

# **PITHAMPUR POLY PRODUCTS LIMITED**

## **11<sup>th</sup> ANNUAL REPORT FOR THE FINANCIAL YEAR 2008-09**

**COMPANY REGISTRATION NO: 008513  
CIN NO: L25202MP1994PLC008513**

### **REGISTERED OFFICE:**

115, SECTOR III, INDUSTRIAL AREA, PITHAMPUR, DHAR, MADHYA PRADESH, INDIA

### **CORPORATE OFFICE:**

2<sup>ND</sup> FLOOR, ALANKAR POINT, GEETA BHAWAN, SQUARE, INDORE, MADHYA PRADESH, INDIA

email: [pppl@sancharnet.in](mailto:pppl@sancharnet.in)

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# PITHAMPUR POLY PRODUCTS LIMITED

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## ELEVENTH ANNUAL GENERAL MEETING PROGRAMME

DATE	30 <sup>TH</sup> SEPTEMBER, 2009
DAY	Tuesday
TIME	11.00 A.M.
VENUE	115, Sector III, Industrial Area, Pithampur, Dhar, Madhya Pradesh, India

### NOTE TO SHAREHOLDER:

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

### AUDITORS

**M/s. C P Rawka Agarwal & Co.**

**Chartered Accountants**

403, Arcade Silver, 56

1, New Palasia, Indore (M.P.)- 452001

### REGISTRAR AND SHARE TRANSFER AGENTS

**M/s Ankit Consultancy Private Limited**

Fairdeal Building, 2, A B Road, Gita Bhawan Square,

Indore (M.P.)- 452001

Phone- 0731 4077277-8

### Bombay Stock Exchange Limited

P.J. Towers, Dalal Street Fort, Mumbai

Pin Code 400 001, INDIA

### LISTING AT

**Madhya Pradesh Stock Exchange Ltd.,**

Rajani Bhawan, 3rd Floor, M. G. Road,

Opp. High Court,

INDORE 452 002.

### The Stock Exchange, Ahmedabad

Kamdhenu Complex, Opp. Sahajanand College,

Panjarapole, Ambawadi,

AHMEDABAD-380001.

**Madras Stock Exchange Ltd.,**

11 Second Line Beach, Post Box No. 183,

MADRAS 600 001.

**TWELTH ANNUAL GENERAL MEETING (2008-2009)**

**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**

M/S. Ankit Consultancy Pvt.Ltd.,  
2<sup>nd</sup> Floor, Alankar Point,  
Geeta Bhavan Square,  
Indore(MP)-452001  
PH- 0731-2491298

**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 12<sup>th</sup> Annual General Meeting of the members of Pithampur Poly Products Limited will be held on Tuesday, the 30<sup>th</sup> September 2009, 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 31<sup>st</sup> March, 2009 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. Sharad Dubey, 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.

#### **SPECIAL BUSINESS**

4. To consider and if thought fit, to pass the following resolution with or without modification(s), as an ordinary resolution :

“Resolved that Provat Kumar Chakravorty, who was appointed as an Additional Director of the Company on 17/06/2009 pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds such office up to the date of ensuing Annual General Meeting of the Company and in respect of whom the company has received a notice in writing from a member under section 257 of the companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

5. To consider and if thought fit, to pass the following resolution with or without modification(s), as an ordinary resolution :

“Resolved that Mansharam Birla, who was appointed as an Additional Director of the Company on 17/06/2009 pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds such office up to the date of ensuing Annual General Meeting of the Company and in respect of whom the company has received a notice in writing from a member under section 257 of the companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

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**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 27<sup>th</sup> September, 2009 to 30<sup>th</sup> September 2009 (both days inclusive).
4. Share holders are requested to go for DEMAT of their shares immediately as the Company has appointed M/S. Ankit Consultancy Pvt.Ltd., Indore(MP) (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. ANKIT CONSULTANCY PVT.LTD., INDORE.
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.
6. Details required under Listing Agreement with the Stock Exchanges in respect of Directors seeking re-appointment at this AGM, is stated hereinbelow :-

**Item No.2 of the Notice:**

Name : MR. SHARAD DUBEY  
Age : 77 Years  
Qualification : B.COM., M.B.A.  
Expertise : FINANCIAL & INVESTMENT MATTER  
Date of Appointment : 31/07/2001

By order of the Board

For PITHAMPUR POLY PRODUCTS LIMITED

Place : PITHAMPUR  
Date : 04-09-2009

Sd/-  
RAJENDRA KUMAR TEKRIWAL  
CHAIRMAN

**EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT, 1956**

**Item no. 4**

Provat Kumar Chakravorty, was appointed by the Board of Directors of the Company as an additional Director w.e.f from 17/06/2009 pursuant to the relevant provisions of the Companies Act, 1956 and under the Articles of the Article of Association of the company and he holds such office only upto the date of this Annual General Meeting. Particulars about him are given in para 2 of the Corporate Governance Report. A notice in writing has been received u/s. 257 of the Companies Act, 1956 along with a deposit of Rs.500/- from a member signifying his intention to propose his appointment as Director of the Company liable to retire by rotation. Your Board of Directors are of the opinion that with the appointment, the company will be benefited a lot and hence commends the resolution for approval.

