

PITHAMPUR POLY PRODUCTS LIMITED

11th ANNUAL REPORT

COMPANY REGISTRATION NO: 008513

CIN NO: L25202MP1994PLC008513

REGISTERED OFFICE:

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

CORPORATE OFFICE:

2ND FLOOR, ALANKAR POINT, GEETA BHAWAN, SQUARE, INDORE, MADHYA PRADESH, INDIA

email: pppl@sancharnet.in

PITHAMPUR POLY PRODUCTS LIMITED

ELEVENTH ANNUAL GENERAL MEETING PROGRAMME

DATE	30 TH SEPTEMBER, 2008
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.

DIRECTORS

R. K. TEKRIWAL

SHARAD DUBEY

VISHWANATH KANUNGO

CHAIRMAN AND MANAGING DIRECTOR

INDEPENDENT NON EXECUTIVE DIRECTOR

INDEPENDENT NON EXECUTIVE DIRECTOR

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

LISTING AT

Bombay Stock Exchange Limited

P.J. Towers, Dalal Street Fort, Mumbai

Pin Code 400 001, INDIA

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.

ANNUAL REPORT 2007-08

PITHAMPUR POLY PRODUCTS LTD.

REGD.OFF.: 115, SECTOR-III, INDUSTRIAL AREA, PITHAMPUR, DIST-DHAR(MP)

NOTICE

NOTICE is hereby given that Annual General Meeting of the members of the company will be held on Tuesday, 30th Sept. 2008 at 11.00 a.m. at the Registered Office of the Company to transact the following business.

ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and Profit and Loss Accounts for the year ended on 31st March, 2008 and Directors' and Auditors' Report thereon.
02. To appoint a Director in place of Mr. Vishwanath Kanungo, Director who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
03. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR PITHAMPUR POLY PRODUCTS LTD.**

Sd/-

CHAIRMAN

PLACE: PITHAMPUR

DATE: 04-09-2008

NOTES:

01. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY 48 HOURS BEFORE THE DATE OF MEETING.
02. The Register of members and share transfer book of the Company will remain closed from 27-9-2008 to 30-9-2008 (both days inclusive).
03. Members are requested to go for Demat of their shares immediately.
04. Members are requested to bring their copies of Annual Report to the meeting.
05. Members are requested to inform about the change of address, if any to the Company immediately.
06. Members desirous of making nomination in terms of Section 109A of the Companies Act, 1956 in respect of their shareholding may approach the company for obtaining prescribed form and return the same duly filled in and signed for registration with the company.
07. As required under the Listing Agreement, the particulars of the Directors who are proposed to be re-appointed are furnished below :

Item No. 2 of the Notices :

Name : Mr. VISHWANATH KANUNGO
Age : 44 Years
Qualification : M.B.A.
Expertise : Financial & Investment Matter
Date of Appointment : 14 -06-2005

**BY ORDER OF THE BOARD OF DIRECTORS
FOR PITHAMPUR POLY PRODUCTS LIMITED**

Sd/-

CHAIRMAN

PLACE: PITHAMPUR

DATE: 04-09-2008

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Annual Report together with audited statement of accounts of the Company for the year ended on 31st March 2008.

01. OPERATIONS DURING THE YEAR:

During the year under review the Company's operational position was quite satisfactory in comparison to previous year.

02. FINANCIAL RESULTS:

The financial results of the company has been stated in the B/S & P & L A/C ATTECHED HEREWITH.

03. AUDITORS:

The members are requested to appoint auditors for the current year and to fix their remuneration. M/s. RAWAKA AGRAWAL & CO., Chartered Accountants have consented for continuation to act as the auditors of the Company, if re-appointed.

04. DIRECTORS' RESPOSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) Appropriate accounting policies have been selected and applied consistently, and have made judgment and estimates that are responsible and prudent so as to give true and fair view of the state of affairs of the company for said period.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

05. PARTICULARS OF EMPLOYEES:

No employee of the Company qualifies for disclosure pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

06. CONSERVATION OF ENERGY:

The information required Under Section 271(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is not required to be given as no R & D Deptt. Is having to company. Further the Company does not have any imported technology.

