

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

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

2. BOARD OF DIRECTORS COMPOSITION AND CATEGORY

The Board of Directors of the Company consists of persons with considerable expertise and experience in the manufacturing industry, finance & management. The Board of Directors of the Company consists of five Directors including the Executive Chairman. Out of 5, 4

directors are non-executive independent directors. The Company does not have any pecuniary relation or transaction with Non-Executive Independent Directors during the year under review.

BOARD PROCEDURE

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

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

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

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

During the year 6 Board Meetings were held on 30th April 2008, 31st July, 2008, 04th Sept.,2008, 30st Oct.,2008, 31st Jan, 2009 and 17th March,2009. The Board was present with the relevant and necessary information. None of the Director is a member of more than 10 committees or acting as Chairman of more than 5 committees across all companies in which he is a director. The attendance at the Board Meeting during the year and at the last Annual General Meeting was as follows:

SR.NO	NAME OF DIRECTORS	NO. OF BOARD MEETING ATTENDED	ATTENDENCE AT THE LAST AGM HELD ON 29-09-2008
1	MR. R.K.TEKRIWAL	6	YES
2	MR. SHARAD DUBEY	6	YES
3	MR VISHWANATH KANUNGO	6	YES
4	MR. PRAVAT K.CHAKRAVORTY **	-	NO
5	MR. MANSHARAM BIRLA **	-	NO

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

3.AUDIT COMMITTEE

The Board constituted an Audit Committee consisting of 3 Directors. All members of Audit Committee are financially literate and 2 Directors out of 3 has financial management expertise as required for member of Audit Committee as stipulated in Clause 49 of the Listing Agreement. The Details of Audit Committee meetings held during the year April 2008 to March 2009 and the attendance of the Audit Committee Members are as under:

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

Terms of Reference:-

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

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

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

4. REMUNERATION COMMITTEE

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

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

5. SHARE HOLDER'S GRIEVANCE AND SHARE TRANSFER COMMITTEE

Composition:-

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

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

Terms of reference:-

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

Compliance Officers :-

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

Summary of Investors' Complaints:-

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

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As on date, there are no complaints pending.

Annual General Meeting :-

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

YEAR	DATE	TIME	VENUE
2005 - 06	30-09-2006	11.00 A.M.	REGD. OFFICE – 115, Sector – III, Ind. Area, Pithampur, Dist- Dhar(MP)
2006 - 07	29-9-2007	11.00 A.M.	AS ABOVE
2007 - 08	30-09-2008	11.00 A.M.	AS ABOVE

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

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

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

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

8. MEANS OF COMMUNICATION:

- (i) The periodical unaudited / audited financial results are published in Prabhatkiran or Agniban (Hindi) and M. P. Chronical & Free Press Journal (English) as required under the Listing Agreement. All financial and other vital information is promptly communicated to the stock exchanges on which company's shares are listed.
- (ii) The Management Discussion and Analysis report prepared by the management and forming part of the Annual Report is separately attached.

9. GENERAL INFORMATION FOR SHAREHOLDERS:

(a) Regd. Office:-

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

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

30th Sept, 2009 at 11.00 AM at the Regd. Office- 115, Sector-III, Ind. Area, Pithampur, Dist-Dhar(MP) .

(c) Financial Reporting for the quarter ending:

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

(d) Date of Book Closure :

27.09.2009 to 30.09.2009 (both days inclusive)

(e) Listing Details :

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

(f) ISIN for Dematerialization of equity shares :

INE747D01012

(g) Market price data:

During the year from 1-04-2008 to 31-03-2009 the equity shares have not been traded at all because the scrip of the company is suspended by BSE for want of compliances hence no market price of the fin.yr. 2008-2009 is available.

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

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DECEMBER		
JANUARY		
FEBRUARY		
MARCH		

(h) Registrar And Transfer Agent:

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

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

(i) Share Transfer System:

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

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

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

(j) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2009

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

(k) CATEGORIES OF SHARE HOLDING AS ON 31ST MARCH, 2009.