None of the Director of the company is concerned or interested in the resolution except Provat Kumar Chakravorty.

**Item no. 5**

Mansharam Birla, was appointed by the Board of Directors of the Company as an additional Director w.e.f from 17/06/2009 pursuant to the relevant provisions of the Companies Act, 1956 and under the Articles of the Article of Association of the company and he holds such office only upto the date of this Annual General Meeting. Particulars about him are given in para 2 of the Corporate Governance Report. A notice in writing has been received u/s. 257 of the Companies Act, 1956 along with a deposit of Rs.500/- from a member signifying his intention to propose his appointment as Director of the Company liable to retire by rotation. Your Board of Directors are of the opinion that with the appointment, the company will be benefited a lot and hence commends the resolution for approval.

None of the Director of the company is concerned or interested in the resolution except Mansharam Birla.

By order of the Board

For PITHAMPUR POLY PRODUCTS LIMITED

Place : PITHAMPUR  
Date : 04-09-2009

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 12<sup>th</sup> ANNUAL REPORT of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2009.

<b>FINANCIAL RESULTS</b>	<b>(Amt . Rs. In Lakhs )</b>	
	<b>2007-2008</b>	<b>2007-2008</b>
Sales / Income	347.99	699.30
Total Expenses	443.38	676.96
Profit Before Tax	(95.39)	22.34
Profit after Tax	(95.39)	22.34

**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. Sharad Dubey will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

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In addition to this, Mr. P.K.Chakravorty and Mansharam Birla have been appointed as additional directors of the company.

### 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.

During the year, the auditors firm has been reconstituted and hence the firm name became changed from M/s Rawka Agrawal & Co. to M/s C.P.Rawka & Co. hence in the opinion of the Board of Directors of the Company, there is no change in Auditors of 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	08-09 59,82,386	07-08 92,72,005
(B)	TECHNOLOGY ABSORPTION	NIL	NIL
(C)	EARNING AND EXPENSES IN FOREIGN EXCHANGE		
	Earning in Foreign Currency	Rs. NIL	Rs. 1,29,68,966
	Expenditure in Foreign Currency	Rs. 8,873	Rs. 2,13,689

### 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



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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 : 04-09-2009

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 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

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**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. DIRE	-	-	-

During the year 6 Board Meetings were held on 30<sup>th</sup> April 2008, 31<sup>st</sup> July, 2008, 04<sup>th</sup> Sept.,2008, 30<sup>st</sup> Oct.,2008, 31<sup>st</sup> Jan, 2009 and 17<sup>th</sup> March,2009. 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	ATTENDENCE AT THE LAST AGM HELD ON 29-09-2008
1	MR. R.K.TEKRIWAL	6	YES
2	MR. SHARAD DUBEY	6	YES
3	MR VISHWANATH KANUNGO	6	YES
4	MR. PRAVAT K.CHAKRAVORTY **	-	NO
5	MR. MANSHARAM BIRLA **	-	NO

**\*\* APPOINTED ON 17/06/2009**

**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 2008 to March 2009 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.

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- 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 NIL letters / complaints were received from the share holders, out of which NIL 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
2005 - 06	30-09-2006	11.00 A.M.	REGD. OFFICE – 115, Sector – III, Ind. Area, Pithampur, Dist- Dhar(MP)
2006 - 07	29-9-2007	11.00 A.M.	AS ABOVE
2007 - 08	30-09-2008	11.00 A.M.	AS ABOVE

No resolution was put through postal ballot during the fin. Year 2008-09.

- 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:**

30<sup>th</sup> Sept, 2009 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 :**

27.09.2009 to 30.09.2009 (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 1-04-2008 to 31-03-2009 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. 2008-2009 is available.

MONTH	HIGH	LOW
APRIL	-	-
MAY	-	-
JUNE	-	-
JULY		
AUGUST		
SEPTEMBER		
OCTOBER		
NOVEMBER		

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DECEMBER		
JANUARY		
FEBRUARY		
MARCH		

**(h) Registrar And Transfer Agent:**

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

M/S. ANKIT CONSULTANCY PRIVATE LIMITED,  
2<sup>ND</sup> FLOOR, ALANKAR POINT,  
GITA BHAWAN SQUARE,  
INDORE(MP)-452001  
PH-0731-2491298

**(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](mailto: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 31<sup>ST</sup> MARCH, 2009**

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
<b>TOTAL</b>	<b>786</b>	<b>4874000</b>



**(k) CATEGORIES OF SHARE HOLDING AS ON 31<sup>ST</sup> MARCH, 2009.**

NO. OF EQUITY SHARE HELD	NO. OF SHARE	% OF SHARES
PROMOTERS	2493500	51.16
CORPORATE	250400	5.14
FIN. INSTL.	NIL	NIL
FIIS.	NIL	NIL
NRIs/ OCBs	638300	13.10
BANKS	NIL	NIL
MUTUAL FUNDS	NIL	NIL
INDIVIDUALS	1491800	30.61
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 : 9001-2000 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. ANKIT CONSULTANCY PVT.LTD., INDORE.