07. CORPORATE GOVERNANCE:

The Company has implemented various processes in furtherance of Corporate Governance. Pursuant to Clause 49 of the Stock Exchange Listing Agreement, report on Corporate Governance is given in the Annexure – A forming part of the report.

08. PUBLIC DEPOSITS:

During the year, Company has not accepted any deposit under section 58A of the Companies Act, 1956.

09. AUDIT COMMITTEE:

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

10. DIRECTORS:

Mr. Vishwanath Kanungo will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers themselves for re-appointment.

11. ACKNOWLEDGEMENT:

The Board placed on record its deep appreciation for the continued support from Government agencies, Suppliers, Customers, Banks, all the Staff members and workmen for their co-operation in the operation of the Company during the year.

PLACE: PITHAMPUR
DATE: 04-09-2008

**BY THE ORDER OF THE BOARD
FOR PITHAMPUR POLY PRODUCTS LTD.**

Sd/-

CHAIRMAN

AUDITOR'S REPORT

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

We have audited the attached Balance Sheet of M/s Pithampur Poly Products Ltd. As at 31st, March, 2008 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 31st, March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st, March 2008 from being appointed as a director in terms of clause [g] of sub section [1] of section 274 of the Companies Act, 1956.
- VI Company has done reversal of Interest at Rs. 66,414,955/- during the year and to the extent of that Interest amount profit has been overstated in financial statement of company for the year ended on 31st March 2008.

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 31st, March 2008, and
- b) In the case of the Profit & Loss Account, of the profit 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, **RAWKA AGRAWAL & CO.**
Chartered Accountants

PLACE: **INDORE**
DATED: **04/09/2008**

SD/-
(C.P. RAWKA)
Partner

**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.
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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.

<i>Sr. No.</i>	<i>Name of the Act.</i>	<i>Nature of Dues</i>	<i>Amount (in Rs.)</i>	<i>Period which Amt. related</i>	<i>For on where dispute are Pending.</i>
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 Act, 1994	Demand	1068417/-	2003-2004	Dy. Commissioner Appellate MP Comm. Tax Dept. Indore

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10. The company have accumulated losses at Rs.1,31,95,143/-. The company has incurred cash Profit during the year at Rs 7,41,26,824/- covered by our audit and previous year company had a Sick Industrial company within the meaning of clause of Sub-Section 1 of Section 3.
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, **RAWKA AGRAWAL & CO.**
Chartered Accountants

PLACE: **INDORE**
DATED: **04/09/2008**

SD/-
(C.P. RAWKA)
Partner

PITHAMPUR POLY PRODUCTS LIMITED
BALANCE SHEET AS AT 31ST, MARCH, 2008

PARTICULARS	SCHEDULE	AS AT 31/03/2008 RUPEES	AS AT 31/03/2007 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	127,228,530	193,643,486
Unsecured Loans	3	5,980,469	5,719,080
	TOTAL	<u>185,656,499</u>	<u>251,810,066</u>
<u>APPLICATION OF FUNDS:</u>			
<u>FIXED ASSETS</u>			
a) Gross Block	4	132,240,138	131,234,811
Less: Depreciation		<u>50,255,322</u>	<u>44,777,262</u>
Net Block		81,984,816	86,457,549
<u>CURRENT ASSETS, LOANS AND ADVANCES</u>			
Inventories	5	2,108,959	7,123,100
Sundry Debtors	6	92,011,016	68,764,752
Cash & Bank Balances	7	360,902	354,077
Loans & Advances	8	<u>32,995,600</u>	<u>32,160,594</u>
		127,476,477	108,402,523
Less : Current Liabilities & Provisions	9	36,999,937	24,893,916
<u>Net Current Assets</u>		<u>90,476,540</u>	<u>83,508,607</u>
Profit & Loss Account		13,195,143	81,843,910
	TOTAL	<u>185,656,499</u>	<u>251,810,066</u>

