

ANNUAL GENERAL MEETING (2010-2011)

BOARD OF DIRECTORS

R.K.TEKRIWAL	Chairman & Managing Director
SHARAD DUBEY	IND. NON-EXE-Director
VISHWANATH KANUNGO	IND. NON-EXE-Director
PROVAT K.CHAKRAVORTY	IND. NON-EXE-Director
MANSHARAM BIRLA	IND. NON-EXE-Director

Auditors

C.P.Rawka & Co.,
Chartered Accountants
403, Arcade Silver, 56
1, New Palasia, Indore(MP)-452001

Registered Office

115, Sector -III, Industrial
Area, Pithampur
Dist- Dhar(MP)

Registrars & Transfer Agents

Purva Share Registry (I) Pvt. Ltd.
9, Shiv Shakti Industries,
J.R. Boricha Marg,
Opp/ Kasturba Hospital,
Lower Parel (E)
Mumbai - 400 011.
Phone : [022] 23018261.

Corporate Office

Fairdeal Building,
2, A.B.Road, Gita Bhavan
Square, Indore(MP)-452001
Ph-0731-4077277-78

NOTE : Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

PITHAMPUR POLY PRODUCTS LIMITED

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the members of Pithampur Poly Products Limited will be held on Tuesday, the 30th September 2011, at 11.00 a.m. at its Registered Office at 115, Sector – III, Industrial Area, Pithampur, Dist-Dhar(MP), to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the Auditors and Directors Report thereon.
2. To appoint a Director in place of Mr. Mansharam Birla, Director of the Company who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. THE PROXY FORM SHOULD BE DEPOSITED AT THE REGD. OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer book of the company will remain closed from 27th September, 2011 to 30th September 2011 (both days inclusive).
4. Share holders are requested to go for DEMAT of their shares immediately as the Company has appointed M/S. Purva Share Registry India Pvt.Ltd., Mumbai (SEBI APPROVED R & T AGENT) for handling share transfer job and also for maintaining electronic connectivity with CDSL who have allotted ISIN ACTIVATION NUMBER AS – ISIN No.- INE747D01012 . Members are also required to intimate change in their addresses, if any, immediately to M/S. PURVA SHARE REGISTRY INDIA PVT.LTD., MUMBAI.

PITHAMPUR POLY PRODUCTS LIMITED

5. Members desirous of making nomination in terms of Section 109A of the Act, 1956 in respect of their shareholding may approach the Registrar for assistance, Shareholders holding shares in electronic form may approach their DP with whom they maintain their account for nomination.

By order of the Board

For PITHAMPUR POLY PRODUCTS LIMITED

Place : PITHAMPUR
Date : 04-09-2011

SD/-
RAJENDRA KUMAR TEKRIWAL
CHAIRMAN

DIRECTORS' REPORT TO THE MEMBERS

To,
The Members of the Company,

Your Directors have pleasure in presenting before you the 14th ANNUAL REPORT of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS	(Amt . Rs. In Lakhs)	
	2010-2011	2009-2010
Sales / Income	383.85	421.08
Total Expenses	477.04	430.85
Profit Before Tax	(93.19)	(9.77)
Profit after Tax	(93.19)	(9.77)

FINANCIAL & OPERATIONAL HIGHLIGHTS

The Financial results of the Company has been stated in the B/S & P & L A/C attached herewith.

DIVIDEND

The Board of Directors of the Company has not declared any dividend for 2008-09.

FIXED DEPOSITS

The Company has not accepted deposits from the public during the year attracting the provisions of section 58A of the Co. Act, 1956 and Rules framed there under.

AUDIT COMMITTEE

The Company has formed an Audit committee comprising of three directors. The terms of the reference of the committee are in line with the requirements specified u/s. 292A of the Co-Act, 1956 and Corporate Governance as stated in Clause 49 of the Listing Agreement.

DIRECTORS

During the year under review, Mr. Mansharam Birla will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

AUDITORS

Members have to appoint auditors for the current financial year and to fix remuneration. M/s. C.P.Rawka & Co., Chartered Accountants Indore, the retiring auditors of the company, is eligible for reappointment. Their appointment, if made, will be within the prescribed limit specified under section 224(1B) of the Companies Act, 1956 as intimated by the said firm to the Company.

PARTICULARS OF EMPLOYEES

There was no employee in the Company whose particulars are required to be furnished as per section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended upto date.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO.

Pursuant to section 217(1)(a) read with the Co.(Disclosures of particulars in the Report of Board of Directors) Rules,1988 , the details are as under :-

(A)	CONSERVATION OF ENERGY POWER & FUEL	10-11 90,36,516	09-10 64,40,296
(B)	TECHNOLOGY ABSORPTION	NIL	NIL
(C)	EARNING AND EXPENSES IN FOREIGN EXCHANGE		
	Earning in Foreign Currency	Rs. NIL	Rs. NIL
	Expenditure in Foreign Currency	Rs. NIL	Rs. NIL

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby report:

- (a) that in the preparation of annual accounts, the applicable accounting standards have been followed;
- (b) and such accounting policies have been selected and applied consistently and judgements and estimates made that are responsible 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 losses of the Company for that period;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE AND COMPLIANCE

A report on corporate governance along with Management Discussion and Analysis is annexed to this report. A certificate from Practising Company Secretary with regards to the compliance of the corporate governance as stipulated in Clause 49 of the Listing Agreement by the company is annexed to this report.

The company has fully complied with all mandatory requirements prescribed under Clause 49 of the listing agreement. In addition, the company has also implemented some of the non mandatory provisions of Clause 49.

LISTING

The equity share of the company are listed on the Stock Exchange at Indore, Mumbai, Ahmedabad, Chennai.

ACKNOWLEDGEMENT

Your Directors wish to express their sincere appreciation for the co-operation and support received from Banks, shareholders, customers, sub-contractors, suppliers, Officers and other employees of the Company throughout the year.

Place : PITHAMPUR
Date : 04-09-2011

For and on behalf of
The Board of Directors

Sd/-
Rajendra Kumar Tekriwal
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders, clients, the good reputation of the Company and the unquestioned integrity of all personnel involved in the Company. To ensure transparency, fairness and objectivity in an organisation's functioning, the Company has proactively adopted best practices with regard to corporate governance and compliance, which are ahead of regulatory requirements. The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, inter alia, priority to clients' interest over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

2. BOARD OF DIRECTORS COMPOSITION AND CATEGORY

The Board of Directors of the Company consists of persons with considerable expertise and experience and experience in the manufacturing industry, finance & management. The Board of Directors of the Company consists of five Directors including the Executive Chairman. Out of 5, 4 directors are non-executive independent directors. The Company does not have any pecuniary relation or transaction with Non-Executive Independent Directors during the year under review.

BOARD PROCEDURE

A detailed Agenda folder was sent to each Director in advance (generally before 7 to 10 days) of Board and committee meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director briefed the Board at every meeting on the financial performance of the Company up to last completed month as against the budget/revised budget of the year. Presentations are made by the Managing Director about the financial, operational performance and market scenario. The Board also reviewed:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment plans of the company
- Compliance with statutory/regulatory requirements and review of major legal issues.
- Adoption of quarterly / half yearly / annual results (after recommendation of Audit Committee where required).
- Significant labour problems
- Major accounting provisions and write-offs.
- Details of joint venture or Collaboration Agreement

The Composition, Category of Directors and their other directorship and Membership / Chairmanship of Committees.