**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@chancharnet.in](mailto:pppl@chancharnet.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

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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, 2009, 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 31<sup>st</sup> March 2009.

### **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. 51 billion. The industry experienced a significant growth of 27.31% during the year 2008-2009. 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 2008-09, 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-

## PITHAMPUR POLY PRODUCTS LIMITED

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 31<sup>st</sup> March, 2009.

Place : PITHAMPUR  
Date : 04-09-2009

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

**PRACTISING COMPANY SECRETARY 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 31<sup>st</sup> March 2009.

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 : 04-09-2009

For RAMESH CHANDRA BAGDI & ASSOCIATES  
COMPANY SECRETARIES  
SD/-

RAMESH CHANDRA BAGDI  
PROPRIETOR  
Membership NO. :11800

**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 2008-09 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 : 04-09-2009

Sd/-  
R.K.TEKRIWAL  
Managing Director

# AUDITOR'S REPORT

The Members,  
**Pithampur Poly Products Ltd.**  
Pithampur (M.P.)

We have audited the attached Balance Sheet of M/s Pithampur Poly Products Ltd. As at 31st, March, 2009 and also the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. 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, of 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As require by 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 enclosed in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

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 & Loss account dealt with by this report are in agreement with the books of accounts.
- IV In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section 3[c] of the Companies Act, 1956.

V On the basis of written representations received from the directors, as on 31<sup>st</sup>, March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup>, March 2009 from being appointed as a director in terms of clause [g] of sub section [1] of section 274 of the Companies Act, 1956.

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.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup>, March 2009, and
- b) In the case of the Profit & Loss Account, of the loss for the year ended on that date.
- c) In the case of 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**  
DATED: **04/09/2009**

**SD/-**  
**(C.P. RAWKA)**  
PROPRIETOR



**ANNEXURE REFERRED TO IN THE AUDITOR'S REPORT IN THE ACCOUNTS OF  
PITHAMPUR POLY PRODUCTS LIMITED**

1. [a] It is informed to us that, The company is in process to compiling its fixed assets register.

[b] The fixed assets have been physically verified by the management at the year end. We are informed that no material discrepancies have been noticed by the management on such verification as compared with the record of fixed assets maintained by the company.

[c] The company has not disposed off substantial part of fixed assets 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 stock 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 taken loan from any party covered in the Register maintained U/s 301 of Companies Act, 1956

The maximum amount involved during the period was Rs. NIL Lacs and balance outstanding at the year end Rs. NIL Lacs.

[b] The company has not granted inter-corporate deposit to party covered in the register maintained under section 301 of Companies Act, 1956.

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 to 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 the Companies Act, 1956 have been so entered.

[b] In the opinion and having regard to our comments in paragraph (IV) above and according 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 the Companies Act, 1956 and exceeding the value of Rs. Five Lacs in respect of any party during the year have been made at Price which are reasonable having regard to prevailing market price 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, Education Cess and any other statutory dues with the appropriate authorities and there are no undisputed liabilities as on 31st, March 2008 outstanding for a year 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/ Education Cess have not been deposited on account of dispute except the followings.

<b><i>Sr. No.</i></b>	<b><i>Name of the Act.</i></b>	<b><i>Nature of Dues</i></b>	<b><i>Amount (in Rs.)</i></b>	<b><i>Period which Amt. related</i></b>	<b><i>For on where dispute are Pending.</i></b>
1)	MP Comm. Tax Act, 1994	Demand	34733/-	1996-1997	Dy. Commissioner Appellate MP Comm. Tax Dept. Indore
2)	MP Comm. Tax Act, 1994	Demand	18028/-	1999-2000	Dy. Commissioner Appellate MP Comm. Tax Dept. Indore
3)	MP Comm. Tax Act, 1994	Demand Penalty	825036/- 636400/-	2000-2001 2000-2001	Dy. Commissioner Appellate MP Comm. Tax Dept. Indore
4)	MP Comm. Tax Act, 1994	Demand Penalty	679287/- 510400/-	2001-2002 2001-2002	Dy. Commissioner Appellate MP Comm. Tax Dept. Indore
5)	MP Comm. Tax Act, 1994	Demand Penalty	578337/- 416500/-	2002-2003 2002-2003	Dy. Commissioner Appellate MP Comm. Tax Dept. Indore

6) MP Comm. Tax Demand 1068417/- 2003-2004 Dy. Commissioner Appellate  
Act, 1994 MP Comm. Tax Dept. Indore

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10. The company have accumulated losses at Rs. 22734063/-. The company has incurred loss during the year at Rs 9538920/- 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 has not dealing in shares and securities.
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, the company has not raised any term loans during the year.
17. According to the information and explanations given to us, the funds raised by the company on the short-term basis have not used for long-term investment and vice versa.
18. The company has not made any preferential allotment if 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.