Notes on accounts 19
As per our report even date attached

FOR RAWKA AGRAWAL & Co.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

SD/-

SD/-

SD/-

(C.P. RAWKA)
Partner

(R.K. TEKRIWAL)
Chariman & Managing Director

(SHARAD DUBEY)
Director

PLACE: **INDORE**
DATED: **04/09/2008**

PITHAMPUR POLY PRODUCTS LIMITED
PROFIT AND LOSS ACCOUNTS
For the Year Ended 31st, March, 2008

PARTICULARS	SCHEDULE	01/04/2007 to 31/03/2008 RUPEES	01/04/2006 to 31/03/2007 RUPEES
<u>INCOME</u>			
Sales (Net of Excise Duty)	10	12,373,974	9,787,175
Jobwork Domestic Income		61,991,124	62,731,942
Other Income	11	107,277	309,284
Increase/Decrease in Stock	12	(4,542,153)	(16,197,384)
	Total (A)	69,930,222	56,631,017
<u>EXPENDITURE</u>			
Raw Material Consumed	13	14,925,507	12,359,403
Manufacturing Expenses	14	27,466,527	24,143,012
Employee's Remun. & Benefits	15	13,003,915	10,814,380
Administrative Expenses	16	4,606,049	4,455,624
Selling & Distribution Exp.	17	565,236	533,623
Financial Expenses	18	339,172	8,922,405
	Total (B)	60,906,406	61,228,447
Profit (Loss) Before Depreciation	Total [A-B]	9,023,816	(4,597,430)
Less :			
Depreciation		5,478,057	5,617,531
Balance Written-Off		1,259,431	0
Provision for Fringe Benefit Tax		52,516	88,093
Net Profit/Loss for the Year		2,233,812	(10,303,054)
Add:			
Interest Reversal		66,414,955	0
Net Profit/Loss for the Year		68,648,767	0
Balance Brought Forward (Last Period)		(81,843,910)	(71,540,856)
Net Loss C/F to Balance-Sheet		(13,195,143)	(81,843,910)

Notes on accounts 19
As per our report even date attached

FOR RAWKA AGRAWAL & Co.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

SD/-

(C.P. RAWKA)
Partner

SD/-

(R.K. TEKRIWAL)
Chariman & Managing Director

SD/-

(SHARAD DUBEY)
Director

PLACE: **INDORE**
DATED: **04/09/2008**

PITHAMPUR POLY PRODUCTS LIMITED.
SCHEDULES 1 TO 21 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st, MARCH-2008, 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 I C I A T I O N			N E T - B L O C K	
		As on 01-04-2007	Addition during the year	As on 31-03-2008	As on 01-04-2007	Provided during the year	As on 31-03-2008	As on 31-03-2007	As on 31-03-2008
Land & Site Development	0.00%	1,147,676	0	1,147,676	0	0	0	1,147,676	1,147,676
Building	3.34%	33,778,686	310,015	34,088,701	9,795,389	1,134,504	10,929,893	23,983,297	23,158,808
Plant & Machinery	4.75%	75,338,878	512,411	75,851,289	27,566,998	3,582,870	31,149,868	47,771,880	44,701,421
Electrical Installation	4.75%	7,271,254	0	7,271,254	3,500,545	345,385	3,845,930	3,770,709	3,425,324
D.G. Set	4.75%	2,446,235	0	2,446,235	1,246,447	116,196	1,362,643	1,199,788	1,083,592
Furniture & Fixtures	6.33%	2,132,150	29,708	2,161,858	891,118	136,236	1,027,354	1,241,032	1,134,504
Office Equipments	4.75%	971,180	116,580	1,087,760	219,614	51,517	271,131	751,566	816,629
Computers	16.21%	1,272,292	36,613	1,308,905	1,125,931	28,466	1,154,397	146,361	154,508
Vehicles	9.50%	872,460	0	872,460	431,219	82,884	514,103	441,241	358,357
Plant & Machinery Lease hold	0.00%	6,004,000	0	6,004,000	0	0	0	6,004,000	6,004,000
TOTAL Rs.		131,234,811	1,005,327	132,240,138	44,777,262	5,478,057	50,255,318	86,457,553	81,984,820
Previous Period		130,259,405	975,406	131,234,811	39,159,731	5,617,531	44,777,262	91,099,673	86,457,553