Sr. No.	Name of the Director	Category	Number of other		
			Directorships	Committee Memberships	Committee Chairmanships
1	MR. R.K.TEKRIWAL	EXE.CHAIRMAN & MANAGING DIRECTOR	-	3	2
2	MR SHARAD DUBEY	IND. DIR	-	3	1
3.	MR. VISHWANATH KANUNGO	IND.DIR	-	3	-
4.	MR. PROVAT KUMAR CHAKRAVORTY	IND. DIR	-	-	-
5.	MR. MANSHARAM BIRLA	IND. DIR	-	-	-

During the year 6 Board Meetings were held on 29th April 2010, 28th July, 2010, 04th Sept.,2010, 29th Oct.,2010, 28th Jan, 2011 and 27th March,2011. The Board was present with the relevant and necessary information. None of the Director is a member of more than 10 committees or acting as Chairman of more than 5 committees across all companies in which he is a director. The attendance at the Board Meeting during the year and at the last Annual General Meeting was as follows:

SR.NO	NAME OF DIRECTORS	NO. OF BOARD MEETING ATTENDED	ATTENDANCE AT THE LAST AGM HELD ON 30-09-2010
1	MR. R.K.TEKRIWAL	6	YES
2	MR. SHARAD DUBEY	6	YES
3	MR VISHWANATH KANUNGO	6	YES
4	MR. PRAVAT K.CHAKRAVORTY	6	YES
5	MR. MANSHARAM BIRLA	6	YES

3.AUDIT COMMITTEE

The Board constituted an Audit Committee consisting of 3 Directors. All members of Audit Committee are financially literate and 2 Directors out of 3 has financial management expertise as required for member of Audit Committee as stipulated in Clause 49 of the Listing Agreement. The Details of Audit Committee meetings held during the year April 2010 to March 2011 and the attendance of the Audit Committee Members are as under:

SR.NO	DIRECTOR NAME	CATEGORY	NO OF MEETING HELD	ATTENDED
1	MR. R.K.TEKRIWAL	EXE. CHAIRMAN & M.D. AND MEMBER OF AUDIT COMMITTEE	5	5
2	MR. SHARAD DUBEY	INDEPENDENT DIRECTOR & CHAIRMAN OF AUDIT COMMITTEE	5	5
3	MR. VISHWANATH KANUNGO	INDEPENDENT DIRECTOR AND MEMBER OF AUDIT COMMITTEE	5	5

Terms of Reference:-

The terms of reference for the audit committee as laid down by the Board include the following:-

- a) Overseeing the Company's Financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with management, the quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on any changes in accounting policies and practices; major accounting entries based on exercise of judgement by management; qualifications in draft audit report; significant adjustments arising out of audit; the going concern assumption; compliance with accounting standards; compliance with stock exchange and legal requirements concerning financial statements; any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large.
- d) Reviewing with the management, statutory and internal auditors, the adequacy of internal control system and ensuring compliance therewith.

- e) Discussions with statutory auditors before the commencement of the audit about the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- f) Reviewing the Company's financial and risk management policies.
- g) To review the functioning of the Whistle Blower Policy adopted by the Company.
- h) To review report on Management Discussion & Analysis of Financial Condition and Results of operation, to be included in the Company's Annual Report to its Shareholders.

4. REMUNERATION COMMITTEE

This is a non-mandatory requirement. The company has constituted a Remuneration Committee to decide and fix payment of remuneration and sitting fees to the Directors of the Company.

The Remuneration Committee consists of Mr. R.K.Tekriwal, CMD and Chairman of the committee, Mr. Sharad Dubey, NEID & member and Mr. Vishwanath Kanungo, NEID & member. Only one meeting of the committee held during the year under review.

5. SHARE HOLDER'S GRIEVANCE AND SHARE TRANSFER COMMITTEE

Composition:-

The said committee comprises of R.K.TEKRIWAL, CMD & Chairman of the committee, Sharad Dubey, NEID & member and Vishwanath Kanungo, NEID and member of the committee.. There are 2 meetings during the year.

The Committee has delegated the authority to an officer of the Company who attends to share transfer formalities at least once in a fortnight.

Terms of reference:-

To look into the redressal of the share holders complaints in respect of any matter including transfer of shares, non receipt of annual report, non receipt of declared dividend etc.

Compliance Officers :-

The company has designated Mr. R.K.TEKRIWAL as Compliance Officer.

Summary of Investors' Complaints:-

During the year 5 letters / complaints were received from the share holders, out of which 5 letters/ complaints were replied / resolved to the satisfaction of the shareholders.

As on date, there are no complaints pending.

Annual General Meeting :-

The Annual General Meeting (AGMs) of the company have been held at the following places in the last three years

YEAR	DATE	TIME	VENUE
2007 - 08	30-09-2008	11.00 A.M.	REGD. OFFICE – 115, Sector – III, Ind. Area, Pithampur, Dist- Dhar(MP)
2008 - 09	29-09-2009	11.00 A.M.	AS ABOVE
2009 - 10	30-09-2010	11.00 A.M.	AS ABOVE

No resolution was put through postal ballot during the fin. Year 2010-11.

- 6. DISCLOSURES :-** There were no transaction by the company of material significance with related parties i.e. its Promoters, Directors of Companies or the Management or their relatives during the year which may have potential conflict with interest of the Company at large.

There is not any penalties or restrictions imposed on the Company by Stock Exchanges, SEBI or any statutory or any matter related to capital markets during the last three years.

- 7. CEO & CFO CERTIFICATION:** The managing Director have given certificate to Board as contemplated in clause 49 of the Listing Agreement & is enclosed at the end of the report

8. MEANS OF COMMUNICATION:

- (i) The periodical unaudited / audited financial results are published in Prabhatkiran or Agniban (Hindi) and M. P. Chronical & Free Press Journal

(English) as required under the Listing Agreement. All financial and other vital information is promptly communicated to the stock exchanges on which company's shares are listed.

- (ii) The Management Discussion and Analysis report prepared by the management and forming part of the Annual Report is separately attached.

9. GENERAL INFORMATION FOR SHAREHOLDERS:

(a) Regd. Office:-

115, Sector-III, Ind. Area, Pithampur, Dist-Dhar(MP)

(b) Date, Time, Venue of Annual General Meeting:

30th Sept, 2011 at 11.00 AM at the Regd. Office- 115, Sector-III, Ind. Area, Pithampur, Dist-Dhar(MP) .

(c) Financial Reporting for the quarter ending:

JUNE 30	: END JULY
SEPT 30	: END OCTOBER
DEC 31	: END JANUARY
MARCH 31	: END APRIL

(d) Date of Book Closure :

27.09.2011 to 30.09.2011 (both days inclusive)

(e) Listing Details :

The Equity Shares of the Company are listed on the Stock Exchange at Indore, Mumbai, Ahmedabad, Chennai.
Scrip Code : BSE – 530683

(f) ISIN for Dematerialization of equity shares :

INE747D01012

(g) Market price data:

During the year from 1-04-2010 to 31-03-2011 the equity shares have not been traded at all because the scrip of the company is suspended by BSE for want of compliances hence no market price of the fin.yr. 2010-2011 is available.