For, P.C.RAWKA & CO.  
Chartered Accountants

PLACE: **INDORE**  
DATED: **04/09/2009**

**SD/-**  
(C.P. RAWKA)  
PROPRIETOR

**PITHAMPUR POLY PRODUCTS LIMITED**  
**BALANCE SHEET AS AT 31ST, MARCH, 2009**

PARTICULARS	SCHEDULE	AS AT 31/03/2009 RUPEES	AS AT 31/03/2008 RUPEES
<b><u>SOURCES OF FUNDS:</u></b>			
<b><u>SHARE HOLDER'S FUNDS</u></b>			
Share Capital	1	52,447,500	52,447,500
<b><u>LOAN FUNDS</u></b>			
Secured Loans	2	127,228,531	127,228,531
Unsecured Loans	3	6,151,246	5,980,469
	<b>TOTAL</b>	<b><u>185,827,277</u></b>	<b><u>185,656,500</u></b>
<b><u>APPLICATION OF FUNDS:</u></b>			
<b><u>FIXED ASSETS</u></b>			
a) Gross Block	4	132,438,398	132,240,138
Less: Depreciation		<u>55,855,316</u>	<u>50,255,322</u>
Net Block		<b>76,583,082</b>	<b>81,984,816</b>
<b><u>CURRENT ASSETS, LOANS AND ADVANCES</u></b>			
Inventories	5	1,692,856	2,108,959
Sundry Debtors	6	89,904,708	92,011,016
Cash & Bank Balances	7	322,467	360,902
Loans & Advances	8	<u>33,167,388</u>	<u>32,995,600</u>
		<b>125,087,419</b>	<b>127,476,477</b>
Less : Current Liabilities & Provisions	9	38,577,287	36,999,937
		<b><u>86,510,132</u></b>	<b><u>90,476,540</u></b>
Profit & Loss Account		22,734,063	13,195,143
	<b>TOTAL</b>	<b><u>185,827,277</u></b>	<b><u>185,656,499</u></b>
Notes on accounts	19	0.00	
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)

SD/-  
(SHARAD DUBEY)  
**Director**

PLACE: **INDORE**  
DATED: **04/09/2009**

**PITHAMPUR POLY PRODUCTS LIMITED**  
**PROFIT AND LOSS ACCOUNTS**  
**For the Year Ended 31st, March, 2009**

PARTICULARS	SCHEDULE	01/04/2008 to 31/03/2009 RUPEES	01/04/2007 to 31/03/2008 RUPEES
<b><u>INCOME</u></b>			
Sales (Net of Excise Duty)	10	4,333,956	12,373,974
Jobwork Domestic Income		30,497,370	61,991,124
Other Income	11	132,199	107,277
Increase/Decrease in Stock	12	(164,981)	(4,542,153)
	<b>Total (A)</b>	<b>34,798,544</b>	<b>69,930,222</b>
<b><u>EXPENDITURE</u></b>			
Raw Material Consumed	13	3,600,986	14,925,507
Manufacturing Expenses	14	19,635,100	27,466,527
Employee's Remun. & Benefits	15	11,181,657	13,003,915
Administrative Expenses	16	3,749,689	4,606,049
Selling & Distribution Exp.	17	304,378	565,236
Financial Expenses	18	265,657	339,172
	<b>Total (B)</b>	<b>38,737,467</b>	<b>60,906,406</b>
Profit (Loss) Before Depreciation	<b>Total [A-B]</b>	<b>(3,938,923)</b>	<b>9,023,816</b>
<b>Less :</b>			
Depreciation		5,599,997	5,478,057
Preliminary Expenses written off		0	0
Public issue Expenses written off		0	0
Differed Revenue Expenses written off		0	0
Balance Written-Off		0	1,259,431
Prior Period Items		0	0
Provision for Fringe Benefit Tax		0	52,516
<b>Net Profit/Loss for the Year</b>		<b>(9,538,920)</b>	<b>2,233,812</b>
<b>Add:</b>			
Interest Reversal		0	66,414,955
<b>Net Profit/Loss for the Year</b>		<b>(9,538,920)</b>	<b>68,648,767</b>
Balance Brought Forward (Last Period)		(13,195,143)	(81,843,910)
<b>Net Loss C/F to Balance-Sheet</b>		<b>(22,734,063)</b>	<b>(13,195,143)</b>