PITHAMPUR POLY PORDUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2008. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2007 to 31/03/2008 RUPEES	01/04/2006 to 31/03/2007 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
Add: Forfeited Share (Amount Originally Paid Up)	3,707,500	3,707,500
Total	52,447,500	52,447,500

SCHEDULE - 2
SECURED LOANS

LOANS & ADVANCES FROM BANKS :		
Term Loan : Building	7,869,253	7,869,253
Term Loan : Plant & Machinery	37,971,764	37,971,765
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 & 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	224,525	224,526
Interest Accured and due on Loan	0	66,414,954
Total	127,228,530	193,643,486

SCHEDULE - 3
UNSECURED LOANS

OTHER LOANS & ADVANCE :		
- From Others	1,773,125	1,509,836
- From Body Corporate	4,207,344	4,209,244
Total	5,980,469	5,719,080

SCHEDULE - 5

PITHAMPUR POLY PRODUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2008. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2007 to 31/03/2008 RUPEES	01/04/2006 to 31/03/2007 RUPEES
<u>INVENTORIES</u>		
<i>(as taken, valued and certified by the management)</i>		
Raw Materials + Semi Finished Good	233,142	649,095
Work-in-Process	0	4,467,159
Finished Goods	0	108,090
Wastage & Scrape	227,240	194,144
Stores and Spares	1,648,577	1,704,612
Total	<u>2,108,959</u>	<u>7,123,100</u>

SCHEDULE - 6
SUNDRY DEBTORS

(Unsecured, considered good)

Due Less than Six Months	85,158,603	64,084,908
Due over Six months	6,852,413	4,679,844
Total	<u>92,011,016</u>	<u>68,764,752</u>

SCHEDULE - 7
CASH AND BANK BALANCES

Cash-in-hand	54,487	47,662
<u>Balances With Scheduled Bank</u>		
on Current Accounts	42,863	42,863
On Fixed Deposit	263,552	263,552
Total	<u>360,902</u>	<u>354,077</u>

PITHAMPUR POLY PRODUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2008. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2007 to 31/03/2008 RUPEES	01/04/2006 to 31/03/2007 RUPEES
SCHEDULE - 8		
<u>LOANS AND ADVANCES</u>		
(Unsecured considered good)		
<i>(recoverable in cash or kind or for value to be received)</i>		
Advance to Suppliers	4,057,345	4,121,953
Other receivables	8,393,532	8,231,300
Advance to Others	18,525,527	17,770,850
Deposits	2,019,196	2,036,491
Total	<u>32,995,600</u>	<u>32,160,594</u>
SCHEDULE - 9		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
(A) <u>CURRENT LIABILITIES :</u>		
<i>(1) Sundry Creditors:</i>		
a) Total Amount due to small scale industries undertaking	206,872	339,637
b) Total Amount due to Creditors other than small scale industries undertaking	15,981,836	6,314,207
<i>(3) Statutory Liabilities:</i>		
TDS Payable	104,277	45,119
Other Taxes Payable	856,294	451,377
<i>(4) Other liabilities:</i>		
Other Creditors	12,754,351	12,714,853
Bank Balance (Book Overdraft)	1,255,085	877,687
(B) <u>PROVISIONS:</u>		
For Provident Fund Scheme	51,598	53,089
Other Provisions:	5,789,624	4,097,947
Total	<u>36,999,937</u>	<u>24,893,916</u>

PITHAMPUR POLY PORDUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2008. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2007 to 31/03/2008 RUPEES	01/04/2006 to 31/03/2007 RUPEES
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SCHEDULE - 10
SALES (NET OF EXCISE DUTY)