NO. OF EQUITY SHARE HELD	NO. OF SHARE	% OF SHARES
PROMOTERS	2493500	51.16
CORPORATE	250400	5.14
FIN. INSTL.	NIL	NIL
FIIS.	NIL	NIL
NRIs/ OCBs	638300	13.10
BANKS	NIL	NIL
MUTUAL FUNDS	NIL	NIL
INDIVIDUALS	1491800	30.61
TOTAL	4874000	100.00

(l) DEMATERIALISATION OF SHARES AND LIQUIDITY :

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

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

(m) PLANT LOCATION:

The company is 100% Export Oriented Unit with ISO : 9001-2000 Certification and having manufacturing and processing plant situated at Plot no. 115, Sector-III, Industrial Area, Pithampur, Dist- DHAR(MP) where HDPE/PP WOVEN SACKS AND ALLIED PRODUCTS are manufactured.

(n) INVESTOR CORRESPONDENCE :

For any queries, investors are requested to get in touch with the Company's RTA - M/s. ANKIT CONSULTANCY PVT.LTD., INDORE.

INVESTOR GRIEVANCE REDRESSAL SYSTEM

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

DISPOSAL OF INVESTOR GRIEVANCES

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

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

CERTIFICATION WITH RESPECT TO FINANCIAL STATEMENT

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

WHISTLE BLOWER POLICY

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

No personnel have been denied access to the Audit Committee. As of March 31, 2009, no Protected Disclosures have been received under this policy.

CODE OF CONDUCT

The Company's Board of Directors has adopted the code of conducts which govern the conduct of all directors /employees. All Directors and senior management personnel have affirmed compliance with respective codes for the year ended on 31st March 2009.

IMPLEMENTATION OF NON-MANDATORY CORPORATE GOVERNANCE REQUIREMENTS

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

(a) Industry structure and developments

Indian poly industries market size is estimated at RS. 51 billion. The industry experienced a significant growth of 27.31% during the year 2008-2009. The Company continued its growth alongwith the lines of industry and has maintained its market position.

(b) Strength

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

(c) Comment on Current year's performance

During the financial year 2008-09, the company has posted a satisfactorily performance. All expenses are under control. The Operating profits are upto the industry mark.

(d) Opportunities and threats

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

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

(e) Segment wise performance

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

(f) Outlook

The Company is making all efforts to accelerate growth of its business. It expects to improve its position in the market by focusing on technologically advanced and more profitable products/market segments and working aggressively in the areas of productivity, efficiency and cost-

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reductions. The company will focus on making long term strategic policy in existing as well as in new venture.

(g) Risk and concerns

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

(h) Internal control system

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

(j) Cautionary Statement

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

DECLARATION

As provided under clause 49 of the listing agreement with the stock exchanges, it is hereby declared that all the board members and senior managerial personnel of the Company have affirmed the compliance of code of conduct for the year ended 31st March, 2009.

Place : PITHAMPUR
Date : 04-09-2009

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

PRACTISING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

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

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the fin. year ended on 31st March 2009.

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

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

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

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

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

PLACE : INDORE
DATE : 04-09-2009

For RAMESH CHANDRA BAGDI & ASSOCIATES
COMPANY SECRETARIES
SD/-

RAMESH CHANDRA BAGDI
PROPRIETOR
Membership NO. :11800

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

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

- a) I have reviewed the financial statements and the cash flow statement of the Company for the year 2008-09 and to the best of my and to the best of my knowledge, information and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs are in compliance with existing accounting standards, applicable Laws and regulations.
- b) To the best of my knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative or the company's Code of Conduct.
- c) The company's other certifying officers and I, are responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation such internal controls, if any, of which I am aware and steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee that :
 - i) there are no significant changes in internal control over financial reporting during the year;
 - ii) there are no significant changes in accounting policies during the year,
 - iii) there are no instances of fraud during the year.

Place : PITHAMPUR
Dated : 04-09-2009

Sd/-
R.K.TEKRIWAL
Managing Director