(h) Registrar And Transfer Agent:

(For share transfers and other communication relating to share certificates, change of address)

Purva Share Registry (I) Pvt. Ltd.
 9, Shiv Shakti Industries,
 J.R. Boricha Marg,
 Opp/ Kasturba Hospital,
 Phone : [022] 23018261.
 Mumbai – 400 011.
 Lower Parel (E)

(i) Share Transfer System:

Equity shares sent for transfer in physical form are normally registered by our Registrar and Share Transfer Agent within 15 days of receipt of documents, if documents are found in order. Share under objection are returned within 2 weeks.

The Company has a Share holders / Investors grievance Committee who looks after share transfer job by meeting at regular intervals depending upon the receipt of the shares for transfer.

The Company has designated an email id pppl@sancharnet.in for the purpose of registering complaints by the Investors in accordance with clause 47(f) of the Listing Agreement.

(j) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011

NO OF EQUITY SHARES HELD	NO OF SHARE HOLDERS	NO OF SHARES HELD
UPTO 5000	404	1218300
5001 - 10000	222	752300
10001 - 50000	149	1012400
50001 - 100000	5	318200
100001 - ABOVE	6	1572800
TOTAL	786	4874000

(k) CATEGORIES OF SHARE HOLDING AS ON 31ST MARCH, 2011.

NO. OF EQUITY SHARE HELD	NO. OF SHARE	% OF SHARES
PROMOTERS	2493500	51.16
CORPORATE	250400	5.14
FIN. INSTI.	NIL	NIL
FIIS.	NIL	NIL
NRIs/ OCBs	638300	13.10
BANKS	NIL	NIL
MUTUAL FUNDS	NIL	NIL
INDIVIDUALS	1491800	30.60
TOTAL	4874000	100.00

(l) DEMATERIALISATION OF SHARES AND LIQUIDITY :

The Company has already entered into agreement with CDSL, whereby the shareholders have an option to dematerialize their holdings.

The company is under negotiation with NSDL to have connectivity of NSDL also.

(m) PLANT LOCATION:

The company is 100% Export Oriented Unit with ISO : 9001-2008 Certification and having manufacturing and processing plant situated at Plot no. 115, Sector-III, Industrial Area, Pithampur, Dist- DHAR(MP) where HDPE/PP WOVEN SACKS AND ALLIED PRODUCTS are manufactured.

(n) INVESTOR CORRESPONDENCE :

For any queries, investors are requested to get in touch with the Company's RTA - **M/S. PURVA SHARE REGISTRY (I) PVT. LTD. MUMBAI.**

INVESTOR GRIEVANCE REDRESSAL SYSTEM

Investor Grievance, if any, is settled expeditiously and satisfactorily by the company as well as by the registrar. The Company has designated an email id pppl@shancharnet.in for the purpose of registering complaints by the Investors in accordance with clause 47 (f) of the Listing Agreement.

DISPOSAL OF INVESTOR GRIEVANCES

The average time required by the Company or Registrar to the issue for the redressal of routine investor grievances is estimated to be seven working days from the date of

receipt of the complaint. In case of non routine complaints and where external agencies are involved, the Company or Registrar will strive to redress these complaints as expeditiously as possible.

CERTIFICATION WITH RESPECT TO FINANCIAL STATEMENT

The Managing director of the Company has furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls and compliance of Clause 49 as required under Clause 49 of the listing agreement.

WHISTLE BLOWER POLICY

Recently, the Security & Exchange Board of India has also prescribed the adoption by all listed companies, of a Whistle Blower Policy as a non-mandatory requirement. The company has adopted a Whistle Blower Policy, which affords protection and confidentiality to Whistle blowers. The Audit Committee Chairman is authorized to receive Protected Disclosures under this Policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made whistle blowers in accordance with policy.

No personnel have been denied access to the Audit Committee. As of March 31, 2011, no Protected Disclosures have been received under this policy.

CODE OF CONDUCT

The Company's Board of Directors has adopted the code of conducts which govern the conduct of all directors /employees. All Directors and senior management personnel have affirmed compliance with respective codes for the year ended on 31st March 2011.

IMPLEMENTATION OF NON-MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

The company has implemented the following non-mandatory requirements as stated in clause 49 of the listing agreement with respect to Corporate Governance:-

- (i) Remuneration Committee:- Already details have been given earlier.
- (ii) Whistler Blower policy:- Under this policy employees of the Company can report to the management about unethical behavior, actual or suspected fraud or violation of code of conduct or ethics policy. It is the company's policy to insure that the Whistler Blower are not victimized or denied direct access to the chairman of the Audit Committee. The existence of said policy mechanism has been communicated to all employees.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company is in the business of manufacturing and trading of HDPE/PP WOVEN SACKS AND ALLIED PRODUCTS. The key issues of the Management Discussion and Analysis are given below.

(a) Industry structure and developments

Indian poly industries market size is estimated at RS. 53 billion. The industry experienced a significant growth of 30.41% during the year 2010-2011. The Company continued its growth alongwith the lines of industry and has maintained its market position.

(b) Strength

The strength of the company is management team. The Company has earned goodwill from utilization of full licensed and installed capacity and good policy of marketing due to expert management team.

(c) Comment on Current year's performance

During the financial year 2010-11, the company has posted a satisfactorily performance. All expenses are under control. The Operating profits are upto the industry mark.

d) Opportunities and threats

Continuing increase in demand of quality poly products provides an opportunity of growth to the company.

The Company is exposed to the fluctuation of Economy and industry cycles / downturns and throatcut competition in the industry.

(e) Segment wise performance

The business of the Company falls under a single segment i.e. "manufacturing and trading of HDPE/PP products" for the purpose of Accounting Standards AS-17.

(f) Outlook

The Company is making all efforts to accelerate growth of its business. It expects to improve its position in the market by focusing on technologically advanced and more profitable products/market segments and working aggressively in the areas of productivity, efficiency and cost-reductions. The company will focus on making long term strategic policy in existing as well as in new venture.

(g) Risk and concerns

There is a sharp increase in the prices of raw materials and other expenses due to governmental policies for Poly Products industries. It may not be possible for the Company to recover the increase in material cost from customers entirely due to competition in the industry.

(h) Internal control system

The internal control system has been found to be adequate. This is reviewed periodically by the Audit Committee and statutory auditors of the Company.

(j) Cautionary Statement

Statements in this Management Discussion and Analysis Report, Describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward looking Statement" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.

DECLARATION

As provided under clause 49 of the listing agreement with the stock exchanges, it is hereby declared that all the board members and senior managerial personnel of the Company have affirmed the compliance of code of conduct for the year ended 31st March, 2011.

Place : PITHAMPUR
Date : 04-09-2011

For and on behalf of
The Board of Directors
SD/-
R.K.TEKRIWAL
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Board of Directors,
Pithampur Poly Products Ltd.,
115, Sector – III, Ind. Area,
Pithampur, Dist-Dhar(MP)

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the fin. year ended on 31st March 2011.

The compliance of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review to the best of our information and according to the explanations given to us, in our opinion, the company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said listing agreement.

On the basis of certificate issued by the Registrar and Share Transfer Agent of the Company and the Minutes of meetings of the Shareholders/ Investors Grievance Committee of the Company, we state that, there were no investor grievances pending against the Company for a period exceeding one month.

