |       |
|      | PVC Resin   | 12.78 | 843,656                | 12.33 | 838,711                |       |
|      | Chemicals   |       |                        |       |                        |       |

9. The Company has not incurred any expenditure in foreign currency during the year.

10. The Company has not earned any income in foreign currency during the year.

AS PER OUT REPORT OF EVEN DATE

**FOR SANJEEVA RAO & ASSOCIATES**  
Chartered Accountants

SD/-  
**K. S ANJEEVA RAO**  
Partner  
M.No. 211604  
Hyderabad  
01-09-2011

**FOR AND ON BEHALF OF THE BOARD**

SD/-  
**P.M.RAO**  
Director  
SD/-  
**CHDVV PRASAD**  
CFO

SD/-  
**J. NAGABHUSHANA RAO**  
Director

# FINE PLAST POLYMERS LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(SUBMITTED IN FORM OF SCHEDULE VI OF THE COMPANIES ACT, 1956)

### I. REGISTRATION DETAILS

Registration No.

0 1 - 1 4 9 3 2

Balance sheet Date : 31-03-2011

State Code

0 1

### II. CAPITAL RAISED DURING THE YEAR ( Amount in Rs. thousands)

Allotment Money

0 0 0 0 0 0

Rights Issue

0 0 0 0 0 0

Bonus Issue

0 0 0 0 0 0

Private Placement

0 0 0 0 0 0

### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Among in Rs. Thousands)

Total Liabilities

0 0 0 7 9 1 8 6

Total Assets

0 0 0 7 9 1 8 6

### SOURCES OF FUNDS

Paid up capital

0 0 0 3 1 5 0 0

Reserve & Surplus

0 0 0 3 7 0 8 6

Secured Loans

0 0 0 0 0 0 0 0

Unsecured Loans

0 0 0 1 0 5 9 9

### APPLICATION OF FUNDS

Net Fixed Assets

0 0 0 1 9 5 5 1

Investments

0 0 0 0 0 0 0 0

Net Current Assets

0 0 0 1 1 3 3 3

Miscellaneous Expenditure

0 0 0 0 0 2 0 0

Accumulated Losses

0 0 0 6 4 0 8 2

### IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turn Over

0 0 0 2 2 8 8

Total Expenditure

0 0 0 9 1 8 4

Profit / Loss Before Tax

0 0 0 5 5 9 9

Profit / Loss After Tax

0 0 0 5 5 9 9

Earnings per Share in Rs.

0 0 0 0 0 0 0 0

Dividend Rate (%)

N I L

### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY

(as per monetary terms)

Items Code No. (IITC Code)

3 9 1 7 2 2 0 0

Product Description

| P | V | C | P | I | P | E | F | I | T | T | I | N | G | S |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

AS PER OUT REPORT OF EVEN DATE

FOR SANJEEVA RAO & ASSOCIATES

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

SD/-  
K. S ANJEEVA RAO  
Partner  
M.No. 211604  
Hyderabad  
01-09-2011

SD/-  
P.M.RAO  
Director  
SD/-  
CHDVV PRASAD  
CFO

SD/-  
J. NAGABHUSHANA RAO  
Director

**FINE PLAST POLYMERS LIMITED**

Flat No.A-108, Sri Saidatta Apartments, Srinivasa Nagar Colony (East), Ameerpet, Hyderabad-500038, AP

**ATTENDANCE SLIP**



Regd. Folio No. : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

Name of the Shareholder/Proxy Present: \_\_\_\_\_

I hereby record my presence at the 19<sup>th</sup> Annual General Meeting of the members of the company to be held on Friday, the 30<sup>th</sup> day of September 2011 at 11.00 AM at A-108, Sridatta Apartments, Srinivasa Nagar (East), Ameerpet, Hyderabad- 500038, AP

Shareholders/Proxy's Signature \_\_\_\_\_

**Note:**

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.



**FINE PLAST POLYMERS LIMITED**

Flat No.A-108, Sri Saidatta Apartments, Srinivasa Nagar Colony (East), Ameerpet, Hyderabad-500038, AP

**PROXY FORM**

Regd. Folio No. : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

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

being a Member(s) of above named company, hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ or failing him/her \_\_\_\_\_ of

\_\_\_\_\_ as my/our proxy to attend and vote for me/us, on my/our behalf at the



19<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 30<sup>th</sup> day of September 2011 at 11.00 A.M at the Registered Office of the Company at A-108, Sri Saidatta Apartments, Srinivasa Nagar (East), Hyderabad - 500038, AP and at any adjourned meeting thereof.

Signed \_\_\_\_\_ this \_\_\_\_\_ of 2011.

Signature of the Shareholder \_\_\_\_\_

Affix  
Re.1/-  
Revenue  
Stamp.

**Note:** The proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

# **fine Plast Polymers limited**

Flat No.A-108, Sri Saidatta Apartments, Srinivasa Nagar Colony (East),  
Ameerpet, Hyderabad-500038, AP. A.P. Phone : 040-23750495