

M.P. POLYPROPYLENE LIMITED

ANNUAL REPORT 2009-10

DIRECTORS' REPORT*Dear Stakeholders,*

Your Directors present the Annual Report and Audited Accounts for the period from 01st day of April 2009 to 31st March 2010. Your company was incorporated as a Limited Company on 25th day of May 1978.

Your Company has not done any business activity during the previous year and has incurred a net loss of Rs. 14,33,163/- as against the previous year loss of Rs.9,98,258/-.

FINANCIAL PERFORMANCE

Particulars	As on 31.03.2010	As on 31.03.2009
Gross Receipts	0.00	1,010,626
Expenditure	14,33,163.00	2,008,884
Net Profit/Loss before Tax	(14,33,163.00)	(998,258)
Provision for Mat/ Deff Tax/ FBT	0	0
Profit/(loss) after tax	(14,33,163.00)	(998,258)

CAPITAL

The Authorized Capital of your company is Rs. 10 Crores and the Paid up share capital is Rs. 4,35,98,000 as on 31st March 2010.

OPERATIONS

Your directors regrets to inform you that your company has shown a Net Loss of Rs. 14,33,163/- for the year under review. And hence, your Directors are unable to recommend any dividend for the year ended 31st March 2010.

MANAGEMENT

During the year, there is no change in Management of your company.

DIRECTORS

In accordance with the Companies Act, 1956, Mr. Noor Mohammad Khan, who is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. A motion for the re-appointment of Mr. Noor Mohammad Khan, as Director of the Company will be placed before the Members in the ensuing AGM

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 217 (2AA) of the Companies Act, 1956, your directors confirm:

- (i) that in preparation of the Annual Accounts, the applicable accounting standards had been followed;
- (ii) that the applicable accounting policies have been consistently followed and that they had 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 of the Company for that period.
- (iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That they had prepared the annual accounts on a going concern basis.

Your Company has no activity relating to conservation of energy or technology absorption. Your Company did not have any foreign exchange earnings or outgo during the year.

PERSONNEL

None of the employees of the Company is in receipt of remuneration in excess of limits prescribed under Section 217 (2A) of the Companies Act, 1956.

DEPOSITS

Your Company has not accepted any public deposit during the period under review.

MANAGEMENT DISCUSSION & ANALYSIS & CORPORATE GOVERNANCE REPORT

Management Discussion & Analysis and Corporate Governance report forms part of the Directors' Report

AUDITORS

M/s. Jain Chatterjee & Associates, Chartered Accountants, Bhopal were appointed as auditors of the company for the financial year 2009-2010 and their term of office expires at the ensuing Annual General Meeting. They being eligible offer themselves for re-appointment.

The Auditors have in the auditor's report on the accounts for the period ended on 31st March 2010 have given comments in sub point No. (f) to (h) of Point No. (4) and have reported some non-conformities with the Accounting Standards/ Principles generally accepted in India otherwise the Auditors Report is self explanatory and therefore it does not require any further explanation/clarification.

ACKNOWLEDGEMENTS

Yours Directors place on record their sincere appreciation for the assistance and support received to the Company from the Shareholders, Banks, Consultants, Auditors and clients of the Company. Your directors express their appreciation for dedicated and sincere services rendered by the employees of the Company.

For and on behalf of the board

For M.P. POLYPROPLENE LIMITED

PLACE: DIST: RAISEN

DATE: August 12, 2010

CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS**A. OUTLOOK**

The global economy in 2010 is showing signs of gradual recovery from the recession triggered by the bursting of the financial bubble in 2008. Slow recovery began in late 2009 and carried into 2010. A wide range of policy interventions have supported demand and reduced uncertainty and systematic risk in financial markets. Nevertheless, international metal, oil and food prices continue to be at below their pre-crisis levels with a resetting of demand at lower levels. The recovery therefore is still tentative and will rely on sustained and co-ordinated efforts by governments and institutions in their near future. The overall recovery will depend on the extent to which household and business sector demand strengthens over the next few quarters.