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

PLACE : INDORE
DATE : 04-09-2011

For C.P.RAWKA & CO.,
CHARTERED ACCOUNTANTS
SD/-

C.P.RAWKA
PROPRIETOR
Membership NO. :70060

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, Rajendra Kumar Tekriwal, Chairman & Managing Director of M/s Pithampur Poly Products Ltd., do hereby certify that”

- a) I have reviewed the financial statements and the cash flow statement of the Company for the year 2010-11 and to the best of my and to the best of my knowledge, information and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs are in compliance with existing accounting standards, applicable Laws and regulations.
- b) To the best of my knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative or the company's Code of Conduct.
- c) The company's other certifying officers and I, are responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation such internal controls, if any, of which I am aware and steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee that :
 - i) there are no significant changes in internal control over financial reporting during the year;
 - ii) there are no significant changes in accounting policies during the year,
 - iii) there are no instances of fraud during the year.

Place : PITHAMPUR
Dated : 04-09-2011

SD/-
R.K.TEKRIWAL
Managing Director

AUDITORS' CERTIFICATE

To,

The Board of Directors
M/s. Pithampur Poly Products Limited
Indore

We have examined the attached Cash Flow Statement of **M/s. Pithampur Poly Products Limited** for the year ended on 31-3-2011. The Statement has been prepared by the Company in accordance with the requirement of Listing Agreement Clause 32 with Mumbai Stock Exchange limited and is based on in agreement with corresponding Profit & Loss Account and Balance Sheet of the Company for 2010-11.

As per our attached report of even date
C.P.RAWKA & Co
Chartered Accountants

SD/-
C.P.RAWKA
(Proprietor)
Place : INDORE
Date : 04-09-2011

PITHAMPUR POLY PRODUCTS LIMITED

ATTENDANCE SLIP

PITHAMPUR POLY PRODUCTS LTD.

Redg. Office: 115, Sector-III, Industrial Area, Pithampur, Dist-Dhar(MP)

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

L. F. No. _____

I Hereby record my attendance at the 14th Annual General Meeting held on 30-09-2011, at 11.00 AM. at Regd. Office of the Company.

Signature of the Member

Signature of the Proxy

Name of the Member

Name of the proxy

PITHAMPUR POLY PRODUCTS LTD.

Redg. Office: 115, Sector-III, Industrial Area, Pithampur, Dist-Dhar(MP)

PROXY FORM

I / We _____

Of _____ in the district of _____

Being a member(s) of Pithampur Poly Products Ltd. hereby appoint _____ Of _____ in the district of _____ as my/our

Proxy to attend and vote for me/us and my/our behalf at the 12TH Annual General Meeting of the Company to be held on 30-09-2011 at 11.00 AM at Regd. Office of the Company and any adjournment thereof.

Signed this _____ day of _____ 2011

Affix Rs. One
Revenue
Stamp here

Note: The proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. The proxy need not be a member of the Company.

AUDITORS' REPORT

The Members,

M/s PITHAMPUR POLY PRODUCT LTD.

Indore – [M.P.]

We have audited the attached Balance Sheet of **M/s PITHAMPUR POLY PRODUCT LTD.** as at 31st March'2011 and also the profit & Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards 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, material evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies [Auditor's Report]Order, 2003 issued by the Central Government, in terms of sub-section [4A] of section 227 of the Companies Act,1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that:
 - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - II. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - III The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.

:2:

A] In our opinion, the Balance – Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section 3[c] of section 211 of the Companies Act,1956.

B] On the basis of written representations received from the directors, as on 31st March'2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause [g] of sub-section [1] of section 274 of the Companies Act, 1956.

3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act,1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

- I. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March'2011, and
- II. In the case of the Profit and Loss Account, of the profit for the period ended on that date.
- III. In the case o the Cash Flow Statement, of the Cash Flows of the company for the year on that date.

For: **C. P. RAWKA & CO.**
Chartered Accountants

Place: INDORE
Date: 04.09.2011

SD/-

C.P.RAWKA
[Proprietor]
FRM : 000518C
M. NO. : 070060

ANNEXURE REFERRED TO IN THE AUDITORS' REPORT ON THE ACCOUNTS OF M/s PITHAMPUR POLY PRODUCT LTD.

1. [a] According to the information and explanation given to us, the Company is in the process of compiling its fixed assets register.

[b] We are informed that all fixed assets have been physically verified by the management at reasonable intervals.

[c] The none of the fixed assets have been disposed during the year.
2. [a] The inventory has been physically verified during the year by the management at reasonable intervals.

[b] In our opinion, the procedures of physical verification of inventory followed by the management were adequate in relation to the size of the company and the nature of its business.

[c] The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of accounts.
3. [a] The Company has not granted inter-corporate deposits to parties listed in the register maintained under Section 301 of the Companies Act, 1956.

[b] The company has not taken any loan from any party covered in Register maintained u/s 301 of the Companies Act, 1956

The maximum amount involved during the period was Rs. 49,27,841/- and balance outstanding at the year end Rs. NIL.
4. In our opinion and according to the information and explanations 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 and fixed assets and for the sale of goods. Further, in our opinion, there is no continuing failure to correct major weaknesses in internal control.
5. [a] To the best of our Knowledge and belief and according the information and explanations given to us, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 of companies act, 1956 have been so entered.

:2:

[b] In the opinion and having regard to our comments in paragraph (IV) above and accounting to the information and explanations given to us, the transaction made in purchase of contracts or arrangements entered in the register maintained under Section 301 of Companies Act 1956 and exceeding the value of Rs. Five Lakhs in respect of any party during the year have been made at Prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.

6. In our opinion and according to the information and explanations given to us, the company has not accepted deposit from the public during the year.
7. The company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records by the company under section 209[1][d] of the Companies Act, 1956.
9. [a] The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales – Tax, Custom Duty, Excise Duty, cess and any other statutory dues with appropriate authorities and there are no undisputed liabilities as on 31st March 2011 outstanding for a period of more than six months from the date they became payable.

[b] As per the information and explanations given to us there is no case where sales tax / income tax/ wealth tax / custom duty/ excise duty/cess have not been deposited on account of dispute, except the following :-

Sr. No	Name Of the Act	Nature Dues	Of Amount (In Rs.)	Period Which Amount related	To For on where dispute are pending
1)	MP Comm.Tax Act, 1994	Demand	34733/-	1996-1997	DY. Appellate MP Comm. Tax Dept. Indore Commissioner
2)	MP Comm.Tax Act, 1994	Demand	18028/-	1999-2000	DY. Appellate MP Comm. Tax Dept. Indore Commissioner

3)	MP Comm.Tax	Demand	825036/-	2000-2001	DY. Appellate MP Comm. Tax Dept. Indore	Commissioner
	Act, 1994	Penalty	636400/-	2000-2001		
4)	MP Comm.Tax	Demand	679287/-	2001-02	DY. Appellate MP Comm. Tax Dept. Indore	Commissioner
	Act, 1994	Penalty	510400/-	2001-02		
5)	MP Comm.Tax	Demand	578337/-	2002-03	DY. Appellate MP Comm. Tax Dept. Indore	Commissioner
	Act, 1994	Penalty	416500/-	2002-03		
6)	MP Comm.Tax	Demand	1068417/ -	2003-04	DY. Appellate MP Comm. Tax Dept. Indore	Commissioner
	Act, 1994					

10. The company have accumulated losses at Rs. _____/-, The Company has incurred Loss during the year at Rs. _____/- Covered by our audit.
11. In our opinion and according to the information and explanation given to us and overall examination of the Balance Sheet, we have found that the company has defaulted in repayment of dues to Banks.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares debentures and other securities.
13. The company is not a Chit fund, nidhi or mutual benefit fund/society.
14. In our opinion, the company is not dealing in or trading in Shares, Securities, Debentures and other Investment. Accordingly, the provision of clause 4[XIV] of the companies [Auditor's Report] order 2003 are not applicable to the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us, and on overall examination of the Balance Sheet of the Company we report that company has not raised term loans from Bank and Financial Institution.