Notes on accounts 19  
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)  
Propretor

SD/-  
(R.K. TEKRIWAL)

SD/-  
(SHARAD DUBEY)  
**Director**

PLACE: **INDORE**  
DATED: **04/09/2009**

**PITHAMPUR POLY PRODUCTS LIMITED.**  
**SCHEDULES 1 TO 21 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**  
**AS ON 31st, MARCH-2009, AND PROFIT & LOSS ACCOUNT AS ON THE DATE**

**SCHEDULE - 04**  
**FIXED ASSETS:**

PARTICULARS	Rate of Dep (in %)	GROSS - BLOCK			DEPRICIATION			NET - BLOCK	
		As on 31-03-2008	Addition during the year	As on 31-03-2009	As on 31-03-2008	Provided during the year	As on 31-03-2009	As on 31-03-2008	As on 31-03-2009
Land & Site Development	0.00%	1,147,676	0	1,147,676	0	0	0	1,147,676	1,147,676
Building	3.34%	34,088,701	16,130	34,104,831	10,929,893	1,138,825	12,068,718	23,158,808	22,036,113
Plant & Machinery	4.75%	75,851,289	44,760	75,896,049	31,149,868	3,603,850	34,753,718	44,701,421	41,142,331
Electrical Installation	4.75%	7,271,254	0	7,271,254	3,845,930	345,385	4,191,315	3,425,324	3,079,939
D.G. Set	4.75%	2,446,235	0	2,446,235	1,362,643	116,196	1,478,839	1,083,592	967,396
Furniture & Fixtures	6.33%	2,161,858	22,250	2,184,108	1,027,354	137,023	1,164,377	1,134,504	1,019,731
Office Equipments	4.75%	1,087,760	115,120	1,202,880	271,131	55,834	326,965	816,629	875,915
Computers	16.21%	1,308,905	0	1,308,905	1,154,397	120,000	1,274,397	154,508	34,508
Vehicles	9.50%	872,460	0	872,460	514,103	82,884	596,987	358,357	275,473
Plant & Machinery Lease	0.00%	6,004,000	0	6,004,000	0	0	0	6,004,000	6,004,000
<b>TOTAL Rs.</b>		<b>132,240,138</b>	<b>198,260</b>	<b>132,438,398</b>	<b>50,255,320</b>	<b>5,599,997</b>	<b>55,855,316</b>	<b>81,984,822</b>	<b>76,583,082</b>
<b>Previous Period</b>		<b>131,234,811</b>	<b>975,406</b>	<b>132,210,217</b>	<b>44,777,262</b>	<b>5,617,531</b>	<b>44,777,262</b>	<b>91,099,673</b>	<b>86,457,553</b>

**PITHAMPUR POLY PRODUCTS LIMITED**  
**SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**  
**AS ON 31st, MARCH-2009, AND PROFIT & LOSS ACCOUNT AS ON THE DATE**

PARTICULARS	01/04/2008 to 31/03/2009 RUPEES	01/04/2007 to 31/03/2008 RUPEES
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**SCHEDULE - 1**  
**SHARE CAPITAL**

<u>Authorised</u> 60,00,000 Equity Shares of Rs.10/- each	60,000,000	60,000,000
<u>Issued and Subscribed</u> 55,90,200 Equity Shares of Rs.10/- each	55,902,000	55,902,000
<u>Paid-up Share Capital</u> 48,74,000 Equity Shares of Rs.10/- each fully paid-up	48,740,000	48,740,000
<b>Add:</b> Forfeited Share (Amount Originally Paid Up)	3,707,500	3,707,500
<b>Total</b>	<b>52,447,500</b>	<b>52,447,500</b>

**SCHEDULE - 2**  
**SECURED LOANS**

<b>LOANS &amp; ADVANCES FROM BANKS :</b>		
Term Loan : Building	7,869,253	7,869,253
Term Loan : Plant & Machinery	37,971,764	37,971,764
Demand Loan	6,188,837	6,188,837
Working Capital Loan <i>(Term Loan, Demand Loan and Working Capital Loan are secured by equitable mortgage of moveable assets including Plant &amp; Machinery and accessories Stock of Raw Materials, Semi-Finished Goods, Stores and spares and personal guarantee of Managing Director)</i>	74,974,151	74,974,151
City Bank Car Loan	224,526	224,526
Interest Accrued and due on Loan	0	0
<b>Total</b>	<b>127,228,531</b>	<b>127,228,531</b>

**SCHEDULE - 3**  
**UNSECURED LOANS**

<b>OTHER LOANS &amp; ADVANCE :</b>		
- From Others	1,943,902	1,773,125
- From Body Corporate	4,207,344	4,207,344
<b>Total</b>	<b>6,151,246</b>	<b>5,980,469</b>