B. RISKS & CONCERNS

The risk identification and assessment process is dynamic and hence the Company has been able to identify, monitor and mitigate the most relevant strategic and operational risks both during the period of accelerated growth as well as through the recessionary phase of the economy we recently witnessed.

C. INTERNAL CONTROL SYSTEMS

Your company has instituted adequate control systems commensurate with its size and scale of operation, The Audit Committee periodically reviews such systems with the help of internal and Statutory Auditors and reports to the Board on its inadequacy.

D. FINANCIAL CONTROLS

The demand for Company's products during the year was subdued in the first half as a result of the continuing effect of the global financial meltdown. However with the economy recovery clearly visible in the second half of the year, the demand of the Company's products has also witnessed positive growth.

E. HUMAN RESOURCES

Human capital continues to be a vital resource for the Company. The Company has a continuous process to monitor individual performance. The Company continued to have cordial and harmonious relations with its employees.

F. CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations or projections may be forward looking statement within the meaning of applicable securities, law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include global and Indian demand supply conditions, finalized goods prices, changes in Government regulations tax regimes, economic development within India

REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, employees, the Government and Tenders.

Recognising the respective roles and responsibilities of Board and Management

The Board is professional in character and constantly strive to steer the company towards higher achievement within the framework of accountability and social responsibility. Driven by values, it endeavours to effectively align the interest of shareholders and the society. The Directors are eminent personalities in their own right drawn from different walks of life. To establish an effective mechanism for overseeing the affairs, keeping in view the company's size complexity, operations and corporate tradition and culture, the company's framework is designed to:

- i) enable the Board to provide strategic guidance for the company and effective overseeing of the management.
- ii) define the respective roles and responsibilities of senior executives and officers to ensure accountability.

2. BOARD OF DIRECTORS

Name	Category	No. of Meetings held during the Financial Year	No. of Board Meetings attended during the FY	Whether attended at last AGM	No. of Directorship in other Public Ltd Companies	No. of Committee Positions held in other Public Limited Companies
						Chairman / Member
Prem Sagar Gupta	Chairman and Managing Director	05	05	Yes	2	2
Dinesh Kumar Chouhan	Non Executive Independent Director	05	05	Yes	2	2
Noor Mohammad Khan	Non Executive Independent Director	05	05	Yes	2	2

During the accounting year 5 board meetings were held. The Annual General Meeting of the company was held on 30th September 2009.

3. AUDIT COMMITTEE

An Audit Committee of the Company in terms of section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000 and as per requirement of clause 49 of the Listing Agreement, was duly constituted and comprises of three Directors viz Mr. Prem Sagar Gupta, Mr. Dinesh Kumar Chouhan and Mr. Noor Mohammad Khan. Mr. Dinesh Kumar Chouhan is the chairman of the Committee. The terms of reference of the Audit Committee are contained in Section 292A of the Companies Act, 1956 and also as contained in the Corporate Governance Clause of the listing Agreement

The Audit Committee met 5 times during the financial Year.

ATTENDANCE OF THE AUDIT COMMITTEE MEETING:

Name of the Director	Number of Meeting Held	Number of Meeting Attended
Mr. Dinesh Kumar Chouhan	4	4
Mr. Prem Sagar Gupta	4	4
Mr. Noor Mohammad Khan	4	4

Necessary quorum was present at the meeting. Representative of Statutory Auditors were invited to the Meeting, as and when required.

4. SHARE HOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Company has an independent Shareholders' Grievance Committee to look into the redressal of Investors' complaints like transfer of shares, non-receipt of balance sheet etc., besides complaints from SEBI, Stock Exchange etc.