17. According to the information and explanations given to us, and on overall examination of the Balance Sheet of the Company the funds raised by the company on the short term basis have not used for long term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year.
20. The company has not made any public issue during the year.
21. According to the information and explanations given to us, any fraud on or by the company has not been noticed or reported during the year.

Place: **INDORE**
Date: 04.09.2011

For: **C. P. RAWKA & CO.**
Chartered Accountants

SD/-

C.P.RAWKA
[Proprietor]
FRM : 000518C
M. NO. : 070060

PITHAMPUR POLY PRODUCTS LIMITED.
BALANCE SHEET AS AT 31ST, MARCH, 2011

PARTICULARS	SCHEDULE	AS AT 31/03/2011 RUPEES	AS AT 31/03/2010 RUPEES
<u>SOURCES OF FUNDS:</u>			
<u>SHARE HOLDER'S FUNDS</u>			
Share Capital	1	52,447,500	52,447,500
<u>LOAN FUNDS</u>			
Secured Loans	2	127,004,004	127,004,004
Unsecured Loans	3	0	6,851,176
	TOTAL	<u>179,451,504</u>	<u>186,302,680</u>
<u>APPLICATION OF FUNDS:</u>			
<u>FIXED ASSETS</u>			
a) Gross Block	4	132,762,155	132,165,159
Less: Depreciation		<u>66,174,032</u>	<u>60,741,520</u>
Net Block		66,588,123	71,423,639
<u>CURRENT ASSETS, LOANS AND ADVANCES</u>			
Inventories	5	2,142,960	3,132,097
Sundry Debtors	6	63,296,913	86,349,071
Cash & Bank Balances	7	373,752	329,073
Loans & Advances	8	<u>27,758,690</u>	<u>37,135,723</u>
		93,572,315	126,945,964
Less : Current Liabilities & Provisions	9	25,601,435	41,225,583
		<u>67,970,880</u>	<u>85,720,381</u>
Profit & Loss Account		(44,892,501)	(29,158,660)
	TOTAL	<u>179,451,504</u>	<u>186,302,680</u>

Notes on accounts
As per our report even date attached

FOR C.P. RAWKA & Co.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

SD/-
(C.P. RAWKA)
Proprietor

SD/-
(R.K. TEKRIWAL)
Chairman & Managing Director

SD/-
(VISHWNATH KANUNGO)
Director

PLACE: **INDORE**
DATED: **04/09/2011**

PITHAMPUR POLY PRODUCTS LIMITED
PROFIT AND LOSS ACCOUNTS
For the Year Ended 31st, March, 2011

PARTICULARS	SCHEDULE	01/04/2010 to 31/03/2011 RUPEES	01/04/2009 to 31/03/2010 RUPEES
<u>INCOME</u>			
Sales (Net of Excise Duty)	10	1,164,866	12,437,600
Jobwork Domestic Income		38,040,230	27,314,040
Other Income	11	151,222	1,218,894
Increase/Decrease in Stock	12	(971,625)	1,138,297
	Total (A)	38,384,693	42,108,831
<u>EXPENDITURE</u>			
Raw Material Consumed	13	489,859	9,976,017
Manufacturing Expenses	14	24,155,373	15,820,459
Employee's Remun. & Benefits	15	16,032,693	12,983,696
Administrative Expenses	16	6,361,481	3,837,672
Selling & Distribution Exp.	17	208,663	100,389
Financial Expenses	18	455,583	367,671
	Total (B)	47,703,652	43,085,904
Profit (Loss) Before Depreciation	Total [A-B]	(9,318,959)	(977,073)
Less :			
Depreciation		5,432,513	5,447,524
Prior Period Items		982,369	0
Net Profit/Loss for the Year		(15,733,841)	(6,424,597)
Balance Brought Forward (Last Period)		(29,158,660)	(22,734,063)
Net Loss C/F to Balance-Sheet		(44,892,501)	(29,158,660)

Notes on accounts
As per our report even date attached

19

FOR C.P. RAWKA & Co.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

SD/-

SD/-

SD/-

(C.P. RAWKA)

(R.K. TEKRIWAL)

(VISHWANATH KANUNGO)

Proprietor

Chairman & Managing Director

Director

PLACE: INDORE

DATED: 04/09/2011

PITHAMPUR POLY PRODUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2011. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2010 to 31/03/2011 RUPEES	01/04/2009 to 31/03/2010 RUPEES
SCHEDULE - 1		
<u>SHARE CAPITAL</u>		
<u>Authorised</u>	60,000,000	60,000,000
60,00,000 Equity Shares of Rs.10/- each		
<u>Issued and Subscribed</u>	55,902,000	55,902,000
55,90,200 Equity Shares of Rs.10/- each		
<u>Paid-up Share Capital</u>	48,740,000	48,740,000
48,74,000 Equity Shares of Rs.10/- each fully paid-up		
Add: Forfeited Share (Amount Originally Paid Up)	3,707,500	3,707,500
Total	<u>52,447,500</u>	<u>52,447,500</u>
SCHEDULE - 2		
<u>SECURED LOANS</u>		
LOANS & ADVANCES FROM BANKS :		
Term Loan : Building	7,869,252	7,869,252
Term Loan : Plant & Machinery	37,971,764	37,971,764
Demand Loan	6,188,837	6,188,837
Working Capital Loan	74,974,151	74,974,151
<i>(Term Loan, Demand Loan and Working Capital Loan are secured by equitable mortgage of moveble assets including Plant & Machinery and accessories Stock of Raw Materials, Semi-Finished Goods, Stores and spares and personal guarantee of Managing Director)</i>		
Total	<u>127,004,004</u>	<u>127,004,004</u>
SCHEDULE - 3		
<u>UNSECURED LOANS</u>		
OTHER LOANS & ADVANCE :		
- From Others	0	2,844,132
- From Body Corporate	0	4,007,044
Total	<u>0</u>	<u>6,851,176</u>
SCHEDULE - 5		
<u>INVENTORIES</u>		
<i>(as taken, valued and certified by the management)</i>		
Work-in-Process	69,940	1,041,565
Finished Goods	101,761	101,760
Wastage & Scrape	57,231	57,231
Stores and Spares	1,914,028	1,931,541
Total	<u>2,142,960</u>	<u>3,132,097</u>