**SCHEDULE - 5**  
**INVENTORIES**

*(as taken, valued and certified by the management)*

Raw Materials + Semi Finished Good	233,142	233,142
Work-in-Process	0	0
Finished Goods	0	0
Wastage & Scrape	62,258	227,240
Stores and Spares	1,397,456	1,648,577

**PITHAMPUR POLY PRODUCTS LIMITED**  
**SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**  
**AS ON 31st, MARCH-2009, AND PROFIT & LOSS ACCOUNT AS ON THE DATE**

PARTICULARS	01/04/2008 to 31/03/2009 RUPEES	01/04/2007 to 31/03/2008 RUPEES
<b>Total</b>	<b><u>1,692,856</u></b>	<b><u>2,108,959</u></b>

**SCHEDULE - 6**  
**SUNDRY DEBTORS**

*(Unsecured, considered good)*

Due Less than Six Months	81,939,878	85,158,603
Due over Six months	7,964,830	6,852,413
<b>Total</b>	<b><u>89,904,708</u></b>	<b><u>92,011,016</u></b>

**SCHEDULE - 7**  
**CASH AND BANK BALANCES**

Cash-in-hand	16,152	54,487
<u>Balances With Scheduled Bank</u> on Current Accounts	42,763	42,863
On Fixed Deposit	263,552	263,552
<b>Total</b>	<b><u>322,467</u></b>	<b><u>360,902</u></b>



**PITHAMPUR POLY PRODUCTS LIMITED**  
**SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**  
**AS ON 31st, MARCH-2009, AND PROFIT & LOSS ACCOUNT AS ON THE DATE**

PARTICULARS	01/04/2008 to 31/03/2009 RUPEES	01/04/2007 to 31/03/2008 RUPEES
<b>SCHEDULE - 8</b>		
<b><u>LOANS AND ADVANCES</u></b>		
<i>(Unsecured considered good)</i>		
<i>(recoverable in cash or kind or for value to be received)</i>		
Advance to Suppliers	4,256,993	4,057,345
Other receivables	8,179,907	8,393,532
Advance to Others	18,456,643	18,525,527
Deposits	<b>2,273,845</b>	2,019,196
<b>Total</b>	<b><u>33,167,388</u></b>	<b><u>32,995,600</u></b>
<b>SCHEDULE - 9</b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
<b>(A) <u>CURRENT LIABILITIES :</u></b>		
<i>(1) <u>Sundry Creditors:</u></i>		
a) Total Amount due to small scale industries undertaking	312,833	206,872
b) Total Amount due to Creditors other than small scale industries undertaking	19,015,819	15,981,836
<i>(3) <u>Statutory Liabilities:</u></i>		
TDS Payable	47,632	104,277
Other Taxes Payable	145,565	856,294
<i>(4) <u>Other liabilities:</u></i>		
Other Creditors	12,795,703	12,754,351
Bank Balance (Book Overdraft)	<b>1,035,455</b>	1,255,085
<b>(B) <u>PROVISIONS:</u></b>		
For Provident Fund Scheme	31,469	51,598
Other Provisions:	5,192,811	5,789,624
<b>Total</b>	<b><u>38,577,287</u></b>	<b><u>36,999,937</u></b>

**PITHAMPUR POLY PRODUCTS LIMITED**  
**SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**  
**AS ON 31st, MARCH-2009, AND PROFIT & LOSS ACCOUNT AS ON THE DATE**

PARTICULARS	01/04/2008 to 31/03/2009 RUPEES	01/04/2007 to 31/03/2008 RUPEES
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**SCHEDULE - 10**  
**SALES (NET OF EXCISE DUTY)**

Domestic	404,927	7,201,344
Export	3,929,029	5,172,630
<b>Total</b>	<b><u>4,333,956</u></b>	<b><u>12,373,974</u></b>

**SCHEDULE - 11**  
**OTHER INCOME**

Interest Income	74,626	70,196
Discount	3,772	200
Misc Receipts	53,801	24,191
Sundry Balance Written off	0	0
Income Tax Refund ( <i>inclusive interest of Rs./-</i> )	0	12,690
<b>Total</b>	<b><u>132,199</u></b>	<b><u>107,277</u></b>

**PITHAMPUR POLY PORDUCTS LIMITED**  
**SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**  
**AS ON 31st, MARCH-2009, AND PROFIT & LOSS ACCOUNT AS ON THE DATE**

PARTICULARS	01/04/2008 to 31/03/2009 RUPEES	01/04/2007 to 31/03/2008 RUPEES
<b>SCHEDULE - 12</b>		
<b><u>INCREASE IN STOCK</u></b>		
A. Work-in-process		
Closing Stock	0	0
Less Opening Stock	0	4,467,159
<b>Total (A)</b>	<u>0</u>	<u>(4,467,159)</u>
B. Finished Goods		
Closing Stock	0	0
Less Opening Stock		108,090
<b>Total (B)</b>	<u>0</u>	<u>(108,090)</u>
C. Wastage & Scrap		
Closing Stock	62,259	227,240
Less Opening Stock	227,240	194,144
<b>Total (C)</b>	<u>(164,981)</u>	<u>33,096</u>
<b>Total Increase/ (Decrease) in Stock</b>	<u><b>(164,981)</b></u>	<u><b>(4,542,153)</b></u>