The committee comprises of:

Name of the Director	Number of Meeting Held	Number of Meeting Attended
Mr. Prem Sagar Gupta	2	2
Mr. Noor Mohammad Khan	2	2
Mr. Dinesh Kumar Chouhan	2	2

Mr. Prem Sagar Gupta acts as the compliance officer.

The committee met two times during the financial year. The committee is prompt in attending to requests received for transfer, split, consolidation as well as issue of duplicate certificates well within the stipulated time. No complaints were received during the year.

6. GENERAL BODY MEETINGS

Details of last 3 Annual General Meetings are as under:

Year	Date	Location
2006-2007	30 th June 2007	Registered Office
2007-2008	29 th September 2008	Registered Office
2008-2009	30 th September 2009	Registered Office

7. DISCLOSURES**RELATED PARTY TRANSACTION**

Related party transactions are defined as transactions of the Company of a material nature with its Promoters, Directors or the Management, their subsidiary or relatives, etc. that may have potential conflict with the interest of the Company at large.

Among the related party transactions are, contracts or arrangement made by the Company from time to time with the Companies in which Directors are interested. All those contracts or arrangements are entered in the Register of Contracts under section 301 of the Companies Act, 1956 and the Register is placed before every Board Meeting.

All transaction covered under the Related Party Transactions are regularly ratified and/or approved by the Board.

There has been no transaction of the Company with its promoters, their subsidiary or the management that may have potential conflict with the interest of the Company at large.

STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:

The Company has not complied with the regulations pertaining to Listing Agreement. The trading in Equity shares of the Company is currently suspended in the stock exchanges.

The company is in default of payment of listing Fee and being a sick company has been referred to BIFR.

8. MEANS OF COMMUNICATION

The quarterly results are available on BSE website

Management discussions and analysis form part of the Annual report.

9. GENERAL SHAREHOLDER INFORMATION

Compliance Officer	Mr. Prem Sagar Gupta
Date and Day	07 th September, 2010, Tuesday
Venue	Registered office
Financial Calendar	April – March
Date of Book Closure	02nd September, 2010 to 07 th September, 2010 (both days incl.)
Listing of Stock Exchanges	1. Bombay Stock Exchange Limited 2. Delhi Stock Exchange Limited 3. M.P Stock Exchange Limited
Dividend	No dividend is declared
Stock Code	BSE : 506822

Dematerialisation Information

Company does not have demat connectivity with any of the depositories. Hence entire equity of the Company is held in physical form.

Market Data

The trading in Equity shares of the company is suspended in the stock exchange. Hence no market Data is available.

Share Transfer System

Shareholders/Investors are requested to send share transfer related documents directly to the registered office of the company which has its own share transfer department. If the documents are in order it generally takes 21 days on receipt of documents to process the same

CATEGORY OF SHAREHOLDERS AS ON 31.03.2010.

Category	No. of Shares Held	Percentage of shareholding
A. PROMOTER'S HOLDING	2595590	59.53
B. NON PROMOTER'S HOLDING		
INSTITUTIONAL INVESTORS		
Bank, Financial Institutions, Insurance Companies	188985	4.34
NON INSTITUTIONAL INVESTORS		
BODIES CORPORATE	16806	0.39
INDIVIDUALS	1555669	35.68
OTHERS	2750	0.06
Grand Total	4359800	100

Investor Correspondence:

The Investors can send all correspondence to the Registered office of the Company.

10. CODE OF CONDUCT

All the members of the Board and senior management personnel have affirmed compliance with the Company's Code of Conduct.

DECLARATION BY THE DIRECTOR

It is hereby declared that all the Board Members and Senior Management Personnel have affirmed compliance of code of conduct, pursuant to Corporate Governance, for the year ended 31st March 2010.