Domestic	7,201,344	1,645,647
Export	5,172,630	8,141,528
Total	<u><u>12,373,974</u></u>	<u><u>9,787,175</u></u>

SCHEDULE - 11
OTHER INCOME

Interest Income	70,196	63,900
Discount	200	0
Misc Receipts	24,191	1,400
Sundry Balance Written off	0	243,984
Income Tax Refund (<i>inclusive interest of Rs./-</i>)	12,690	0
Total	<u><u>107,277</u></u>	<u><u>309,284</u></u>

PITHAMPUR POLY PRODUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2008. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2007 to 31/03/2008 RUPEES	01/04/2006 to 31/03/2007 RUPEES
<u>SCHEDULE - 12</u>		
<u>INCREASE IN STOCK</u>		
A. Work-in-process		
Closing Stock	0	4,467,159
Less Opening Stock	4,467,159	17,817,069
Total (A)	<u>(4,467,159)</u>	<u>(13,349,910)</u>
B. Finished Goods		
Closing Stock	0	108,090
Less Opening Stock	108,090	2,968,065
Total (B)	<u>(108,090)</u>	<u>(2,859,975)</u>
C. Wastage & Scrap		
Closing Stock	227,240	194,144
Less Opening Stock	194,144	181,643
Total (C)	<u>33,096</u>	<u>12,501</u>
Total Increase/ (Decrease) in Stock	<u><u>(4,542,153)</u></u>	<u><u>(16,197,384)</u></u>

SCHEDULE - 13
RAW MATERIAL CONSUMED

Opening Stock	649,095	848,566
Add : Purchase during the period (Including Direct Expenses)	<u>14,509,554</u>	<u>12,159,932</u>
	15,158,649	13,008,498
Less : Closing Stock	233,142	649,095
Total	<u><u>14,925,507</u></u>	<u><u>12,359,403</u></u>

PITHAMPUR POLY PRODUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2008. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2007 to 31/03/2008 RUPEES	01/04/2006 to 31/03/2007 RUPEES
SCHEDULE - 14		
<u>MANUFACTURING EXPENSES</u>		
Factory General Expenses	75,470	18,773
Insurance	33,998	42,588
Labour charges	11,819,324	8,013,243
Printing & Streo Expenses	70,606	0
Power & Fuel	9,272,005	8,718,366
Printing Expenses	356,775	323,624
Processing Charges	1,561,371	1,844,147
Repair & Maintanance (Factory Building)	14,727	72,216
Repair & Maintenance : Machinery	142,523	65,897
Security Service Charges	159,188	0
Store & Spares Consumed	3,317,401	2,357,951
Freight & Hammali Charges	47,143	175,251
Water Charges	10,467	7,426
Incentive Payable A/c	0	2,503,530
Bag Reversing Charges	25,000	0
Loading Unloading Charges	4,711	0
Stitching Charges	555,818	0
Total	<u>27,466,527</u>	<u>24,143,012</u>

SCHEDULE - 15
EMPLOYEES REMUNERATION & BENEFITS

Workers Wages & Allowances	11,912,321	9,572,185
Salary & Other Allowances	527,802	741,981
Staff Welfare Expenses	113,435	40,634
Labour Welfare	0	28,079
Employer's Contribution to EPF & other	450,357	431,501
Total	<u>13,003,915</u>	<u>10,814,380</u>

