

20th Annual Report

2016-2017



PITHAMPUR POLY PRODUCTS LIMITED

ANNUAL REPORT (2016-2017)
PITHAMPUR POLY PRODUCTS LTD.

BOARD OF DIRECTORS

Shri R.K.Tekriwal,	Managing Director
Shri Vishwanath Kanungo	Director
Smt. Meera Tekriwal	Director
Shri Anil Waman Jog	Director
Shri Balvan Pawar	Director

Company Secretary & Compliance Officer

Shri Sonesh Jain

Auditors

Arif Jain & Associates,
Chartered Accountants
239 A, Apollo Tower, 2 MG Road
Indore(MP)-452001

Registered Office

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

Registrars & Transfer Agents

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

Corporate Office

507, Corporate House,
RNT Marg,
Indore(MP)-452001
Ph-0731-4077277-78

NOTICE

NOTICE is hereby given that the 20TH Annual General Meeting of the members of Pithampur Poly Products Limited will be held on Friday, 29th September 2017, at 3.00 p.m. at its Registered Office at 115, Sector – III, Industrial Area, Pithampur, Dist-Dhar (MP), to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2017 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. Balvan Pawar (DIN 07558327), Director of the Company who retires by rotation and, being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolutions:**

“**RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s Arif Jain & Associates, Chartered Accountants (FRN 017628C), appointed as Auditor of the Company which was subject to ratification at every Annual General Meeting, be and is hereby ratified to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, on such remuneration as may be fixed by the Board.”

SPECIAL BUSINESS

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

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to the re-appointment of Mr. R.K. Tekriwal (DIN: 00011492) as Managing Director of the Company for a further period of 5 years w.e.f 1st October, 2017 on terms & conditions as mentioned in explanatory statement to the resolution;

RESOLVED FURTHER THAT Mr. R.K. Tekriwal (DIN: 00011492) shall be liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors be and is

hereby authorized to increase, reduce, alter or vary the terms of remuneration in such manner from time to time as Board may deem fit within the limits specified in schedule V of the companies Act, 2013 as existing or amended, modified or re-enacted from time to time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By order of the Board

SD/-

R.K.Tekriwal

(Chairman & Managing Director)

DIN:00011492

Place: Pithampur

Date: 30/05/2017

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of the members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The business set out in the Notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
3. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto. The Company has notified closure of Register of Members and Share Transfer Books from 25.09.2017 to 29.09.2017 (both days inclusive) for the Annual General Meeting.
4. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of the Notice. Further, all the Independent Directors have affirmed that they meet the requirements specified under Regulation 16 (1) (b) SEBI (listing Obligation and Disclosure Requirements) Regulations, 2015 in respect of their position as an “Independent Director” of the Company.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS -2

Particulars	Shri Balvan Pawar	Shri R. K. Tekriwal
Date of Birth	22/04/1976	25/03/1950
Date of Appointment	17/05/2016	14/12/1995
List of outside Directorship held	None	1.Pithampur Poly Products Ltd. 2.Mass Soft Services India Ltd.
Chairman/ Member of the Committees of the Board of the Company	NIL	<ul style="list-style-type: none"> • Audit Committee: Member • Remuneration Committee: Member • Shareholder Grievance & Relationship Committee: Chairman
Chairman/ Member of the Committees of the Board of the other Companies in which he/she is a director	NIL	NIL
a) Audit Committee	NIL	NIL
b) Shareholder's Relationship Committee	NIL	NIL
c) Remuneration Committee	NIL	NIL
d) Committee of directors	NIL	NIL
No. & Percentage of shares held	NIL	No. of Shares: 68100 & % of Shares: 1.39%

5. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered office or Corporate Support Center of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of meeting.
6. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
7. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of place of the meeting. Proxy/representative of a member should mark on the Attendance Slip as "Proxy" or "Representative" as the case may be.
8. Members who hold shares in dematerialized mode are requested to intimate any changes pertaining with their bank account details, ECS mandates, nominations, power of attorney, change of address/name etc. to their Depository Participant only and not to the Company's Registrar & Share Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better service to the members.
9. Members holding shares in physical form are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/name etc. to the Company's Registrar & Share Transfer Agent quoting their registered folio number.
10. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
11. Members may also note that the Notice of the 20th AGM and Annual Report 2016-17 will be available on the Company's website www.pplonline.com
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, and Circulars etc. from the Company electronically.
13. In compliance with the provisions of section 108 of the Act and Rules framed there under and in compliance with regulation 44 of the SEBI (LODR) Regulations, 2015, the Members are provided with the facility to casts their vote electronically, through the e – voting services provided by CDSL/NSDL, on all resolutions set forth in this Notice.
14. The remote e-voting period commence on Tuesday, 26th September 2017 (9:00 AM IST) and ends on Thursday, 28th September 2017 (5:00 PM IST). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 22nd September 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.
15. The facility for voting through ballot paper will also be made available at the Annual General Meeting (AGM) and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The instructions for e-voting are as under:

In case of members receiving e-mail:

- I. Log on the e-voting website www.evotingindia.com
- II. Click on “shareholders” tab.
- III. Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”.
- IV. Now enter your User ID
 - a. For CDSL: 16 digit beneficiary ID
 - b. For NSDL: 8 character DPID followed by 8 digits client ID
 - c. Member holding shares in physical form should enter folio no. registered with the company.
- V. Next enter the image verification as displayed and click on Login.
- VI. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- VII. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two characters of the name in CAPITAL letters Eg. If your name is Ramesh Kumar with folio no. 100 then enter RA00000100 in the PAN Field.
DOB#	Enter Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
Dividend Bank Details	Enter Dividend Bank Details as recorded in your demat account or in the company records for the said folio in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- VIII. After entering these details appropriately, click on “SUBMIT” tab.
- IX. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- X. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XI. Click on the EVSN for Pithampur Poly Products Limited on which you choose to vote.
- XII. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIII. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XIV. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- XV. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XVI. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XVII. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XVIII. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- XIX. Any Person who has acquired shares and become member of the Company after the dispatch of the Notice of the Annual General Meeting but before the cut-off date of 22nd September, 2017, may follow the same instructions as mentioned above for e-voting.
- XX. The Board of directors has appointed Harshita Modani, Practicing Company Secretary, Bharuch as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

XXI. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to

helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case of Members receiving the physical copy:

- A. Please follow all steps from sl. No. (i) to sl. No. (xvii) above to cast vote.

B. The voting period begins on Tuesday, 26th September 2017 (9:00 AM IST) and ends on Thursday, 28th September 2017 (5:00 PM IST) during this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut off date (record date) of Friday, 22nd September 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question ("FAQ") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

ITEM NO. 4

The existing tenure of Shri R. K. Tekriwal as Managing Director of the company is expiring on 30th September, 2017. Upon the recommendation of the Remuneration Committee of the board, the Board of Directors at its meeting has passed the resolution for re-appointment of Mr. R.K. Tekriwal as the Managing Director w.e.f. 1 October, 2017 for the approval of member in ensuing Annual General Meeting of the company on the following terms and conditions.

- a. Salary: Rs. 30,000/- per months
- b. Commission: Payable for each financial year subject to the overall maximum ceiling of 5% of the net profit as computed in accordance with the provisions of Section 197 of the Companies Act, 2013 inclusive of salary, perquisites and allowances as per (a) and (b) above.
- c. Reimbursement and other facilities not considered as perquisites
 - Reimbursement of expenses incurred for traveling, boarding and lodging during business trips, expenses of telephone at residence and cell phone,
 - Provision of car with driver,
 - Payment of club fees.
- d. Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the tenure, the company has no profit or its profits are inadequate, the remuneration as set above in (a) & (b) shall be the minimum remuneration payable.
- e. No sitting fees shall be payable for attending the Board meeting or committee meeting thereof.

The notice and explanatory statement may be treated as an abstract of the terms and conditions of appointment and remuneration payable to Shri R. K. Tekriwal, as required under section 102 of the Companies Act, 2013.

None of the directors except Shri R.K. Tekriwal and Smt. Meera Tekriwal are concerned or interested in the resolution.