For and on behalf of the Board of Directors of
M.P Polypropylene Limited

Director

PLACE: Dist: Raisen
DATE: August 12, 2010

Chief Executive Officer (CEO) Certification
(Issued in accordance with provisions of Clause 49 of the Listing Agreement)

To
The Board of Directors of
M.P. POLYPROPYLENE LIMITED

Dear Sir,

I have reviewed the financial statements of M.P.POLYPROPYLENE LTD. for the year ended March 31, 2010 and that to the best of my knowledge and belief, I state that;

- a. i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- ii. These statements present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of 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 of such internal controls, if any, which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee
 - i. That 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 and that the same have been disclosed in the notes to the financial statements; and
 - iii. There are no instances of fraud during the year.

For and on behalf of the Board of Directors of
M.P. POLYPROPYLENE LIMITED

Place: **Dist: Raisen**
Date: **August 12, 2010**

Managing Director

Auditors' Certificate on Corporate Governance

To the Members of M.P Polypropylene Limited,

We have examined the compliance of conditions of Corporate Governance by M.P Polypropylene Limited ('the Company'), for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

For Jain Chatterjee and Associates
Chartered Accountants

Place : DIST: RAISEN
Dated : August 12, 2010

Satyajeet Chatterjee
Partner

AUDITOR'S REPORT**TO THE MEMBERS**

1. We have audited the attached Balance Sheet of M/s M.P.POLYPROPYLENE Ltd as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in Annexure referred above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit:
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books of the company.
 - (c) The Balance Sheet, and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (30) of section 211 of Companies Act,1956, to the extent applicable, except as reported in para (f) to (h) hereunder:
 - (e) On the basis of written representation received from the directors, as on 31-3- 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31.3.2010 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act,1956:
 - (f) *The company has not charged to the Profit and Loss A/c on account of Gratuity liability. This is not in compliance with AS-15 (Revised) "Accounting for retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India. In the absence of any actuarial valuation in respect of the above, the amount of unprovided liability towards these could not be quantified and ascertained reasonably.*
 - (g) *As indicated in Note No.3(b) of schedule 9, the management has not certified contingent liabilities as on close of the financial year. They were unable to provide any detail with regard to contingent liabilities towards claims against the company not acknowledged as debts, liability on account of forward exchange contracts, guarantees given on behalf of constituents (i) in India (ii) outside India, acceptance, endorsement and other obligations and other transactions for which the company is contingently liable.*

(h) *As indicated in Note No.10 of Schedule 9, the Company had defaulted in getting it relisted on the stock exchange inspite of its claim for having paid the listing fee to Bombay Stock Exchange. However, we were unable to verify the upto date payment and arrears of any payment if any, and to the extent of unpaid fee the loss is understated and liability is also understated. Company's share at present is not dealt for several years on any Stock Exchange.*

(i) Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

(i) in the case if the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

(ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date.

For Jain Chatterjee and Associates
Chartered Accountants

Date: August 12, 2010
Place: Dist: Raisen

Satyajeet Chatterjee
Partner

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date, to the members of M.P Polypropylene Limited on the financial statements for the year ended 31st March 2010.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) The Fixed Assets have been physically verified by the Management during the year and no serious discrepancies between the book records and the physical inventory have been noticed.

(c) The company has not disposed off any fixed assets during the year.
2. Since the company has shut down its operations from 31st July 2005, reporting requirements regarding stock of finished goods, spare parts and raw materials under paragraph 4(A) (iii),4(A) (iv),4(A) (v) and 4(A) (vi) are not attracted.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act;

(b)In the absence of any loan granted under section 301 of the Act the conditions of loans and interest are not applicable to company;

(c)In the absence of any loan granted under section 301 of the Act the question of repayment of principal amount and interest does not arise;

(d)No overdue principal or interest amount is due from any party over Rupees One Lakh, under the provisions of section 301 of the Companies Act 1956;

(e) The Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Act;

(f)Since the company has not taken any loan covered under section 301 of the Act, the provisions of clause 4(iii)(f) & (g) of the Companies (Auditor's Report)(Amendment) Order are not applicable to company;
4. The Company has closed down its operations from 31.07.05. There was no purchase of inventory or purchase of fixed assets or sale of goods during the relevant previous year.
5. (a) According to the information and explanation given to us we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956 have not been regularly so entered.