PITHAMPUR POLY PORDUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2011. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2010 to 31/03/2011 RUPEES	01/04/2009 to 31/03/2010 RUPEES
SCHEDULE - 6		
<u>SUNDRY DEBTORS</u>		
<i>(Unsecured, considered good)</i>		
Due Less than Six Months	0	0
Due over Six months	63,296,913	86,349,071
Total	<u>63,296,913</u>	<u>86,349,071</u>
SCHEDULE - 7		
<u>CASH AND BANK BALANCES</u>		
Cash-in-hand	47,707	38,000
<u>Balances With Scheduled Bank</u> on Current Accounts	326,045	291,073
Total	<u>373,752</u>	<u>329,073</u>
<u>LOANS AND ADVANCES</u>		
<i>(Unsecured considered good)</i>		
<i>(recoverable in cash or kind or for value to be received)</i>		
Advance to Others	12,963,786	18,962,804
Advance to Suppliers	2,675,975	4,861,438
Duties and Taxes	251,242	0
Labour Charges Payable	203,012	0
Other receivables	8,545,750	10,824,246
Sundry Creditors	130,388	0
	<u>24,770,153</u>	<u>34,648,488</u>
Deposits	2,988,537	2,487,235
Total	<u>27,758,690</u>	<u>37,135,723</u>
SCHEDULE - 9		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
(A) <u>CURRENT LIABILITIES :</u>		
<i>(1) <u>Sundry Creditors:</u></i>		
a) Total Amount due to small scale industries undertaking	0	0
b) Total Amount due to Creditors other than small scale industries undertaking	14,955,914	35,697,451
<i>(3) <u>Statutory Liabilities:</u></i>		
TDS Payable	67,381	94,450
Other Taxes Payable (Entry Tax)	0	53,552
<i>(4) <u>Other liabilities:</u></i>		
Other Creditors	0	0
Bank Balance (Book Overdraft)	7,825,411	671,778
(B) <u>PROVISIONS:</u>		
Provident Fund Scheme	63,934	0
Professional Tax	834	0
Service Tax	330	0
Other Provisions:	2,687,631	4,708,352
Total	<u>25,601,435</u>	<u>41,225,583</u>

PITHAMPUR POLY PRODUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2011. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2010 to 31/03/2011 RUPEES	01/04/2009 to 31/03/2010 RUPEES
-------------	---------------------------------------	---------------------------------------

PITHAMPUR POLY PRODUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2011. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2010 to 31/03/2011 RUPEES	01/04/2009 to 31/03/2010 RUPEES
-------------	---------------------------------------	---------------------------------------

SCHEDULE - 10
SALES (NET OF EXCISE DUTY)

Domestic	1,164,866	12,437,600
Export	0	0
Total	<u>1,164,866</u>	<u>12,437,600</u>

SCHEDULE - 11
OTHER INCOME

Interest Income	71,904	64,474
Discount	20,606	1,016
Misc Receipts	58,712	(13,606)
Unclaimed Dr Cr Balance Written Off	0	1,141,903
Profit on sale of asset	0	25,107
Total	<u>151,222</u>	<u>1,218,894</u>

SCHEDULE - 12
INCREASE IN STOCK

A. Work-in-process		
Closing Stock	69,940	1,041,565
Less Opening Stock	1,041,565	0
Total (A)	<u>(971,625)</u>	<u>1,041,565</u>
B. Finished Goods		
Closing Stock	101,760	101,760
Less Opening Stock	101,760	0
Total (B)	<u>0</u>	<u>101,760</u>
C. Wastage & Scrap		
Closing Stock	57,231	57,231
Less Opening Stock	57,231	62,259
Total (C)	<u>0</u>	<u>(5,028)</u>
D. Semi Finished Goods		
Closing Stock	0	0
Less Opening Stock	0	0
Total (D)	<u>0</u>	<u>0</u>
Total Increase/ (Decrease) in Stock	<u>(971,625)</u>	<u>1,138,297</u>

PITHAMPUR POLY PRODUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2011. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2010 to 31/03/2011 RUPEES	01/04/2009 to 31/03/2010 RUPEES
-------------	---------------------------------------	---------------------------------------

SCHEDULE - 13

RAW MATERIAL CONSUMED

Opening Stock	0	233,142
Add : Purchase during the period (Including Direct Expenses)	<u>489,859</u>	<u>9,742,875</u>
Less : Closing Stock	0	0
Total	<u>489,859</u>	<u>9,976,017</u>

SCHEDULE - 14

MANUFACTURING EXPENSES

Factory General Expenses	58,909	25,265
Generator Exp At Factory	130,044	0
Freight & Hammali Charges (Jobwork & Stores)	172,033	121,006
Insurance	0	14,660
Loading Unloading Charges	2,890	11,036
Power & Fuel	9,036,516	6,440,296
Printing & Streo Expenses	61,033	113,781
Processing Charges	12,149,017	7,908,741
Repair & Maintenance (Factory Building)	230	50,339
Repair & Maintenance : Machinery	431,823	111,636
Stitching Charges	0	16,137
Store & Spares Consumed	2,099,404	824,581
Water Charges	13,474	7,126
Total	<u>24,155,373</u>	<u>15,644,604</u>

SCHEDULE - 15

EMPLOYEES REMUNERATION & BENEFITS

Workers Wages & Allowances	14,051,911	11,670,704
Other Allowances	849,212	646,004
Staff Welfare Expenses	262,355	158,030
Employer's Contribution to EPF & other	869,215	508,958
Total	<u>16,032,693</u>	<u>12,983,696</u>

PITHAMPUR POLY PRODUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2011. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2010 to 31/03/2011 RUPEES	01/04/2009 to 31/03/2010 RUPEES
SCHEDULE - 16		
ADMINISTRATIVE EXPENSES		
Advertisement & Publicity	9,201	2,000
Annual Maintenance Charges	42,002	2,950
Audit fees	31,250	48,685
Books & Periodicals	1,500	0
Car Petrol & Other Expenses	99,270	16,794
Computer Maintenance charges	30,768	46,437
Consultancy charges	16,000	110,111
Conveyance	75,571	14,604
Courier Exp. (Indirect Exp.)	2,395	60
Cutting Expenses	6,754	0
Director Remuneration	180,000	180,000
Director's Sitting Fees	34,000	34,000
Donation	8,652	168,600
E R P Software Development Charges	1,037,930	0
FBT (Indirect Exp.)	0	58,641
Filling Charges	0	200
General Expenses	100	0
Generator (Indirect Exp.)	0	3,000
Incentive Exp.	61,453	2,500
Legal charges & expenses	188,195	193,307
License fees	39,167	47,065
Listing Fees	15,000	18,000
Membership & Subscription	20,220	19,790
Miscellaneous expenses	12,074	49,965
Office expenses	94,083	46,285
Pollution fees	48,373	78,248
Pooja expenses	8,924	12,532
Postage & Telegrams	1,522	740
Professional Fees	191,436	22,500
Professional Tax	2,500	2,500
Property Tax	32,973	32,973
Rates & Taxes	0	619
Rent	30,000	0
Repairs & Maintenance : Vechicles	76,445	24,098
Repairs & Maintenance :Others	59,477	58,428
Security Expenses	645,331	384,532
Staff Recruitment Expenses	0	4,964
Stationery & Printing	136,460	100,372
Tax paid after Assessment	3,511	0
Telephone /Telex/Fax Expenses	343,377	291,785
Threading (indirect Exp.)	103,640	19,289
Travelling Expenses - Foreign	0	12,000
Travelling Expenses (Incl. Director Travelling)	948,685	251,793
Unclaimed Dr Cr Balance Written Off	749,294	0
Vehicle Hire Charges	966,390	1,472,250
Vehicle Running & Maintainance	7,358	4,925
Weightment (Indirect Exp.)	200	130
Total	6,361,481	3,837,672