The Board recommends the passing of resolution by the members of the Company as a Special Resolution.

By order of the Board

SD/-

R.K.Tekriwal

(Chairman & Managing Direct

DIN: 00011492

Place: Pithampur

Date: 30/05/2017

DIRECTOR'S REPORT

Your Director have pleasure in presenting their 20TH Annual Report on the business and operation of the company and the accounts for the Financial year Ended 31st March, 2017.

FINANCIAL PERFORMANCE OF THE COMPANY :

The financial results for the year ended 31st March, 2017 and the corresponding figures for the last year are as under:-

Particulars	2016-17	2015-16
Total Income	837.65	732.68
Profit (Loss) before taxes and extraordinary items	(62.06)	(35.30)
Less: Extraordinary items	2.55	1.98
Profit (Loss) before tax	(64.61)	(37.28)
Deferred taxation	(19.07)	(18.29)
Net Profit/ (Loss)	(45.54)	(18.99)

STATE OF COMPANY'S AFFAIRS :

The Company has achieved a total turnover of Rs. 8,37,65,016/- and Profit (Loss) after Tax of Rs. (45,53,767) which is transferred to General Reserve.

DIVIDEND :

Considering the financial performance, your directors regret to declare any dividend.

DIRECTORS'S RESPONSIBILITY STATEMENT:

The Directors' Responsibility Statement referred to in clause (c) of Sub- section (3) of Section 134 of the Companies Act, 2013 shall state that

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The director had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
3. The director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The directors had prepared the annual accounts on a going concern basis; and
5. The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions on Corporate Governance as prescribed in the Regulation 27 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. A separate report on Corporate Governance as per schedule V {C} of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 is included as a part of the Annual Report along with the Auditors' Certificate on its

compliance.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and that the provision of section 188 of the Companies Act, 2013 is not attracted.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Details of contracts/ arrangements/transactions with the related party are given in the notes to financial statements.

CORPORATE SOCIAL RESPONSIBILITY

The Company has incurred losses during the last three years, so the Company has not incurred any Corporate Social Responsibility expenditure during the year under review.

However, a Corporate Social Responsibility committee consisting Shri R.K. Tekriwal as the Chairman, Mrs. Meera Tekriwal and Mr. Vishwanath Kanungo, as member of the Committee. The board of directors have approved a policy on CSR.

RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company does not have risk management policy as the elements of the risk threatening the Company's existence are very minimal.

DIRECTORS

In terms of Section(s) 197,198 read with Schedule V and other applicable provisions of the Companies Act, 2013, Shri R. K. Tekriwal (DIN 00011492), Managing Director of the Company was reappointed for a further period of 5 year w.e.f. 1st October 2017.

In terms of Section(s) 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors are not included in the total number of directors of the Company. Mr. Balvan Pawar (DIN 07558327), shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company.

The Board place on records its appreciation for valuable guidance and service rendered by Shri R.K. Tekriwal and Shri Balvan Pawar to the Company during his tenure.

DECLARATION BY INDEPENDENT DIRECTORS

Necessary declarations have been obtained from all the Independent Directors under sub-section (7) of Section 149 of the Companies Act, 2013.

MEETINGS

During the Financial year Six (6) Board Meetings and four (4) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORS

Pursuant to the Provisions of the Companies Act, 2013 and as stipulated under Chapter IV (17) (10) SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, performance of its directors individually as well as the evaluation of the working of its committees. The evaluation of all directors and the Board as whole was conducted based on the criteria and framework adopted by the Board.

The Directors were satisfied with the evaluation results, which reflected overall engagement of the Board and its Committees with the company.

AUDITORS AND AUDITOR REPORT

Pursuant to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, M/s. Arif Jain & Associates, Chartered Accountants (FRN 017628C), Chartered Accountants, appointed as Auditor of the Company which was subject to ratification at every Annual General Meeting, be and is hereby ratified to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, on such remuneration as may be fixed by the Board.

A resolution proposing ratification of M/s. Arif Jain & Associates, Chartered Accountants (FRN 017628C), Chartered Accountants, as the Statutory Auditors of the company pursuant to section 139 of the Companies Act, 2013 forms part of the Notice.

The notes on Financial Statements referred to in the Auditors Report are self-explanatory and do not call for any further comments.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Harshita Modani, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith.

The Secretarial Audit report is self-explanatory.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

There were no subsidiary, JV and associate Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans:

There were NIL loans given, investment made or guarantee given or security provided as per the provisions of Section 186 of the Companies Act, 2013.

Deposit:

The Company has neither accepted nor renewed any deposits during the year under review.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in Form No. MGT-9 as required under Section 92 of the Companies Act, 2013 for the financial year ending March 31st, 2017 is annexed hereto as Annexure A and forms part of this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism/Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

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

The provisions of Section 134(3)(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed

for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OR THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the company occurred between the end of the financial year of the company to which the financial statements relate on the date of this report.

LISTING OF SHARES

The Company's shares are listed with BSE Limited. The Company has paid its annual listing fees for financial year 2017-18.

INDUSTRIAL RELATIONS

The Company's industrial relations continued to be healthy, cordial and harmonious during the period under review.

ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environment clean and safe operations. The Company's policy required conducts of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from its subsidiary.
- d) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- e) During the year under review, there were no cases filed or reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGMENT

The Board desires to place on record its grateful appreciation for the excellent assistance and co-operation received and continued support extended to the Company by the bankers, investors, suppliers and esteemed customers and other business associates. Your Directors also wish to place on record their deep sense of appreciation to all the employees of the Company for their commitment and continued contribution in the performance of the company.

By order of the Board

SD/-

R.K.Tekriwal

(Chairman & Managing Director)

DIN:00011492

Place: Pithampur

Date: 30/05/2017

ANNEXURE-A
FORM MGT-9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED 31ST MARCH 2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L25202MP1994PLC008513
2	Registration Date	28/07/1994
3	Name of the Company	PITHAMPUR POLY PRODUCTS LIMITED
4	Category/Sub-category of the Company NON –GOVT. PUBLIC COMPANY	COMPANY LIMITED BY SHARES
5	Address of the Registered office & contact details	115, SECTOR III, INDUSTRIAL AREA, PITHAMPUR DIST. DHAR (MP)
6	Whether listed company	LISTED
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Share Registry (I) Pvt. Ltd. 9, Shiv Shakti Industries, J.R. Boricha Marg, Opp/ Kasturba Hospital, Lower Parel (E) Mumbai – 400 011. Phone : [022] 23018261.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	PP HDPE WOVEN SACK BAGS	63053200	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NIIL				

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	1805200	1805200	37.03%	-	1805200	1805200	37.03%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	688300	688300	14.12%	-	688300	688300	14.12%	0.00%

e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	2493500	2493500	51.15%	-	2493500	2493500	51.15%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	2493500	2493500	51.15%	-	2493500	2493500	51.15%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	323200	323200	6.63%	-	323200	323200	6.63%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	162700	1503300	1666000	34.18%	157600	1508400	1666000	34.18%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	236300	236300	4.85%	-	236300	236300	4.85%	0.00%
c) Others (specify)									
Non Resident Indians	-	121500	121500	2.49%	-	121500	121500	2.49%	0.00%
Overseas Corporate Bodies	-	30000	30000	0.62%	-	30000	30000	0.62%	0.00%
Employee	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	3000	-	3000	0.06%	3000	-	3000	0.06%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
HUF	500	-	500	0.01%	500	-	500	0.01%	0.00%
Sub-total (B)(2):-	166200	1891100	2380500	48.85%	161100	2219400	2380500	48.85%	0.00%
Total Public (B)	166200	1891100	2380500	48.85%	161100	2219400	2380500	48.85%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	166200	4707800	4874000	100%	161100	4712900	4874000	100%	0.00%

(ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Divya Tekriwal	471500	9.67%	0	471500	9.67%	0	0.00%
2	Suchita Tekriwal	374293	7.68%	0	374293	7.68%	0	0.00%
3	Vistar Finvest & leasing Ltd.	279300	5.73%	0	279300	5.73%	0	0.00%
4	Pithampur Investment & Finance Ltd.	200000	4.10%	0	200000	4.10%	0	0.00%
5	Mohd Iqbal	116100	2.38%	0	116100	2.38%	0	0.00%
6	Pithampur Investment & Finance Ltd.	110700	2.27%	0	110700	2.27%	0	0.00%
7	R.K. Tekriwal	68100	1.40%	0	68100	1.40%	0	0.00%
8	Meera Tekriwal	58200	1.19%	0	58200	1.19%	0	0.00%
9	Gaurav Tekriwal	58400	1.20%	0	58400	1.20%	0	0.00%
10	Suchita Tekriwal	57600	1.18%	0	57600	1.18%	0	0.00%
11	Ashish Shekhar	238007	4.88%	0	238007	4.88%	0	0.00%
12	Vistar Finvest & Leasing Ltd.	49200	1.01%	0	49200	1.01%	0	0.00%
13	Vistar Finvest & Leasing P. Ltd.	49100	1.01%	0	49100	1.01%	0	0.00%
14	Ashish Shekhar	20000	0.41%	0	20000	0.41%	0	0.00%
15	K S Lakhotiya	323500	6.64%	0	323500	6.64%	0	0.00%
16	Gaurav Tekriwal	17500	0.36%	0	17500	0.36%	0	0.00%
17	Ashish Shekhar	2000	0.04%	0	2000	0.04%	0	0.00%
	Total	2493500	51.15%	0	2493500	51.15%	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1.	At the beginning of the year	-	-	2493500	51.15%	2493500	51.15%
2.	Changes during the year			NO CHANGE			
3.	At the end of the year	-	-	2493500	51.15%	2493500	51.15%

(iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	North American Investments Ltd.	-	-	200000	4.10%	200000	4.10%
	Shivratan Luharuka	-	-	143200	2.94%	143200	2.94%
	Jamno Perumal Kalwanz	-	-	50000	1.03%	50000	1.03%
	Peekay holdings Ltd.	-	-	50000	1.03%	50000	1.03%
	Total			443200	9.09%	443200	9.09%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1.	R.K. Tekriwal	-	-	68100	1.39%	68100	1.39%
2.	Meera Tekriwal	-	-	58200	1.19%	58200	1.19%

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	52029853	3999249	-	56029102
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	52029853	3999249	-	56029102
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	52029853	3999249	-	56029102
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	52029853	3999249	-	56029102

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	RAJENDRA TEKRIWAL	(Rs/Lac)
	Designation	MD	
1	Gross salary	336000	336000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-

4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total (A)	-	-	336000
	Ceiling as per the Act			As per Act

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
		Vishwanath Kanungo	Anil Waman Jog		
1	Independent Directors				
	Fee for attending board committee meetings	5000	5000		10000
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	10000
2	Other Non-Executive Directors	Meera Tekriwal			-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify	300000			300000
	Total (2)	-	-	-	300000
	Total (B)=(1+2)	-	-	-	310000
	Total Managerial Remuneration				646000
	Overall Ceiling as per the Act				As per Act

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs)
		CEO	CFO	CS	
	Name				
	Designation				
1	Gross salary			97,956	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total	-	-	97,956	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

By order of the Board

SD/-

R.K.Tekriwal

(Chairman & Managing Director)

DIN:00011492

Place: Pithampur

Date: 30/05/2017

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2016

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules 2014)

To,
The Members,
PITHAMPUR POLY PRODUCTS LIMITED
CIN- L25202MP1994PLC008513
115, Sector – III, Industrial Area,
Pithampur Dist. Dhar (MP)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PITHAMPUR POLY PRODUCTS LIMITED (hereinafter called the Company) having CIN: L25202MP1994PLC008513, Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PITHAMPUR POLY PRODUCTS LIMITED for the financial year ended on 31st March, 2017 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder;

The Company has complied with the provision of The Companies Act, 2013 (the Act) and the rules made thereunder.

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

The Company has not issued any fresh securities during the year under review and therefore, question of complying with the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') does not arise.

However, the Company has Complied with Rule 19A with respect of continuous listing requirements with stock exchange, Rule 19 (1) with respect to filing of documents and Rule 19(2) with respect to minimum public shareholding of Securities Contract Regulation Rules.

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

The Company has complied with Clause 55A of the SEBI (depositories and Participants) Regulations, 1996 with respect to the reconciliation of share capital audit.

IV. Foreign Exchange Management Act, 1999 and the rules and

regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The Company has not received any foreign direct investment or any overseas direct investment and has not made any External Commercial borrowings during the year under review.

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

"There is no change in promoters shareholding during the year"

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

"There is no change in promoters shareholding during the year"

Apart from above, there are no events relating to unpublished price sensitive information took place during the year under review except quarterly financial results and there are no transactions during the year under review

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

The company has not issued any share capital during the year under review, so there is not required to comply the provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

The company has not made any offer to employee under Employee Stock Option Scheme during the year under review, so there is not required to comply the provisions of The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

The company has not issued any debt securities during the year under review, so there is not required to comply the provisions of The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

The Company has appointed an RTA in accordance with the

SEBI Regulations. The RTA has obtained a certificate from the practising company secretary that all the transfers have been completed within the stipulated time under Regulation 40 (9) of SEBI Listing Regulations, 2015 (LODR). Hence the Company has complied provisions under the said regulations.

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

The above said Regulations are not applicable to company, as the company has not initiated any action for voluntary delisting and no action taken by the stock exchange for compulsory delisting during the year under review.

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

The above said Regulations are not applicable to company as the Company has not purchased its own shares during the year under review.

- vi. The laws as are applicable specifically to the Company are as under:

- a. The Water (Prevention and Control of Pollution) Act, 1974;
- b. The Air (Prevention and Control of Pollution) Act, 1981;
- c. Factories Act, 1948
- d. Industrial Disputes Act, 1947
- e. The Payment of Wages Act, 1936
- f. The Minimum Wages Act, 1948
- g. The Employees State Insurance Act, 1948
- h. The Employee Provident Fund And Miscellaneous Provision Act, 1952
- i. The Payment of Bonus Act, 1965
- j. The Payment of Gratuity Act, 1972
- k. Contract Labour (Regulation And Abolition) Act, 1970
- l. The Maternity Benefits Act, 1961
- m. The Child Labour (Prohibition and Regulation) Act, 1986
- n. The Employees' Compensation Act, 1923
- o. The Apprentices Act, 1961
- p. Equal Remuneration Act, 1976

We have also examined compliance with the applicable clauses/regulations of the following:

- (I) Secretarial Standards issued by The Institute of Company Secretaries of India.

The Company has complied with the Secretarial Standards issued by ICSI.

- (II) The Listing Agreements/ Regulations entered into by the Company with BSE Limited.

The Company has complied with all clauses of the listing agreement/ SEBI Listing Regulations, 2015 (LODR).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations as stated.

I further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:-

1. The Members have accorded their consent to the Board of Directors at the Annual General Meeting held on September 30, 2016 for the following:-

- a. To appoint Mrs. Meera Tekriwal as Director liable to retire by rotation without change in other terms and conditions and remuneration.
- b. To appoint M/S Arif Jain & Associates, chartered accountants as a statutory auditor of the company for the Five year.
- c. To appoint Mr. Anil Waman Jog, additional director of the Company as Director of the Company.
- d. To appoint Mr. Balvan Pawar, additional director of the Company as Director of the Company.

Date: 30th May 2017

Place: Bharuch

For **HARSHITA MODANI**

SD/-

Harshita Modani

ACS: 19268 COP: 10015

Note: this report is to be read with our letter of even date which is annexed as an Annexure herewith and forms an integral part of this report.

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Pithampur Poly Products Limited,
115, Sector III, Industrial Area,
Pithampur, Dist. Dhar

Our Report of even date is to be read along with this letter.

Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.

We have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Wherever required, we have obtained the Management representations about the compliances of Laws, Rules, Regulations and happening of events etc.