(b) In our opinion and according to the information and explanations given to us, no transactions were made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 lakhs in respect of any party during the year have been made at prices which are not reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from public.
7. So far as the activities of the company remain suspended w.e.f. 31.07.05, there does not exist an internal audit system.

8. The maintenance of cost accounts under section 209 (1) (d) of the Companies Act,1956 has not been prescribed by appropriate authorities.
9. (a)The Company is irregular in depositing with the appropriate authorities undisputed statutory dues including Income Tax , Sales Tax, Wealth tax, Custom Duty, Excise duty, Cess and other statutory dues applicable to it.

(b) According to the information and explanation given to us and the records of the company examined by us , there are no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess which have not been deposited on account of any dispute.
10. In our opinion and according to the information and explanation given to us, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit due to payment of expenses.
11. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues payable to financial institutions or banks. This status persists since previous years.
12. In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares debentures and other securities.
13. In our opinion, the company is not a chit fund, nidhi or mutual benefit fund/society, therefore the provision for clause 4(xiii) of the Companies Order 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report)(Amendment) Order, 2003 are not applicable to the Company .
15. The Company has not certified to us whether it has given guarantees for loans taken by others from bank or financial institutions, therefore we cannot comment on the conditions or form any opinion
16. In our opinion and according to the information and explanations given to us, no term loans were taken by the company during the financial year.
17. According to the information and explanations given to us and on the overall examination of Balance Sheet of the company, we report that no funds raised on short –term basis have been used for long term investments. No long term funds have been used to finance short term assets except permanent working capital.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
19. In our opinion and according to the information and explanations given to us, during the period covered by our audit report the company has not issued debentures.

20. In our opinion and according to the information and explanations given to us, the company during the financial year ended 31.3.2010 has not raised money by a public issue.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Jain Chatterjee and Associates

Chartered Accountants

Date: August 12, 2010

Place: Dist: Raisen

Satyajeet Chatterjee

Partner

M. P. POLYPROPYLENE LIMITED					
BALANCE SHEET AS AT 31ST MARCH, 2010					
					(AMOUNT IN RS)
PARTICULAR	SCHEDULE NO.		CURRENT YEAR		PREVIOUS YEAR
<u>SOURCES OF FUND</u>					
<u>SHARE HOLDER FUND</u>					
Share Capital	1	43,598,000		43,598,000	
Reserve & Surplus	2	67,859,534	111,457,534	68,093,938	111,691,938
<u>LOAN FUND</u>					
Secured Loan	3	342,191		342,191	
Unsecured Loan	4	139,338	481,529	139,338	481,529
TOTAL			111,939,063		112,173,467
<u>APPLICATION OF FUND</u>					
Fixed Assets					
Gross Block	5	274,574,106		274,574,106	
Less-Depreciation		239,829,876	34,744,230	238,695,406	35,878,700
Net Block					
<u>CURRENT ASSETS, LOANS & ADVANCES</u>					
Inventories	6	2,236,062		2,236,062	
Cash & Bank Balances		26,911		26,911	
Loans, Advances & Deposits		1,475,980		1,475,980	
		3,738,953		3,738,953	
LESS :	7				
Current Liabilities		73,817,369		73,284,272	
Provisions		816,956		816,956	
Deferred Tax Liabilities		7,909,431		7,909,431	
		82,543,756		82,010,659	
NET CURRENT ASSETS			(78,804,803)		(78,271,706)
Profit & Loss Account	8		155,999,636		154,566,473
TOTAL			111,939,063		112,173,467
Significant Accounting Policies & Notes to Accounts	10				
As per our annexed report of even date					
FOR JAIN CHATTERJEE & ASSOCIATES CHARTERED ACCOUNTANTS			For & on behalf of Board of Directors		
SATYAJEET CHATTERJEE PARTNER			Director	Director	
Place : Dist Raisen					
Date : August 12, 2010					