PITHAMPUR POLY PORDUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2011. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2010 to 31/03/2011 RUPEES	01/04/2009 to 31/03/2010 RUPEES
SCHEDULE - 17		
<u>SELLING & DISTRIBUTION EXPENSES</u>		
Business Promotion expenses	147,534	14,993
Freight Outward	0	(738)
Inspection fees	6,410	15,280
Miscellaneous expenses	7,762	37,906
Packing Material	2,457	3,099
Testing Fee	44,500	29,849
Total	<u>208,663</u>	<u>100,389</u>
SCHEDULE - 18		
<u>FINANCIAL EXPENSES</u>		
Bank charges	184,108	15,423
<u>Bank and other Interest :-</u>		
Interest to Others	10,643	9,986
Interest on TDS	27,452	9,379
Interest on Loan	233,380	332,883
Total	<u>455,583</u>	<u>367,671</u>
SCHEDULE - 19		
<u>DIRECT EXPENSES</u>		
Diesal Exp.	0	71,748
Dipawali Bonus	0	6,828
Entry Tax	50,867	96,605
Freight Inward	800	0
PF Damages	0	396
PF Interest	0	278
Total	<u>51,667</u>	<u>175,855</u>

PITHAMPUR POLY PRODUCTS LIMITED.
SCHEDULES 1 TO 21 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st, March-2011, AND PROFIT & LOSS ACCOUNT AS ON THE DATE

SCHEDULE - 04
FIXED ASSETS:

PARTICULARS	Rate of Dep (in %)	G R O S S - B L O C K				D E P R E C I A T I O N				N E T - B L O C K	
		As on 31-03-2010	Addition during the year	Deletion during the year	As on 31-03-2011	As on 31-03-2010	Provided during the year	Deletion during the year	As on 31-03-2011	As on 31-03-2010	As on 31-03-2011
Land & Site Development	0.00%	1,147,676	0	0	1,147,676	0	0	0	0	1,147,676	1,147,676
Building + Factory Building	3.34%	34,117,691	369,380	0	34,487,071	13,207,819	1,141,770	0	14,349,589	20,909,872	20,137,482
Plant & Machinery	4.75%	76,430,767	156,000	0	76,586,767	38,366,424	3,630,461	0	41,996,885	38,064,343	34,589,882
Electrical Installation	4.75%	7,271,254	0	0	7,271,254	4,536,700	345,385	0	4,882,085	2,734,554	2,389,169
D.G. Set	4.75%	2,446,235	0	0	2,446,235	1,595,035	116,196	0	1,711,231	851,200	735,004
Furniture & Fixtures	6.33%	2,184,108	0	0	2,184,108	1,302,631	138,254	0	1,440,885	881,477	743,223
Office Equipments + Zerox	4.75%	1,212,803	67,045	0	1,279,848	384,377	58,140	0	442,517	828,426	837,331
Computers	16.21%	1,308,905	4,571	0	1,313,476	1,308,904	215	0	1,309,119	1	4,357
Vehicles	9.50%	41,720	0	0	41,720	39,630	2,090	0	41,720	2,090	0
Plant & Machinery Lease hold	0.00%	6,004,000	0	0	6,004,000	0	0	0	0	6,004,000	6,004,000
TOTAL Rs.		132,165,159	596,996	0	132,762,155	60,741,520	5,432,512	0	66,174,032	71,423,639	66,588,123
Previous Period		0	0		0	0	0		0	0	0

PITHAMPUR POLY PRODUCTS LIMITED
DETAILS OF SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st, MARCH 2011, AND PROFIT & LOSS AS ON THE DATE

SCHEDULE - 19

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The Financial Statements are prepared under historical cost convention and income & expenditure are recognized on accrual basis.

2. Fixed Assets

Fixed Assets are stated at cost less depreciation. The cost of assets comprises its purchase price, duties, levies and other directly attributable cost upto the date, the asset is put to working condition for its intended use. Cenvat Credit on capital goods was reduced from the cost.

3. Prior Period Items

The expenditure and income pertaining to prior period being not material are shown under the respective head of accounts in the Profit & Loss Account.

4. Treatment of expenditure during construction period

The expenditure incurred during the period including interest during construction period are charge to capital work-in-progress and on completion, the cost to be allocated to the respective fixed assets.

5. Depreciation

Depreciation on fixed assets is provided on Straight-Line method at the rate prescribed in schedule XIV to the Companies Act, 1956, on pro rate basis from the month next to the month in which the assets was put to use.

6. Excise duty

The Excise Duty payable on finished goods is accounted in the clearance thereof from the factory premises and hence not included in valuation of stock CENVAT Credit is accounted by recording material purchased net of excise duty.

7. Inventories

The Company value its inventories as per accounting standard AS-2 as issued of ICAI.

8. Retirement Benefits

Employees retirement benefits are accounted on actual basis.

9. Amortization of Miscellaneous Expenditures

The companies amortizes preliminary and public issue expenses equally over a period of ten accounting period.

10. Foreign Currency Transaction

Foreign currency transactions during the accounting period are translated at the rates prevalent on the date of payment/receipt. The exchange difference is credited; charged to Profit & Loss account in case of revenue items.

11. Research and Development

The company does not have a separate research & development department and has not incurred any expenditure on research & development.

12. Contingent Liabilities

The contingent liabilities are not provided and are disclosed by way of notes.

PITHAMPUR POLY PRODUCTS LIMITED
DETAILS OF SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH 2011. AND PROFIT & LOSS AS ON THE DATE

B. NOTES OF ACCOUNTS

I Contingant liabilities not provided for:

- a) Bank guarantee issued by Bank Rs.NIL Lacs
- b) Sales Tax authority issued demands for which company has disputed the claim and they have been advised by the legal experts that it will succeed in the followings matters:

<i>Srn.</i>	<i>Name of the Act</i>	<i>Nature of Dues</i>	<i>Amount</i>	<i>Year</i>
1	M.P. Comm. Tax Act, 1994	Demand	34733/-	1996-1997
2	M.P. Comm. Tax Act, 1994	Demand	18028/-	1999-2000
3	M.P. Comm. Tax Act, 1994	Demand Penalty	825036/- 636400/-	2000-2001
4	M.P. Comm. Tax Act, 1994	Demand Penalty	679287/- 510400/-	2001-2002
5	M.P. Comm. Tax Act, 1994	Demand Penalty	578337/- 416500/-	2002-2003
6	M.P. Comm. Tax Act, 1994	Demand Penalty	615017/- 453400/-	2003-2004

- c) The company has filled application with the competent authority for enhancement of period for E.Tax exemption on purchases but the same is pending with the authority. Therefore contingent liability of Rs.47,67,738/- not provided in the books of accounts.

ii In the opinion of the Board the current assets, Loans & Advance have a value on ordinary course of business at least equal to the amount at which they are stated in realization in the balance sheet and provisions for all known liabilities have been made.

iii The company adopt prudence norms of accounting Policies, Therefore the provision for deferred tax assets as required in AS-22 issued by ICAI have not been made.

iv Additional information pursuant to the provision to the provision of part II of Schedule VI to the Companies Act, 1956.

1. Information of Stock	<u>Closing Stock (as at 31/03/2011)</u>		<u>Closing Stock (as at 31/03/2010)</u>	
	Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)	Value (Rs.)
a) Raw Material	0.000	0	0.000	0
b) Finished Goods	1.228	101761	1.228	101761
c) Work-In-Progress	929.800	69940	11.050	1041565
d) Stores & Spares	---	1914028	--	1931540
e) Wastage & Scraps	7.589	57230	7.589	57230
Total	938.617	2142959	19.867	3132096

2. Raw Material Consumed	<u>Year ended on 31/03/11</u>		<u>Year ended on 31/03/10</u>	
	Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)	Value (Rs.)

PITHAMPUR POLY PRODUCTS LIMITED

DETAILS OF SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET

AS ON 31st. MARCH 2011, AND PROFIT & LOSS AS ON THE DATE

PP Granuals & Others	0.000	0	109.000
----------------------	-------	---	---------

9056996

(Note: Consumption of Raw Material including with materials sent for Job-Work.)