The compliances of the provisions of corporate and other applicable laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit Report is neither as assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

Date: 30th May 2017

For **HARSHITA MODANI**

Place: Bharuch

SD/-

Harshita Modani

ACS: 19268 COP: 10015

REPORT ON CORPORATE GOVERNANCE

Company 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 organization 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.

1. The Governance Structure:

PPPL's governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

- (i) The Board of Director - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, governance standards, reporting mechanism & accountability and decision making process to be followed.
- (ii) Committee of Directors - such as Audit Committee, Nomination & Remuneration Committee are focused on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees.
- (iii) Executive Management – The entire business including the support services are managed with clearly demarcated responsibilities and authorities at different levels.

2. Board of Directors

Composition and Category

The Board of Directors of the Company consists of persons with considerable expertise and experience and experience in the manufacturing industry, finance & management. The Board of Directors of the Company consists of Five Directors including the Executive Chairman. Out of 5, 1 is woman director, 3 is non-executive independent director, 1 is Managing director. The Company does not have any pecuniary relation or transaction with Non-Executive Independent Directors during the year under review.

Board Procedure

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

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

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

Sr. No.	Name of the Director	Category	Number of other		
			Directorships	Committee Membership	Committee Chairmanship
1.	Mr. R.K. Tekriwal	Exe. Chairman & Managing Director	1	Nil	Nil
2.	Mrs. Meera Tekriwal	Woman Director	7	Nil	Nil
3.	Mr. Vishwanath Kanungo	Ind. Dir.	Nil	Nil	Nil
4.	Mr. Anil Waman Jog	Ind. Dir.	Nil	Nil	Nil
5.	Mr. Balvan Pawar	Ind. Dir.	Nil	Nil	Nil

During the year 6 Board Meetings were held on 17/05/2016, 30/05/2016, 13/08/2016, 19/09/2016, 15/11/2016 & 14/02/2017. The Board was present with the relevant and necessary information. None of the Director is a member of more than 10 committees or acting as Chairman of more than 5 committees across all companies in which he is a director. The attendance at the Board Meeting during the year and at the last Annual General Meeting was as follows:

SR. NO	NAME OF DIRECTORS	NO. OF BOARD MEETING ATTENDED	ATTENDANCE AT THE LAST AGM HELD ON 30-09-2016
1	Mr. R.K. Tekriwal	6	Yes
2.	Mrs. Meera Tekriwal	6	Yes
3.	Mr. Vishwanath Kanungo	6	Yes
4.	Mr. Anil Waman Jog	6	Yes
5.	Mr. Balvan Pawar	6	Yes

Selection and Appointment/Re-appointment of Directors

The Nomination & Remuneration Committee have approved a Policy for the Selection, Appointment and Remuneration of Directors. Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and the retirement policy laid down by the Board from time-to-time.

Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 15TH November, 2016 to review the performance of Non-independent Directors (including the Chairman) and the entire Board.

Agenda

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed

decisions. Agenda also includes minutes of the meetings of all the Board, Committees and Subsidiaries for the information of the Board.

Board evaluation

During the year, the Board started a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees.

Code of Conduct

All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

Disclosure of Relationship between Directors Interse

Name	Relationship	Name of other directors in inter-se relationship
Shri R.K. Tekriwal	Spouse	Smt. Meera Tekriwal
Smt. Meera Tekriwal	Husband	Shri R.K. Tekriwal

No. Of Share held by Non- Executive Director

Shri Vishwanath Kanungo	Nil
Shri Anil Waman Jog	Nil
Shri Balvan Pawar	Nil

Web link: www.ppplonline.com

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 2016 to March 2017 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	Managing Director & Member of Committee	4	4
2	Mr. Vishwanath Kanungo	Independent Director & Chairman of Committee	4	4
3	Mr. Anil Waman Jog	Independent Director & Member of Committee	4	4

Terms of Reference:-

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

- 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.
- Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- 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.
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control system and ensuring compliance therewith.
- 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.
- Reviewing the Company's financial and risk management policies.
- To review the functioning of the Whistle Blower Policy

adopted by the Company.

- 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

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 Member of the committee, Mr. Anil waman Jog, NEID & member and Mr. Vishwanath Kanungo, NEID & Chairman of the committee. Only one meeting of the committee held during the year under review and all members attended the meeting.

Performance evaluation for Independent Directors

Pursuant to the Provisions of the Companies Act, 2013 and as stipulated under regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors.

Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees.

5. Share holders's Grievance and Share transfer Committee Composition:-

The said committee comprises of R.K.TEKRIWAL, CMD & Chairman of the committee, Shri Anil Waman Jog, NEID & member and Vishwanath Kanungo, NEID and member of the committee. There are 4 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 shareholders 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. Sonesh Jain as Compliance Officer.

Summary of Investor's Complaints:-

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

As on date, there are no complaints pending.

6. MD Certification

The MD have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

7. 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
2013-14	30-09-2014	11.00 A.M.	REGD. OFFICE – 115, Sector – III, Ind. Area, Pithampur, Dist-Dhar(MP)
2014-15	30-09-2015	11.00 A.M.	AS ABOVE
2015-16	30-09-2016	3.00 P.M.	AS ABOVE

During the year under review, no extra ordinary general meeting was held as well as no resolution was passed through the Postal Ballot process

8. Means of Communication:

The periodical unaudited / audited financial results are published in Chotha Sansar (Hindi) and 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 and also posted on company's website www.ppplonline.com.

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:

29th Sept, 2017 at 3.00 PM at the Regd. Office- 115, Sector-III, Ind. Area, Pithampur, Dist-Dhar(MP).

(c) Financial Reporting for the quarter ending:

JUNE 30 : 14th August 2016
 SEPT 30 : 15th November 2016
 DEC 31 : 14th February 2017
 MARCH 31 : END MAY

(d) Date of Book Closure :

25.09.2017 to 29.09.2017 (both days inclusive)

(e) Listing Details :

The Equity Shares of the Company are listed on the Stock Exchange at BSE. Scrip Code : BSE – 530683

(f) ISIN for Dematerialization of equity shares :

INE747D01012

(g) Market price data:

During the year from 1-04-2016 to 31-03-2017 the equity shares traded high and low price is available on BSE website viz. www.bseindia.com

(h) Registrar And Transfer Agent:

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

Purva Share Registry (I) Pvt. Ltd.

9, Shiv Shakti Industries, J.R. Boricha Marg,

Opp/ Kasturba Hospital, Lower Parel (E)

Mumbai – 400 011. Phone : [022] 23018261.

(i) Share Transfer System

The Share Transfer-cum-Investors Grievance Committee attends to share transfer formalities once in a fortnight. Demat requests are normally confirmed within an average period of 15 days from the date of receipt. The Company has appointed following agency as Share Transfer Agent (Electronic + Physical). The shareholders may address their communication, suggestions, grievances and queries to Purva Share Registry (I) Pvt. Ltd.

(k) Categories of shareholding as on 31st March 2017

PARTICULARS	NO. OF EQUITY SHARES HELD	% OF SHARES
PROMOTERS	2493500	51.16%
CORPORATE BODIES	323200	6.63%
NRI	121500	2.49%
INDIVIDUALS	1902300	39.03%
OCB'S	30000	0.62%
HUF	500	0.01%
CLEARING MEMBERS	3000	0.06%
TOTAL	4874000	100.00%

(L) Dematerialisation of shares & liquidity

The shares of the Company are under compulsory demat segment and are listed on Bombay Stock Exchange, Mumbai. The Company's shares are available for trading in the depository of CDSL.

(M) Reconciliation of Share Capital Audit

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

(N) PLANT LOCATION

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

(O) INVESTOR CORRESPONDANCE

The shareholders may address their communication, suggestions, grievances and queries to:

Purva Share Registry (I) Pvt. Ltd.

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

10. Disclosures

There were no transactions 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 except remuneration to CMD.

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 year.

11. Whistle Blower / Vigil Mechanism Policy

The Company has laid down a Whistle Blower Policy/vigil mechanism policy, which affords protection and confidentiality to whistle blowers. The Audit Committee Chairman is authorised to receive protected disclosures under this policy. The Audit Committee is also authorised 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 on 31st March 2017, No protected disclosures have been received under this policy.