M. P. POLYPROPYLENE LIMITED			
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010			
(AMOUNT IN RS)			
PARTICULAR	SCHEDULE NO.	CURRENT YEAR	PREVIOUS YEAR
<u>INCOME</u>			
Adjusted on Sales Tax		0	1010626
		0	1010626
<u>EXPENDITURE</u>			
Administrative & Office expenses		533096	902329
		533096	902329
NET PROFIT / (LOSS) BEFORE TAX		-533096	108297
Depreciation	5	900067	1106555
NET PROFIT / (LOSS) AFTER TAX		-1433163	-998258
Significant Accounting Policies & Notes to Accounts	10		
As per our annexed report of even date			
FOR JAIN CHATTERJEE & ASSOCIATES		For & on behalf of Board of Directors	
CHARTERED ACCOUNTANTS			
SATYAJEET CHATTERJEE			
PARTNER		Director	Director
Place : Dist Raisen			
Date : August 12, 2010			

M. P. POLYPROPYLENE LIMITED

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2010

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE NO. 1		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL	99,000,000	99,000,000
9900000 (Previous year 10000000) Equity shares of Rs 10 each		
10000 Redeemable cumulative preference shares of Rs.100/- each	1,000,000	1,000,000
ISSUED SUBSCRIBED AND PAID UP		
4083800 (Previous year 4083800) Equity shares of Rs 10 Each	40,838,000	40,838,000
276000 (Previous year 276000) Equity shares of Rs 10 Each were allotted other than cash	2,760,000	2,760,000
	43,598,000	43,598,000
SCHEDULE NO. 2		
RESERVE & SURPLUS		
Capital Reserves		
Profit on forfeiture & reissue of shares	311,750	311,750
Revaluation Reserves		
Created on revaluation of fixed assets		
Balance as per last Balance Sheet	41,283,050	41,517,454
Less: Depreciation on revalued Fixed Assets	234,404	234,404
	41,048,646	41,283,050
Investment Allowance Reserves		
Balance as per last Balance Sheet	7,927,812	7,927,812
Add: During the year	-	-
	7,927,812	7,927,812
General Reserves	18,571,326	18,571,326
Profit and Loss Account		
Total	67,859,534	68,093,938
SCHEDULE NO.3		
SECURED LOANS		
Working Capital Loan from Bank	342,191	342,191
Against Hypothecation of Stocks		
	342,191	342,191

SCHEDULE NO.4		
UNSECURED LOANS		
Vehicles Loan	139,338	139,338
	139,338	139,338

SCHEDULE NO. 5 : FIXED ASSETS

(AMOUNT IN RS)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2009	Additions / Written reduction	As at 31.03.2010	Up to 31.03.2009	For the Year	Written Back	Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land & Site Development	1,236,000	-	1,236,000	-	-	-	-	1,236,000	1,236,000
Building	21,077,986	-	21,077,986	8,003,913	333,032	-	8,336,945	12,741,041	13,074,073
Plant & Machinery [BOPP]	151,976,765	-	151,976,765	151,357,086	75,988	-	151,433,074	543,691	619,679
Plant & Machinery Die [Modva]	4,488,000	-	4,488,000	1,855,144	309,223	-	2,164,367	2,323,633	2,632,856
Plant & Machinery [V.O.Housin]	11,000,000	-	11,000,000	4,743,640	244,200	-	4,987,840	6,012,160	6,256,360
Furniture & Fixture	2,302,023	-	2,302,023	2,302,023	-	-	2,302,023	-	-
Electrical Fittings	452,231	-	452,231	452,230	1	-	452,231	-	-
Office Equipments	820,369	-	820,369	804,674	15,695	-	820,369	-	15,695
Laboratory Equipments	111,933	-	111,933	111,933	-	-	111,933	-	-
Air-Conditioners	512,321	-	512,321	502,235	10,086	-	512,321	-	-
Vehicles	1,756,232	-	1,756,232	1,756,232	-	-	1,756,232	-	-
Van	953,618	-	953,618	953,618	-	-	953,618	-	-
Fire Fighting Equipments	21,650	-	21,650	21,650	-	-	21,650	-	-
Plant & Machinery[MPP-I]	64,756,208	-	64,756,208	64,756,208	-	-	64,756,208	-	-
Plant & Machinery[MPP-II]	12,653,108	-	12,653,108	617,473	154,368	-	771,841	11,881,267	12,035,636
Computers	424,662	-	424,662	424,662	-	-	424,662	-	-
Inventor	31,000	-	31,000	22,600	1,962	-	24,562	6,438	8,401
Total	274,574,106	-	274,574,106	238,685,321	1,144,556	-	239,829,876	34,744,230	35,878,700
PREVIOUS YEAR	274,574,106	-	274,574,106	237,354,447	1,340,959	-	238,695,406	35,878,700	37,219,659