PITHAMPUR POLY PRODUCTS LIMITED
DETAILS OF SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH 2011, AND PROFIT & LOSS AS ON THE DATE

3. Quantitive information of Capacity, Production activity (in M.T.):		
	<u>Current Year (M.T.)</u>	<u>Previous Year (M.T.)</u>
a) Licensed Capacity	N. A.	N. A.
b) Installed Capacity (As certified by the management)	5200 (P.A.)	5200 (P.A.)
c) Production (Bags, Tape, Fabric)	25.621	32.603
d) Sales (Bags/Sacks)	10.165	32.603
4. Value of Material Consumed:(Including Direct Expenses)		
Raw Materials: Imported	Rs. -----	Rs. -----
Indigenous	Rs 306442 /- (100.00%)	Rs9742875. /- (100.00%)
<i>[Note: Quantitatives details including quantity of materials which is received for Job-work from M/s Bulpack Exports Ltd.]</i>		
v Earning in foreign exchange:		
	<u>Current Year (Rs.)</u>	<u>Previous Year (Rs.)</u>
FOB value of Export	0	0
vi Expenditure in foreign currency : (in Rs.)		
For, Travelling Expenses	0	0
For, Purchase of Raw Material	0	0
For, Testing Fee	/-	/-
vii Salary paid to Managing Director is as per Sch-XIII to the Companies Act, 1956.		
	<u>Current Year (Rs.)</u>	<u>Previous Year (Rs.)</u>
Remuneration	180000	180000
viii Auditors Remuneration		
For Statutory Audit	25000	20000/-
For Tax Audit	6250	5000/-
Total Rupees	<u>31250/-</u>	<u>25000/-</u>

PITHAMPUR POLY PRODUCTS LIMITED
DETAILS OF SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st, MARCH 2011, AND PROFIT & LOSS AS ON THE DATE

ix Information on related party transaction as per Accounting Standard 18 on related party disclosure:

Sn.	Name of the Related Party	Nature of Transaction	<u>Current Year (Rs.)</u>	<u>Previous Year (Rs.)</u>
			Amount	Balance at year end
01	Fairdeal Marwar Garages Ltd. <i>(Company in which Director Interested)</i>	Car Petrol & Other Exp. Office Estb. Charges	0 0	94036/- Payable 0 Payable
02	R. K. Tekriwal (CMD)	Salary	180000	180000 Payable
03	Meera Tekriwal <i>(Relative to CMD)</i>	Salary	150000	150000 Payable

x The company, due to dispute with bank, has not provided interest on secured loans.

xi The company is a Sick Industrial company within the meaning of clause of Sub-Section 1 of Section 3 of the Sick Industrial Companies Special Provision Act 1985.

xii Sundry debtors, creditors, loans and advances are subject to balance confirmation.

xiii Previous period figures have been regrouped, rearranged wherever considered necessary to make them comparable.

xiv Figures are rounded off to the nearest rupee.

SIGNATURE TO SCHEDULE 01 TO 19 FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT.

AS PER OUR REPORT OF EVEN DATED ATTACHED.

FOR, C.P. RAWKA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

SD/-

SD/-

SD/-

(C.P. RAWKA)
Proprietor

(R.K. TEKRIWAL)
Chairman & Managing Director

(VISHWNATH KANUNGO)
Director

PLACE: **INDORE**
DATED: **04/09/2011**

PITHAMPUR POLY PRODUCTS LIMITED
DETAILS OF SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st, MARCH 2011, AND PROFIT & LOSS AS ON THE DATE

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

1. Registration Details

Registration Number	8513
Balance Sheet Date	31/03/2011
State Code	10

2. Capital Raised During the Period:

(Amount in Rs. Lacs.)

Public Issue	NIL
Bonus Issue	NIL
Right Issue (Application Money)	NIL
Private Placement	NIL
[Firm Allotment to the promoters & their Associates]	

3. Position of Mobilisation and deployment of Funds:

<u>SOURCE OF FUND:</u>	(in Lacs)	<u>APPLICATION OF FUND</u>	(in Lacs)
<u>Total Liabilities</u>	<u>1794.52</u>	<u>Total Assets</u>	<u>1794.52</u>
Share Capital	524.48	Net Fixed Assets	665.88
Reserve & Surplus	0.00	Investments	--
Secured Loan	1270.04	Net Current Assets	679.71
Unsecured Loan	0.00	Misc. Expenditures	0.00
		Accumulated Losses	448.93

4. Performance of Company

Turnover (Gross)	383.85	Total Expenditure	482.47
Profit Before Tax	0.00	Profit After Tax	0.00
Earning per Share	NIL	Dividend Rate %	NIL

5. Generic Name of Three Principle Products/Services of Company

(As per monetary terms)

Items Code No. (ITC Code)	392329
Product Description	Woven Sacks/Jumbo Bag

AS PER OUR REPORT OF EVEN DATE ATTACHED.

FOR, C.P. RAWKA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

SD/-
(C.P. RAWKA)
Proprietor

SD/-
(R.K. TEKRIWAL)
Chairman & Managing Director

SD/-
(VISHWANATH KANUNGO)
Director

PLACE: **INDORE**
DATED: **04/09/2011**

PITHAMPUR POLY PRODUCTS

Cash Flow Statement for the year ended on 31st March, 2011

PARTICULARS	2010-11	2009-10
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items:	-15,733,841	-9,538,920
Adjustments for:	-	-
DEPRECIATION	5432513	5599997
PRIOR PERIOD ITEMS	982369	0
Sub-Total	-9318959	5599997
Total Inflow from Operations	-9,318,959	-3,938,923
Non Operating Income	-	-
Operating Profit before working capital changes	-9,318,959	-3,938,923
Adjustment for:		
Trade and Other Receivables	24041295	2116396
Deposits	-	0
Loans & Advances	9,377,033	-3968335
Current Liabilities	-15,624,148	2648296
Sub-Total	17,794,180	796357
Cash Generation from Operations	8,475,221	-3,142,566
Direct taxes paid or Tax Provisions	-	0
Sub-Total	-	0
Cash Flow before Extraordinary Items	8,475,221	-3,142,566
Dividend and Dividend Tax Payable	0	0
Balance Carried Forward	8,475,221	-3,142,566
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments	-	-
Sale of Investments	-	-
Sale of Fixed Assets	-596996	273239
Sub-Total	-596996	273239
Balance Carried Forward	7,878,225	-2,869,327
CASH FLOW FROM FINANCIAL ACTIVITIES:		
Proceeds from Prior year items	-982369	2400530
Proceeds from Secured Loans	0	-224527
Proceeds from Unsecured Loans	-6851177	699930
Sub-Total	-7833546	2875933
Net Increase / (Decrease) in cash and cash equivalents	44,679	6,606
Opening Cash and Cash Equivalents	329,073	322,467
Closing Cash and Cash Equivalents	373,752	329,073

In terms of our report of even date.

For C.P.RAWKA & CO.,
CHARTERED ACCOUNTANTS

FOR PITHAMPUR POLY PRODUCTS LTD.

SD/-

(C.P.RAWKA)
PROPRIETOR
M. NO. 70060

SD/-

R.K.TEKRIWAL
M.D.

SD/-

V.KANUNGO
DIRECTOR

Place: INDORE

Dated: September 4, 2011