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. 83 billion. The industry experienced a significant growth of 35.41% during the year 2016-17. 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 2016-17, the company has posted a satisfactorily performance. All expenses are under control.

"The Company's Performance is 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 throat cut competition in the industry.

(e) Segment wise performance

The business of the Company falls under a single segment i.e. "manufacturing and trading of HDPE/PP products" for the

purpose of Accounting Standards AS-17.

(f) Outlook

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

(g) Risk and concerns

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

(h) Internal control system

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

(i) 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.

MD/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 2016-17 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.

For Pithampur Poly Products Limited

SD/-

**Place: Pithampur
Date: 30/05/2017**

**R.K.Tekriwal
(Chairman & Managing Director)
DIN:00011492**

DECLARATION REGARDING CODE OF CONDUCT

I hereby declared that all the board members and senior managerial personnel of the Company have affirmed the compliance of code of conduct for the year ended 31st March, 2017.

For Pithampur Poly Products Limited

SD/-

**Place: Pithampur
Date: 30/05/2017**

**R.K.Tekriwal
(Chairman & Managing Director)
DIN:00011492**

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by PITHAMPUR POLY PRODCUTS LIMITED ('the Company'), for the year ended March 31st, 2017 as per Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015') for the period 1st April 2016 to 31st March 2017.

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 above mentioned SEBI Listing Regulations, 2015 as applicable.

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.

For Arif Jain & Associates.
Chartered Accountants

SD/-

PLACE : INDORE
DATE: 30/05/2017

Ammar Arif (Partner)
Membership No: 42106

INDEPENDENT AUDITORS' REPORT

To,
The Members,
PITHAMPUR POLY PRODUCTS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of PITHAMPUR POLY PRODUCTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31st, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's

preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2017 and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
9. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) 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;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31st, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements—Refer Note-23 to the financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) The Company had provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

**FOR : ARIF JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS**

PLACE : INDORE

DATED : MAY 30TH, 2017

SD/-

(AMMAR ARIF)

PARTNER

M. NO. : 421064

FIRM REG. NO. 017628C

PITHAMPUR POLY PRODUCTS LIMITED

"ANNEXURE –A" TO THE INDEPENDENT AUDITORS'

REPORT OF THE EVEN DATE

The Annexure referred to in our Independent Auditors' Report to the members of the company on the financial Statements for the year ended 31st March, 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. As explained to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified at reasonable intervals during the year by the

management. As per the information and explanation given to us, no material discrepancies were noticed on such physical verification.

- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company.
- (vi) As per information and explanations given to us, the Central Government has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act, for the business of the Company.
- (vii)(a) According to the information and explanations given to us and on the basis of examination of the records of the Company, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were in arrears as on 31st March, 2017 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us the following dues of income tax and entry tax have not been deposited as on 31st March, 2017 by the Company on account of disputes:

Sr. No.	Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period for which the Amount Relates F.Y.	Forum where dispute is pending
1	Income Tax Act, 1961.	Penalty u/s. 271(1) (c)	5.00	2004-05	Income-Tax Appellate Tribunal, Indore
2	Income Tax Act, 1961.	Penalty u/s. 271(1) (c)	55.56	2006-07	Income-Tax Appellate Tribunal, Indore
3	Income Tax Act, 1961	Penalty u/s. 271(1) (c)	37.00	2007-08	Commissioner of Income-Tax (Appeals)-I, Indore
4	M P Commercial Tax Act, 1994	Demand	0.35	1996-97	Dy. Comm. Appellate MP Commercial Tax Dept., Indore
5	M P Commercial Tax Act, 1994	Demand	0.18	1999-2000	Dy. Comm. Appellate MP Commercial Tax Dept., Indore
6	M P Commercial Tax Act, 1994	Demand Penalty	8.25 6.36	2000-01	Dy. Comm. Appellate MP Commercial Tax Dept., Indore
7	M P Commercial Tax Act, 1994	Demand Penalty	6.79 5.10	2001-02	Dy. Comm. Appellate MP Commercial Tax Dept., Indore
8	M P Commercial Tax Act, 1994	Demand Penalty	5.78 4.16	2002-03	Dy. Comm. Appellate MP Commercial Tax Dept., Indore
9	M P Commercial Tax Act, 1994	Demand	10.68	2003-04	Dy. Comm. Appellate MP Commercial Tax Dept., Indore

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not made repayment of dues to bank due to dispute and litigation pending before Debt Recovery Tribunal and Hon'ble High Court of MP.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provision of clause 3(ix) of the Order is not applicable to the company.

(x) According to information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provision of clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the notes to the

financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR : ARIF JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS**

**PLACE : INDORE
DATED : MAY 30TH, 2017**

SD/-

**(AMMAR ARIF)
PARTNER
M. NO. : 421064
FIRM REG. NO. 017628C**

PITHAMPUR POLY PRODUCTS LIMITED**"ANNEXURE –B" TO THE INDEPENDENT AUDITORS'
REPORT OF THE EVEN DATE****Report on the Internal Financial Controls under Clause (i)
of Sub-section 3 of Section 143 of the Companies Act,
2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Pithampur Poly Products Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR : ARIF JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS**

**PLACE : INDORE
DATED : MAY 30TH, 2017**

**SD/-
(AMMAR ARIF)
PARTNER
M. NO. : 421064
FIRM REG. NO. 017628**

PITHAMPUR POLY PRODUCTS LIMITED
CIN : L25202MP1994PLC008513
BALANCE SHEET AS AT 31ST MARCH, 2017

	Particulars	Note No.	As at 31-3-2017	As at 31-3-2016
A	EQUITY AND LIABILITIES			
I	SHAREHOLDERS' FUNDS			
(a)	Share Capital	1	48740000	48740000
(b)	Reserves and Surplus	2	(73002039)	(68448272)
(c)	Money Received against Share Forfeited		3707500	3707500
	(I)		(20554539)	(16000772)
II	<u>NON-CURRENT LIABILITIES</u>			
(a)	Long-Term Borrowings	3	56029102	56029102
	(II)		56029102	56029102
III	<u>CURRENT LIABILITIES</u>			
(a)	Short-Term Borrowings	4	74974151	74974151
(b)	Trade Payables	5	40721	79441
(c)	Other Current Liabilities	6	9324446	7038861
(d)	Short-Term Provisions	7	7943207	5303025
	(III)		92282525	87395478
	TOTAL RUPEES (I + II + III)		127757089	127423809
B	ASSETS			
I	<u>NON-CURRENT ASSETS</u>			
(a)	Fixed Assets			
	Tangible Assets	8	21564057	26902180
(b)	Deferred Tax Assets	9	3736053	1829302
(c)	Long-Term Loans and Advances	10	2860891	1918991
	(I)		28161001	30650474
II	<u>CURRENT ASSETS</u>			
(a)	Inventories	11	7612766	6323103
(b)	Trade Receivables	12	67411584	58379074
(c)	Cash and Bank Balances	13	582014	1339612
(d)	Short-Term Loans and Advances	14	9856194	18436352
(e)	Other Current Assets	15	14133530	12295194
	(II)		99596088	96773336
	TOTAL RUPEES (I + II)		127757089	127423809
	Significant Accounting Policies & Practices & Other Notes	22		

Notes form integral part of these financial statements

PLACE : INDORE
DATED : MAY 30TH, 2017

SD/-
:MANAGING DIRECTOR:

SD/-
:DIRECTOR:

AS PER OUR REPORT OF THE EVEN DATE

M/S. ARIF JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

SD/-
(AMMAR ARIF)
PARTNER
M.NO. 421064

PITHAMPUR POLY PRODUCTS LIMITED

CIN : L25202MP1994PLC008513

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars		Note No.	Year ended 31-3-2017	Year ended 31-3-2016
REVENUE				
I	Revenue from Operations	16	83765016	73268480
II	Other Income	17	275078	314090
III	TOTAL REVENUE (I + II)		84040094	73582570
IV EXPENSES				
(a)	Manufacturing and Operating Costs	18	47976534	41949344
(b)	Changes in Inventories of Finished Goods, Work-In-Progress and Traded Goods	19	-	-
(c)	Employee Benefits Expenses	20	28898999	22852250
(d)	Other Expenses	21	6884990	5844090
(e)	Depreciation		6485323	6467309
			-	-
	TOTAL EXPENSES (IV)		90245847	77112992
V	Loss before exceptional and extraordinary items and tax (III-IV)		(6205753)	(3530422)
VI	Exceptional items		-	-
VII	Loss before extraordinary items and tax (V-VI)		(6205753)	(3530422)
VIII	Extraordinary items			
	- Prior Period Expenses		254765	198107
IX	Loss before Tax (VII-VIII)		(6460518)	(3728529)
X	Tax Expense:			
(a)	Current Tax		-	-
(b)	(Less) : MAT Credit		-	-
(c)	Current Tax Expense relating to prior years		-	-
(d)	Deferred Taxation		(1906751)	(1829302)
			(1906751)	(1829302)
XI	Loss for the year (IX-X)		(4553767)	(1899227)
XII	Earnings per share (of Rs.10/- each):			
(a)	Basic		-	-
(b)	Diluted		-	-
	Significant Accounting Policies & Practices	22		

Notes form integral part of these financial statements

 PLACE : INDORE
 DATED : MAY 30TH, 2017

 SD/-
 :MANAGING DIRECTOR:

 SD/-
 :DIRECTOR:

 AS PER OUR REPORT OF THE EVEN DATE
 M/S. ARIF JAIN & ASSOCIATES
 CHARTERED ACCOUNTANTS
 SD/-
 (AMMAR ARIF)
 PARTNER
 M.NO. 421064

PITHAMPUR POLY PRODUCTS LIMITED
CIN : L25202MP1994PLC008513
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Sno.	Particulars	As at 31 st March, 2017	As at 31 st March, 2016
A.	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Net Loss before Tax and Exceptional Items as per Statement of Profit and Loss	(6205753)	(3530422)
	Add/(Deduct):		
	Depreciation	6485323	6467309
	Interest Income	(149905)	(123902)
	Extraordinary Items	(254765)	6145300
		-	-
	Operating Cash Profit before Working Capital Changes	(125100)	2614878
	Adjustments for :		
	(Increase)/ Decrease in Inventories	(1289663)	(1778570)
	(Increase)/ Decrease in Trade Receivables	(9032510)	(352707)
	(Increase)/ Decrease in Short-Term Loans & Advances	8580158	3257841
	(Increase)/ Decrease in Other Current Assets	(1838336)	(1871214)
	Increase/ (Decrease) in Short-Term Borrowings	-	-
	Increase/ (Decrease) in Trade Payables	(38720)	(46466)
	Increase/ (Decrease) in Other Current Liabilities	2285585	(604355)
	Increase/ (Decrease) in Short-Term Provisions	2640182	(622781)
	Cash Flow from Operations	1181597	596626
	Direct Taxes	-	-
	Net Cash Flow from Operating Activities	1181597	596626
B.	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	Purchase of Fixed Assets	(1147200)	(110784)
	Investment in Long-Term Loans & Advances	(941900)	175974
	Investment in Fixed Deposits	-	-
	Interest Income	149905	123902
	Net Cash used in (from) Investing Activities	(1939195)	189092
C.	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
	(Repayment)/Proceeds of Long-term Borrowings	-	-
	Net Cash from (used in) Financing Activities	-	-
	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	(757598)	785718
	Cash and cash equivalents at the beginning of the year	1076060	290342
	Cash and cash equivalents at the end of the year	318462	1076060
	[Refer Note - 13]		

Components of cash and cash equivalents as at year end comprise of :		
Cash on Hand	223124	989294
Balance with Banks in Current Accounts	95338	86766
	318462	1076060

- Note**
- All figures in brackets are outflow.
 - Cash and cash equivalents are as per balance sheet except for fixed deposits which are not considered as cash and cash equivalents as the maturity date is beyond twelve months.
 - The above cash flow statement has been prepared under 'Indirect Method' as set out in the Accounting Standard-3 on 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.

PLACE : INDORE
DATED : MAY 30TH, 2017

SD/-
:MANAGING DIRECTOR:

SD/-
:DIRECTOR:

AS PER OUR REPORT OF THE EVEN DATE
M/S. ARIF JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
SD/-
(AMMAR ARIF)
PARTNER
M.NO. 421064

**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2017 AND STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED THAT DAY**

NOTE - 1 - SHARE CAPITAL
A Authorised and Paid-up Share Capital

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
<u>AUTHORISED</u>				
Equity Shares of Rs.10/- each	6000000	60000000	6000000	60000000
<u>ISSUED, SUBSCRIBED & PAID-UP</u>				
Equity Shares of Rs.10/- each Fully Paid-up	4874000	48740000	4874000	48740000
TOTAL	4874000	48740000	4874000	48740000

The company has issued only one class of equity shares having par value of Rs.10/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

B. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	4874000	48740000	4874000	48740000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4874000	48740000	4874000	48740000

C. Details of shares hold by shareholders holding more than 5% of the aggregate shares in the company

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Smt. Divya Tekriwal	471500	9.67	471500	9.67
Smt. Suchita Tekriwal	431893	8.86	431793	8.86
M/s. Vistar Finvest & Leasing Limited	377600	7.75	377600	7.75
M/s. Pithampur Invesment & Finance Ltd.	310700	6.37	310700	6.37

NOTE - 2 - RESERVES AND SURPLUS

Particulars	31-3-2017	31-3-2016
<u>Surplus</u>		
Balance as per last year	(68448272)	(66549044)
Add : Net Loss for the year transferred from Statement of Profit and Loss	(4553767)	(1899227)
TOTAL RUPEES	(73002039)	(68448272)

NOTE - 3 - LONG-TERM BORROWINGS

Particulars	31-3-2017	31-3-2016
A <u>Term Loans</u>		
<u>Secured</u>		
From Banks	52029853	52029853
(A)	52029853	52029853
B <u>Other Loans and Advances</u>		
<u>Unsecured</u>		
From Body Corporates	3999249	3999249
(B)	3999249	3999249
TOTAL RUPEES (A+B)	56029102	56029102

NOTE - 4 - SHORT-TERM BORROWINGS

Particulars	31-3-2017	31-3-2016
<u>Secured</u>		
<u>Working Capital Loans repayable on demand</u>		
From Banks	74974151	74974151
TOTAL RUPEES	74974151	74974151

NOTE - 5 - TRADE PAYABLES

Particulars	31-3-2017	31-3-2016
Creditors for Stores and Spares	40721	79441
TOTAL RUPEES	40721	79441

NOTE - 6 - OTHER CURRENT LIABILITIES

Particulars	31-3-2017	31-3-2016
Creditors for Contracts	3937242	4310429
Creditors for Expenses	2208771	893392
Creditors for Others	1006929	1082516
Other Payables	606033	22728
Security Deposit from Staff	114794	114794
Book Overdrafts from Banks	1450677	615002
TOTAL RUPEES	9324446	7038861

NOTE - 7 - SHORT-TERM PROVISIONS

Particulars	31-3-2017	31-3-2016
For Taxation	-	-
For Employees' Benefit	4787876	4172861
For Others	3155331	1130164
TOTAL RUPEES	7943207	5303025

NOTE - 9 - DEFERRED TAX ASSETS

Particulars	31-3-2017	31-3-2016
Balance as per last year	1829302	-
Add: Created during the year	1906751	1829302
TOTAL RUPEES	3736053	1829302