**SCHEDULE - 13**  
**RAW MATERIAL CONSUMED**

Opening Stock	233,142	649,095
Add : Purchase during the period (Including Direct Expenses)	<u>3,600,986</u>	<u>14,509,554</u>
	<b>3,834,128</b>	<b>15,158,649</b>
Less : Closing Stock	233,142	233,142
<b>Total</b>	<u><b>3,600,986</b></u>	<u><b>14,925,507</b></u>

**PITHAMPUR POLY PORDUCTS LIMITED**  
**SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**  
**AS ON 31st, MARCH-2009, AND PROFIT & LOSS ACCOUNT AS ON THE DATE**

PARTICULARS	01/04/2008 to 31/03/2009 RUPEES	01/04/2007 to 31/03/2008 RUPEES
<b>SCHEDULE - 14</b>		
<b><u>MANUFACTURING EXPENSES</u></b>		
Factory General Expenses	39,072	75,470
Insurance	0	33,998
Processing Charges	10,934,933	13,380,695
Printing & Streo Expenses	199,403	427,381
Power & Fuel	5,982,386	9,272,005
Repair & Maintanence (Factory Building)	36,384	14,727
Repair & Maintenance : Machinery	161,943	142,523
Security Service Charges	128,567	159,188
Store & Spares Consumed	1,986,993	3,317,401
Freight & Hammali Charges (Jobwork & Stores)	94,010	47,143
Water Charges	10,145	10,467
Bag Reversing Charges	5,100	25,000
Loading Unloading Charges	56,164	4,711
Stitching Charges	0	555,818
<b>Total</b>	<b><u>19,635,100</u></b>	<b><u>27,466,527</u></b>

**SCHEDULE - 15**  
**EMPLOYEES REMUNERATION & BENEFITS**

Workers Wages & Allowances	9,956,083	11,912,321
Salary & Other Allowances	590,892	527,802
Staff Welfare Expenses	112,830	113,435
Labour Welfare	2,310	0
Employer's Contribution to EPF & other	519,542	450,357
<b>Total</b>	<b><u>11,181,657</u></b>	<b><u>13,003,915</u></b>

**PITHAMPUR POLY PORDUCTS LIMITED**  
**SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**  
**AS ON 31st. MARCH-2009. AND PROFIT & LOSS ACCOUNT AS ON THE DATE**

PARTICULARS	01/04/2008 to 31/03/2009 RUPEES	01/04/2007 to 31/03/2008 RUPEES
<b>SCHEDULE - 16</b>		
<b><u>ADMINISTRATIVE EXPENSES</u></b>		
Advertisement & Publicity	15,000	61,115
Annual Maintenance Charges	12,824	1,690
Audit fees	26,000	25,000
Books & Periodicals	900	5,442
Car Petrol & Other Expenses	57,993	96,717
Computer Maintenance charges	48,496	50,180
Computer Programme Exp.	500	0
Consultancy charges	78,000	278,921
Conveyance	6,433	6,117
Deepawali expenses	0	1,650
Diesel Expenses ( MP 09 KB 9838)	176,493	156,575
Director Remuneration	180,000	180,000
Director's Sitting Fees	34,000	34,000
Donation	74,801	132,100
Filling Charges	1,200	0
Incentive Exp.	1,000	0
Income Tax Appeal Fee	2,000	1,000
Internet Connection Chg.	562	0
Lease Line Expenses	0	30,691
Legal charges & expenses	80,725	366,676
License fees	154,289	154,039
Listing Fees	16,925	32,250
Membership & Subscription	33,897	38,528
Miscellaneous expenses	1,723	7,633
Office expenses	18,602	43,203
Office Maintenance charges	47,212	218,052
Pollution fees	46,000	46,120
Pooja expenses	2,352	1,251
Postage & Telegrams	3,163	3,890
Professional Tax	25,000	2,500
Property Tax	52,818	0
Rates & Taxes	6,491	43,058
Rent	700	14,018
Repairs & Maintenance :Others	81,043	98,146
Rent (Factory Quarter)	2,335	0
Repairs & Maintenance : Vechicles	32,670	0
Stationery & Printing	146,305	295,919
Telephone /Telex/Fax Expenses	357,832	335,467
Travelling Expenses - Foreign	0	5,878
Travelling Expenses ( <i>Incl. Director Travelling</i> )	530,435	368,263
Uncliamed Dr Cr Balance Written Off	0	5,841
Vehicle Hire Charges	1,390,720	1,383,104
Vehicle Running & Maintainance	0	81,015
Commission Expenses	2,250	0
<b>Total</b>	<b><u>3,749,689</u></b>	<b><u>4,606,049</u></b>