PITHAMPUR POLY PORDUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2008. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2007 to 31/03/2008 RUPEES	01/04/2006 to 31/03/2007 RUPEES
SCHEDULE - 16		
<u>ADMINISTRATIVE EXPENSES</u>		
Advertisement & Publicity	61,115	17,100
Annual Maintenance Charges	1,690	0
Audit fees	25,000	25,000
Books & Periodicals	5,442	1,014
Car Petrol & Other Expenses	96,717	199,152
Computer Maintenance charges	50,180	52,403
Consultancy charges	278,921	210,094
Conveyance	6,117	9,617
Deepawali expenses	1,650	20,747
Diesal Expenses (MP 09 KB 9838)	156,575	0
Director Remuneration	180,000	60,000
Director's Sitting Fees	34,000	0
Donation	132,100	22,915
Income Tax Appeal Fee	1,000	0
Lease Line Expenses	30,691	0
Legal charges & expenses	366,676	343,932
License fees	154,039	94,944
Listing Fees	32,250	0
Membership & Subscription	38,528	31,799
Miscellaneous expenses	7,633	31,347
Office expenses	43,203	74,743
Office Maintenance charges	218,052	305,351
Pollution fees	46,120	45,000
Pooja expenses	1,251	46,805
Postage & Telegrams	3,890	20,689
Professional Tax	2,500	0
Rates & Taxes	43,058	34,065
Rent	14,018	61,850
Repairs & Maintenance :Others	98,146	71,684
Stationery & Printing	295,919	151,283
Telephone /Telex/Fax Expenses	335,467	499,870
Travelling Expenses - Foreign	5,878	265,564
Travelling Expenses (<i>Incl. Director Travelling</i>)	368,263	520,728
Uncliamed Dr Cr Balance Written Off	5,841	0
Vehicle Hire Charges	1,383,104	1,184,687
Vehicle Running & Maintainance	81,015	53,241
Frindge Benefit Tax	0	0
Total	<u>4,606,049</u>	<u>4,455,624</u>

PITHAMPUR POLY PORDUCTS LIMITED
SCHEDULES 1 TO 19 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st. MARCH-2008. AND PROFIT & LOSS ACCOUNT AS ON THE DATE

PARTICULARS	01/04/2007 to 31/03/2008 RUPEES	01/04/2006 to 31/03/2007 RUPEES
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SCHEDULE - 17
SELLING & DISTRIBUTION EXPENSES

Business Promotion expenses	87,447	92,324
Freight Outward	23,018	2,325
Inspection fees	9,320	8,920
Miscellaneous expenses (Export)	171,435	13,189
Packing Material	1,344	18,930
Sample Expenses & Courier Charges	0	174,119
Testing Fee	257,724	223,816
Custom Duty & Clearance Charges	14,948	0
Total	<u>565,236</u>	<u>533,623</u>

SCHEDULE - 18
FINANCIAL EXPENSES

Bank charges (Including L.C. Charges)	41,614	53,229
<u>Bank and other Interest :-</u>		
Interest on Fixed Loan	0	8,642,992
Interest to Others	181	149,610
Interest on TDS	446	235
Interest on Loan	296,931	76,339
Total	<u>339,172</u>	<u>8,922,405</u>

DETAILS OF SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st, MARCH 2008, 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 charged to capital work-in-progress and on completion, the cost is 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 14 to the Companies Act, 1956, on pro rata basis from the month next to the month in which the assets are 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 values its inventories as per accounting standard AS-2 as issued by ICAI.

8. Retirement Benefits

Employees retirement benefits are accounted on actual basis.

9. Amortization of Miscellaneous Expenditures

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

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.

DETAILS OF SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st, MARCH 2008, AND PROFIT & LOSS AS ON THE DATE

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.

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/-	1996-19
2	M.P. Comm. Tax Act, 1994	Demand	18028/-	1999-20
3	M.P. Comm. Tax Act, 1994	Demand Penalty	825036/- 636400/-	2000-20
4	M.P. Comm. Tax Act, 1994	Demand Penalty	679287/- 510400/-	2001-20
5	M.P. Comm. Tax Act, 1994	Demand Penalty	578337/- 416500/-	2002-20
6	M.P. Comm. Tax Act, 1994	Demand	1068417/-	2003-20

- c) The company has filled application with the competent authority for enhancement of period for exemption on purchases but the same is pending with the authority. Therefore contingent liability Rs.32,77,506/- 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.