NOTE - 8 - FIXED ASSETS

S NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		Balance as at 01/04/2016	Additions	Disposals	Balance as at 31/03/2017	For the year	Disposals	Balance as at 31/03/2017	As at 31/03/2017	As at 31/03/2016
	<u>Tangible Assets</u>									
1	Land & Site Development	1147676	-	-	1147676	-	-	-	1147676	1147676
2	Factory Building	34500174	1076840	-	35577014	1208618	-	21425399	14151615	14283393
3	Plant and Machineries	86564476	26000	-	86590476	5037030	-	80799621	5790855	10801885
4	Office Equipments	1302508	25000	-	1327508	139967	-	876691	450817	565783
5	Furniture and Fixtures	1375468	4160	-	1379628	9967	-	1369255	10373	16180
6	Computers	409618	15200	-	424818	89742	-	412097	12721	87264
	TOTAL RUPEES	125299920	1147200	-	126447120	6485323	-	104883063	21564057	26902180
	PREVIOUS YEAR	125189136	110784	-	125299920	6467309	-	98397740	26902180	33258705

NOTE - 10 - LONG-TERM LOANS AND ADVANCES

Particulars	31-3-2017	31-3-2016
Security Deposits [Unsecured, considered good]	2860891	1918991
<u>TOTAL RUPEES</u>	2860891	1918991

NOTE - 11 - INVENTORIES

Particulars	31-3-2017	31-3-2016
Work-In-Progress	636841	636841
Finished Goods	1870896	1870896
Stores and Spares	5105029	3815367
<u>TOTAL RUPEES</u>	7612766	6323103
[For basis of valuation, refer Note-23]		

NOTE - 12 - TRADE RECEIVABLES

Particulars	31-3-2017	31-3-2016
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment [Unsecured, considered good]	-	-
Trade Receivables outstanding for a period of six months or less from the date they are due for payment [Unsecured, considered good]	67411584	58379074
<u>TOTAL RUPEES</u>	67411584	58379074

NOTE - 13 - CASH AND BANK BALANCES

Particulars	31-3-2017	31-3-2016
A <u>Cash and Cash Equivalents</u>		
Balances with Banks	95338	86766
Cash on Hand	223124	989294
(A)	318462	1076060
B <u>Other Bank Balances</u>		
Fixed Deposit Accounts with more than 12 months maturity	263552	263552
(B)	263552	263552
<u>TOTAL RUPEES</u> (A+B)	582014	1339612

NOTE - 14 - SHORT-TERM LOANS AND ADVANCES

Particulars	31-3-2017	31-3-2016
Loans and Advances to Related Parties	4538051	4915051
Advance to Suppliers	2675975	2675975
Advance to Others	2642168	10845326
<u>TOTAL RUPEES</u>	9856194	18436352

NOTE - 15 - OTHER CURRENT ASSETS

Particulars	31-3-2017	31-3-2016
Duties & Taxes	3222180	3074138
Interest Receivable	846078	846078
Share Allotment Money Receivable	1106500	1106500
Income-Tax Refund Receivable	7268479	5790720
TDS Credit Entitlement	1690293	1477759
TOTAL RUPEES	14133530	12295194

NOTE - 16 - REVENUE FROM OPERATIONS

Particulars	31-3-2017	31-3-2016
<u>Sale of Services</u>		
Job Work Receipts	83765016	73268480
TOTAL RUPEES	83765016	73268480

NOTE - 17 - OTHER INCOME

Particulars	31-3-2016	31-3-2015
Interest Income	149905	123902
Rebate & Discount	-	155941
Sundry Balances Written-off	125173	775
Miscellaneous	-	33472
TOTAL RUPEES	275078	314090

NOTE - 18 - MANUFACTURING AND OPERATING COSTS

Particulars	31-3-2017	31-3-2016
Power and Fuel Expenses	16565088	13936424
Job Work Charges	2980168	3952462
Labour Charges	17880833	16863181
Stores and Spares Consumed	1639648	1449754
Machineries Repairs & Maintenance	156073	188076
Other Manufacturing and Operating Expenses	8754724	5559447
TOTAL RUPEES	47976534	41949344

NOTE - 19 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

Particulars	31-3-2017	31-3-2016
A. <u>Inventories at the end of the year</u>		
Finished Goods	1870896	1870896
Work-In-Progress	636841	636841
(A)	2507737	2507737
B. <u>Inventories at the beginning of the year</u>		
Finished Goods	1870896	1870896
Work-In-Progress	636841	636841
(B)	2507737	2507737
CHANGES IN INVENTORIES (A-B)	-	-

NOTE - 20 - EMPLOYEE BENEFITS EXPENSES

Particulars	31-3-2017	31-3-2016
Directors' Remuneration	336000	180000
Directors Sitting Fees	10000	-
Salaries, Wages, Bonus etc.	26777604	21134050
Contribution towards Provident Fund & ESIC	1549963	1033309
Staff Welfare Expenses	225432	504891
TOTAL RUPEES	28898999	22852250

NOTE - 21 - OTHER EXPENSES

Particulars	31-3-2017	31-3-2016
Rent	600000	600000
Stationery & Printing	374984	274267
Postage & Courier Expenses	1418	7117
Telephone Expenses	40254	78687
Conveyance Expenses	101812	107180
Travelling Expenses	63489	85282
Vehicle Hire Charges	1319029	1217906
Auditors' Remuneration	25000	25000
Legal & Professional Charges	502267	512616
License Fees	48269	31418
ROC Filing Fees	48500	11960
Consultancy Fees	53500	35000
Membership & Subscription Fees	10100	26736
Staff Recruitment Expenses	-	30736
Listing Fees	203564	205000
Pooja, Parva & Festival Expenses	138859	18858
Computer Running & Maintenance	70139	79629
Repairs & Maintenance		
- Building	211809	1325931
- Vehicles	77486	70541
- Others	227401	221257
Security Expenses	532632	-
Property-Tax	32973	32973
Donation	5100	5100
Bank Charges	36426	52441
Advertisement & Publicity	58490	-
Business Promotion Expenses	53756	14767
Incentive Expenses	1157474	166780
Packing Material Expenses	122535	430390
Freight & Cartage	-	80351
Interest on belated Payment of TDS	27880	-
Interest on Service Tax	214184	-
Service Tax on Surrender of Tenancy Rights	440014	-
Service-Tax (Swachh Bharat Cess)	-	1659
Rebate & Discount	19850	-
Office Expenses	65796	92243
Miscellaneous Expenses	-	2265
TOTAL RUPEES	6884990	5844090

NOTE - 22 - SIGNIFICANT ACCOUNTING POLICIES & PRACTICES & OTHER NOTES**PART - A - SIGNIFICANT ACCOUNTING POLICIES & PRACTICES****1 Accounting Convention**

- 1.1 The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013, as applicable.
- 1.2 The financial statements have been prepared on the basis of historical cost convention, and on the accounting principle of a going concern.
- 1.3 The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

2 Use of estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles [GAAP], requires management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such difference are dealt with in the period in which the results are known / materialize.

3 Fixed Assets

- 3.1 Fixed Assets are stated at cost, less accumulated depreciation and impairment, if any. Direct cost are capitalized until such assets are ready for use.
- 3.2 Tangible Fixed Assets, that are not yet ready for their intended use, are carried at costs, comprising direct cost, and other incidental/ attributable expenses and reflected under capital work in progress.
- 3.3 Intangible Assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

4 Investments

Investments are either classified as current or long term, based on Management's intention. Current investment are carried at lower of cost and fair value of each investment individually. Long term investments are carried individually at cost. However, provision for diminution is made to recognize a decline, if any, other than temporary, in the carrying value of the investment.

5 Inventories

Cost of inventory comprises all cost of purchase, cost of conversion and other cost incurred for bringing the inventory to their present condition and location.

Inventories are valued as under:

- i. Raw Material, Stores and Spares are valued at cost or net realisable value whichever is lower.
- ii. Work-In-Progress are valued at average raw material cost plus average cost of processing for various operations performed up to estimated stage of process.
- iii. Finished goods are valued at cost or net realisable value whichever is lower.

6 Accounting for taxes on income

- 6.1 Provision for Income-Tax is made on the basis of the estimated taxable income for the accounting year in accordance with the Income-Tax Act, 1961.
- 6.2 The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a virtual certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

7 Depreciation

Depreciation on fixed assets is provided on the straight line value method in the manner prescribed under Schedule II to the Companies Act, 2013.