SCHEDULE NO. 6		
CURRENT ASSETS, LOANS & ADVANCES		
Inventories		
(As taken, valued at cost or market price whichever is lower and certified by the management)		
Consumable stores, spares and packing materials	2,075,034	2,075,034
Raw Materials	139,291	139,291
Finished Goods	-	-
Stock in process	21,737	21,737
	2,236,062	2,236,062
Cash & Bank Balance		
Bank Account	26,911	26,911
	26,911	26,911
Loans & Advances		
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	19,706	19,706
Proforma Credit	288,088	288,088
Advance deposit In PLA	81,510	81,510
Excise duty appeal	108,703	108,703
Sales tax appeal	682,614	682,614
Tax deducted at Sources	295,359	295,359
	1,475,980	1,475,980

SCHEDULE NO. 7		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	923,329	2,207,623
Other Liabilities	40,999,651	39,012,061
Deferred Sales tax liability	7,371,973	7,371,972
sales Tax payable	14,039,594	14,209,793
BOB Provision for Usance LC Bills	10,092,952	10,092,952
Professional Txa payable	389,871	389,871
	73,817,369	73,284,272
PROVISIONS		
For Gratuity	279,896	279,896
For Taxation	537,060	537,060
	816,956	816,956

SCHEDULE NO. 8		
Profit & Loss Account		
Opening Balance	154,566,473	153,568,215
Add: During the year	1,433,163	998,258
	155,999,636	154,566,473
SCHEDULE NO. 9		
OFFICE & ADMINISTRATIVE EXPENSES		
Electricity & Water Charges	-	4,593
Legal Expenses	55,000	25,000
Miscellaneous Expenses	-	6,715
Office & General Expenses	-	14,054
Pooja Expenses	-	6,658
Postage, Telephone & Telegram	-	33,843
Printing & Stationary	-	7,448
Professional Fees	25,254	281,016
Repairs & maintainance	420,842	468,082
ROC Fees	32,000	-
Travelling & Other Allowance	-	54,920
	533,096	902,329

SCHEDULE NO. 10 – NOTES TO ACCOUNTS**1. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY****(a) Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation. As informed to us the company has closed down all its operations from 31st July 2005. It has been reported to us that the value of plant and machinery and other equipments is likely to be reduced substantially in the imminent years due to non usage.

(i) Fundamental Accounting Assumptions

The company has closed down its operations from 31st July 2005. The enterprise has no intention to continue its operations in the foreseeable future.

(b) Depreciation:

Depreciation has been provided on the assets by the company on straight-line basis at the rates specified in schedule XIV of the Companies (Amendment) Act, 1956 for the entire financial year.