**PITHAMPUR POLY PRODUCTS LIMITED**  
**SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**  
**AS ON 31st, MARCH-2009, AND PROFIT & LOSS ACCOUNT AS ON THE DATE**

PARTICULARS	01/04/2008 to 31/03/2009 RUPEES	01/04/2007 to 31/03/2008 RUPEES
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**SCHEDULE - 17**

**SELLING & DISTRIBUTION EXPENSES**

Business Promotion expenses	275,804	87,447
Freight Outward	0	23,018
Inspection fees	3,030	9,320
Miscellaneous expenses (Export)	16,671	171,435
Packing Material	0	1,344
Sample Expenses & Courier Charges	0	0
Testing Fee	8,873	257,724
Custom Duty & Clearance Charges	0	14,948
<b>Total</b>	<b><u>304,378</u></b>	<b><u>565,236</u></b>

**SCHEDULE - 18**

**FINANCIAL EXPENSES**

Bank charges (Including L.C. Charges)	53,150	41,614
<u>Bank and other Interest :-</u>		
Interest to Others	5,556	181
Interest on TDS	1,564	446
Interest on Loan	205,387	296,931
<b>Total</b>	<b><u>265,657</u></b>	<b><u>339,172</u></b>

**PITHAMPUR POLY PRODUCTS LIMITED**  
DETAILS OF SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET  
AS ON 31st, MARCH 2009, 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	31.03.2009
State Code	10

**2. Capital Raised During the Period:**

Public Issue	NIL
Bonus Issue	NIL
Right Issue (Application Money)	NIL
Private Placement	NIL

**3. Position of Mobilisation and deployment of Funds:**

<u>SOURCE OF FUND:</u>	(in Lacs)	<u>APPLICATION OF FUND</u>	(in Lacs)
<b><u>Total Liabilities</u></b>	<b><u>1858.27</u></b>	<b><u>Total Assets</u></b>	<b><u>1858.27</u></b>
Share Capital	524.48	Net Fixed Assets	765.83
Reserve & Surplus	0.00	Investments	--
Secured Loan	1272.29	Net Current Assets	865.10
Unsecured Loan	61.51	Misc. Expenditures	0.00
		Accumulated Losses	227.34

**4. Performance of Company**

Turnover (Gross)	347.99	Total Expenditure	484.78
Profit Before Tax	(11.08)	Profit After Tax	(11.08)
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/-

SD/-

SD/-

**(C.P. RAWKA)**  
**Proprieter**

**(R.K. TEKRIWAL)**  
**Chairman & Managing Director**

**(SHARAD DUBEY)**  
**Director**

PLACE: **INDORE**  
DATED: **04/09/2009**





**PITHAMPUR POLY PRODUCT LIMITED**

115, SECTOR III, INDUSTRIAL AREA, PITHAMPUR, DHAR, MADHYA PRADESH, INDIA

**PROXY FORM**

I/We.....of.....In the district of .....being of a Member/Members of Pithampur Poly Product Limited hereby appoint.....In the district of.....or falling him/ her.....of.....in the district of ..... as my / our proxy to vote for me / us on my / our behalf at the Tenth Annual General Meeting of the members of the company to be held at 115, Sector III, Industrial Area, Pithampur, Dhar, Madhya Pradesh, India at 11.00 AM On Tuesday, 30<sup>th</sup> September, 2008 and any adjournment thereof.

Signed the ..... Day of .....2009.

Signature.....

Address.....

Folio No. ....

No. of Equity Shares Held.....

Affix Revenue Stamp of 1/- Rupee

Notes:

1. Any member entitled to attend and vote at the Meeting is entitled to attend and either vote in person or by Proxy and the Proxy need not be a Member.
2. The proxy form duly signed across Revenue Stamp of Re.1.00 should reach the Company's Registered Office not less than 48 hours before the time for holding the aforesaid Meeting. The proxy need not be a Member of the Company.

**PITHAMPUR POLY PRODUCT LIMITED**

115, SECTOR III, INDUSTRIAL AREA, PITHAMPUR, DHAR, MADHYA PRADESH, INDIA

**ATTENDANCE SLIP**

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

ANNUAL GENERAL MEETING

30<sup>th</sup> September, 2009

Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting. Please complete this Attendance Slip and Hand over at the Entrance of Hall. Only Members or their Proxies are entitled to be present at the Meeting.

Name of the Shareholder / Proxy .....

L.F. ....

Address .....

No. of Shares held .....

I/We hereby record my / our presence at the Annual General Meeting of the Company held on Tuesday, 30<sup>th</sup> September, 2009.

Strike out whichever is not applicable

Signature of the Shareholder / Proxy