DETAILS OF SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st, MARCH 2008, AND PROFIT & LOSS AS ON THE DATE

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 31/03/2008)</u>		<u>Closing Stock (as</u>
	Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)
a) Raw Material	2.134	233142	6.340
b) Finished Goods	0	0	0.153
c) Work-In-Progress	0.000	0	59.087
d) Stores & Spares	---	1648577	--
e) Wastage & Scraps	32.4629	227240	30.818
Total	34.596	2108959	96.398

2. Raw Material Consumed	<u>Year ended on 31/03/08</u>		<u>Year ended</u>
	Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)
PP Granuals & Others	292.588	14760475	268.890
<i>(Note: Consumption of Raw Material including with materials sent for Job-Work.)</i>			

3. Quantitive information of Capacity, Production activity (in M.T.):

	<u>Current Year (M.T.)</u>	<u>Previous Year</u>
a) Licensed Capacity	N. A.	N. A.
b) Installed Capacity (As certified by the management)	4200 (P.A.)	4200 (P.A)
c) Production (Bags, Tape, Fabric), <i>including J/W</i>	98.918	238.576
d) Sales (Bags/Sacks)	99.070	76.920

4. Value of Material Consumed: *(Including Direct Expenses)*

Raw Materials: Imported	Rs. -----	Rs. -----
Indigenous	Rs. 14925507/- (100.00%)	Rs.15676502 (10

[Note: Quantitatives details including quantity of materials which is received for Job-work from M/s Bulpack Exports Ltd.]

v Earning in foreign exchange:	<u>Current Year (Rs.)</u>	<u>Previous Year</u>
FOB value of Export	Rs.12968966/-	Rs. 982544

vi Expenditure in foreign currency : (in Rs.)

For, Travelling Expenses	0	0
For, Purchase of Raw Material	0	0
For, Testing Fee	Rs.213689/-	Rs.22213

vii Salary paid to Managing Director is as per Sch-XIII to the Companies Act, 1956.

	<u>Current Year (Rs.)</u>	<u>Previous Year</u>
Remuneration	Rs. 1,80,000/-	Rs.1,20,

DETAILS OF SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET
AS ON 31st, MARCH 2008, AND PROFIT & LOSS AS ON THE DATE

viii Auditors Remuneration	<u>Current Year (Rs.)</u>	<u>Previous Year</u>
For Statutory Audit	20000/-	20000/-
For Tax Audit	<u>5000/-</u>	<u>5000/-</u>
Total Rupees	<u>25000/-</u>	<u>25000/-</u>

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

			<u>Current Year (Rs.)</u>	<u>Previous Year</u>
Sn.	Name of the Related Party	Nature of Transaction	Amount	Balance at year end
01	Fairdeal Marwar Garages Ltd. <i>(Company in which Director Interested)</i>	Car Petrol & Other Exp. Office Estb. Charges	94036 0	94036/- Payabl 108000/- Payabl
02	R. K. Tekriwal (CMD)	Salary	120000/-	120000/- Payabl
03	Meera Tekriwal <i>(Relative to CMD)</i>	Salary	100000/-	120000/- Payabl

- x** The company, due to dispute with bank, has not provided interest on secured loans at contracted rate of Bank. Though it is provided @ 10% P.A.
- xi** The company is a Sick Industrial company within the meaning of clause of Sub-Section 1 of Section 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 the 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, RAWKA AGARWAL & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

SD/-

SD/-

SD/-

(C.P. RAWKA)
Partner

(R.K. TEKRIWAL)
Chairman & Managing Director

(SHARAD DU)
Director

PLACE: **INDORE**
DATED: **04/09/2008**

PITHAMPUR POLY PRODUCT LIMITED
115, SECTOR III, INDUSTRIAL AREA, PITHAMPUR, DHAR, MADHYA PRADESH, INDIA

PROXY FORM

I/We.....of.....In the district ofbeing 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, 30th September, 2008 and any adjournment thereof.

Signed the Day of2008.

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

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

ANNUAL GENERAL MEETING
30th September, 2008

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, 30th September, 2008.

Strike out whichever is not applicable

Signature of the Shareholder / Proxy