8 Retirement Benefits

Contributions to defined contribution schemes such as Provident Fund, ESIC etc. are charged to the Statement of Profit and Loss as incurred. However, for payment of Gratuity and Leave Encashment no provision has been made by the company and the same are accounted for on actual payments basis only.

9 Revenue Recognition

Revenue are recognised, on accrual basis. Job Work Receipts is recognised on completion of job and invoicing thereof.

10 Provisions and Contingent Liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

11 Impairment of Assets

An asset is treated impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

12 Cash Flow Statement

Cash flow statement are reported using the indirect method, whereby profit / (loss) before extra-ordinary items / exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Company are segregated based on available information.

13 Earnings per share

Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

PART - B - OTHER NOTES

1 Figures for the previous year has been regrouped and/or rearranged wherever considered necessary.

2 In the opinion of the Board, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amounts at which they are stated in the Balance-Sheet and that the provision for known liability is adequate and not in excess of amount reasonably necessary.

3 Contingent Liabilities and Commitments

[Rs. In Lakhs]

	31-3-2017	31-3-2016
A. <u>Contingent Liabilities</u>		
i) Claims against the Company, not acknowledged as debts	-	-
ii) Guarantees	-	-
iii) <u>Other money for which the Company is contingently liable against pending litigations</u>		
Entry-Tax Demand and Penalty for various years	47.65	47.65
Income-Tax Penalties	97.56	97.56
B. <u>Commitments</u>		
i) Estimated amount of Contracts remaining to be executed on capital account and not provided for	-	-
ii) Uncalled liability on shares and other investments partly paid	-	-
iii) Other Commitments	-	-

4 There were no dues to Small Scale Industrial undertakings to whom the Company owes a sum exceeding Rs.1.00 Lac which is outstanding for more than 30 days.

5 The Company has not made repayment of dues to bank due to dispute and litigation pending before Debt Recovery Tribunal

6 Taxation

A. <u>Current Tax</u>		
Current Tax Liability of the Company is estimated in accordance with the provisions of the Income-Tax Act, 1961.		
B. <u>Deferred Tax</u>		
Deferred Tax Liabilities Net of the Deferred Tax Assets, for the year under review has been computed as under :		
<u>Net Timing Difference</u>		
W.D.V. as per Books of Account [Other than Land & Site Development]		20416381
Less : W.D.V. as per Income-Tax Return		9762741
<u>Excess of Depreciation provided in the Income Tax Return over Depreciation provided in the Books of Account</u>		10653640
Carry Forward Losses		22744429
Rate applicable for the year		30.90%
i) <u>Deferred Tax Liability on Account of</u>		
Depreciation		3291975
Others		-
	(I)	3291975
ii) <u>Deferred Tax Assets on Account of</u>		
Depreciation		-
Others		7028028
	(ii)	7028028
Deferred Tax Assets at the year end	(ii-i)	3736053
Deferred Tax Assets for earlier years		1829302
Deferred Tax Assets created for the current year		1906751

7 Related Party Disclosures
A. List of related parties

i) Parties where control exists	Nil
ii) Subsidiaries	Nil
iii) Associates Companies	Nil
iv) Related Parties	1) Shri Gaurav Tekriwal 2) Smt. Suchita Tekriwal 3) Smt. Garima Tekriwal
v) Directors	1) Shri R.K. Tekriwal 2) Shri Vishwanath Kanungo 3) Shri Anil Waman Jog 4) Smt. Meera Tekriwal 5) Shri Balwan Pavar

B. Transaction with related parties

	31-3-2017	31-3-2016
i) Sales services and other income	83765016	73268480
ii) Purchases of raw materials and components	Nil	Nil
iii) <u>Expenditure on other services</u>		
a) <u>Paid to Directors</u>		
i) Sitting Fees	10000	-
b) Paid to Relatives	Nil	Nil
iv) Directors' Salary	636000	330000

	31-3-2017	31-3-2016
v) <u>Loan Transactions with Related Parties</u>		
a) <u>Loans and Advances Taken</u>		
Opening Balance	-	-
Taken during the year	-	-
Repaid during the year	-	-
Closing Balance	-	-
b) <u>Loans and Advances Given</u>		
Opening Balance	4915051	4637066
Given during the year	434000	607985
Received during the year	811000	330000
Closing Balance	4538051	4915051

8 Additional information pursuant to the Part II of Schedule III to the Companies Act, 2013.

	31-3-2017	31-3-2016
A <u>Directors' Remuneration</u>		
i) Salaries	636000	330000
ii) Allowances	-	-
TOTAL	636000	330000
B <u>Auditors' Remuneration</u>		
i) Audit Fees	20000	20000
ii) Tax Audit Fees	5000	5000
iii) Other Services	-	-
TOTAL	25000	25000

	31-3-2017	31-3-2016
C <u>Foreign Currency Transactions</u>		
i) <u>Value of Imports calculated on CIF Basis</u>		
Raw Material	-	-
Components and spare parts	-	-
Capital Goods	-	-
ii) Expenditure in Foreign Currency	-	-
iii) <u>Earning in Foreign Currency</u>		
Export of goods on calculated on FOB Basis	-	-
Royalty, Know how, professional & consultation fees	-	-
Interest and Dividend	-	-
Other Income	-	-

9 Disclosure of Specified Bank Notes

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31st, 2017. The details of SBNs held and transacted during the period from November 8th, 2016 to December 30th, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08-11-2016	10,000	262,342	272,342
(+) Permitted Receipts	-	38,500	38,500
(-) Permitted Payments	-	(219,154)	(219,154)
(+) Amount Withdrawn from Banks	-	354,445	354,445
(-) Amount Deposited in Banks	(10,000)	-	(10,000)
Closing Cash in Hand as on 30-12-2016	-	436,133	436,133

AS PER OUR REPORT OF THE EVEN DATE
M/S. ARIF JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

SD/-

(AMMAR ARIF)

PARTNER

M.NO. 421064

PLACE : INDORE

DATED : MAY 30TH, 2017

SD/-

:MANAGING DIRECTOR:

SD/-

:DIRECTOR:

ATTENDANCE SLIP
..... ANNUAL GENERAL MEETING ON

R.F. No. _____

Mr./Mrs./Miss _____

(Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the company.

I/We hereby record my/our presence at the 20 Annual General meeting of the company at Friday, the 29th September 2017, at 3.00 p.m. at its Registered Office at 115, Sector – III, Industrial Area, Pithampur, Dist-Dhar(MP).

(If signed by proxy, his/her name should be written in block letters)

(Shareholders/proxy's Signature)

Note:

1. Shareholders / proxy holders are requested to bring the attendance Slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

PROXY FORM
FORM MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name : PITHAMPUR POLY PRODUCTS LIMITED
CIN : L25202MP1994PLC008513
Regd. Office : 115, Sector – III, Industrial Area, Pithampur, Dist. Dhar (MP)

Name of the member(s) :
Registered address :
E-mail Id :
Folio No/ Client Id :
DPID :

I/We, being the member(s) of.....shares of the above named company, hereby appoint

1.Name :..... E-mail Id :
Address :..... Signature :.....,
or failing him

2.Name :..... E-mail Id :
Address :..... Signature :.....,
or failing him

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 20th Annual general meeting of the company, to be held on Friday, the 29th September 2017, at 3.00 p.m. at its Registered Office at 115, Sector – III, Industrial Area, Pithampur, Dist-Dhar (MP) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions

1. Consider and adopt Audited Statement of accounts, Reports of the Board of Directors and Auditor.
2. Re-appointment of Mr. Balvan Pawar
3. Ratification of Auditor
4. Re-appointment of Shri R.K. Tekriwal as Managing Director of the Company

Signed this..... day of.....2017
Signature of shareholder

Affix Rs. One
Revenue
Stamp here

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.Meeting.

BOOK POST



PITHAMPUR POLY PRODUCTS LIMITED

CIN : L25202MP1994PLC008513

Regd. Office : 115, Sector - III, Industrial Area, Pithampur, Dist. Dhar (M.P.)