(c) Inventories:

Inventories are valued at cost or Market price whichever is lower. The value of the stock of finished goods have been taken to be nil. The technical verification has been done by the management only with regard to the raw material, stores consumables and spares, the same are valued at cost ascertained on the basis of FIFO method. The said method is being continued and there is no change during this financial year. We have not verified physically the closing stock at the year end.

(d) Business Segments

The reportable operating segment consists of manufacturing of BOPP Film and MPP Film. The company is exclusively engaged in the business of manufacturing and sale of BOPP and MPP Films, which are considered by the management to constitute a single segment. In view of the same, no revenue expenses, assets and liabilities are allocable.

(e) Method of Accounting

The company maintains its books of accounts on accrual basis of accounting.

(f) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(g) The company has shut down its production on 31.07.2005 and thereafter it had no production/processing activity. The company has been ordered for winding up. In view of these facts the management has not made provision for deferred tax liability in accordance with Accounting Standard – AS(22) issued by the Institute of Chartered Accountants of India.

(h) Related party Disclosures for the year ended March 31, 2009

(i) Related Party and their relationship

Associates

United Towers(I) Pvt. Ltd
 R.K Towers(I) Pvt. Ltd.
 United Builders Constructions(I) Pvt. Ltd.
 United Health Care Ltd.
 United Diagnostics Intl. Ltd.
 Coloumbia Electronics Ltd.
 Smt. Achla Gupta (W/o Sh. Raj Kumar Gupta)

(ii) Transactions with the related parties

The required information was not furnished before us.

iii) Disclosure required by Clause of the Listing Agreement

The required information was not furnished be fore us.

2. The valuation of inventories consisting of raw material, work in progress, stores and spares parts, packing material and goods in transit, continues to be on the basis of "Cost or Market price , whichever is lower". However, as the company is not carrying on any operations and the inventories having become quite obsolete, the valuation should be made on the basis of "Net Realisable Value". The loss arising to the company and the matter being technical in nature, we are unable to comment on the same.

3. CONTINGENT LIABILITIES:

(a) Guarantees issued by Bank on behalf of the company Rs. NIL (Previous year Rs. NIL)

(b) The management has not certified contingent liabilities as on the close of the financial year. They have not provided any detail with regard to contingent liabilities towards claims against the company not acknowledged as debt, liability on account of forward exchange contracts, guarantees given on behalf of constituents (i) in India (ii) outside India, acceptance, endorsement and other obligations and other items for which the company may be contingently liable.

4. In the opinion of the Directors, all current assets, debtors, loans and advances have a value on realization in the ordinary course of business at-least equal to the amount at which they are stated in these accounts.
5. The company could not produce confirmation of Balances from Debtors, Creditors, Loans & Advances given and received and therefore balance as per Books of Accounts are relied upon.
6. The physical verification and valuation of stocks have been carried out by the management. The Management's valuation has been relied upon since the matter is technical in nature as stated to us.
7. No interest is being charged/paid on current accounts/ advances given/received.
8. The Company is Sick Industrial company within the meaning of clause(o) of sub-section 3 of the Sick Industrial/ Companies (Special Provision)Act, 1985 and is being registered with BIFR.

9. The Company has defaulted in getting it relisted on the Stock Exchange in spite of its claim for having paid the listing fee to Bombay Stock Exchange. However, we were unable to verify the upto date payment and arrears of any payment, if any, and to the extent of unpaid fee the loss is understated and liability is also understated. Company's share at present is not dealt for several years, on any stock exchange.

10. Additional information pursuant to the provisions of Schedule VI of the Companies Act, 1956.

A. Production Data

The required data has not been made available to us. However there was no production during the year.

B. Finished Goods (Manufactured)

The required data has not been made available to us. However there was no production or sale for the year.

C. Consumption of imported and indigenous raw materials

The required data has not been made available to us.

D. CIF Value of Imports

	<u>2010</u>	<u>2009</u>
	(Rs.)	(Rs.)
Capital Goods	NIL	NIL
Raw Material	NIL	NIL

Components, spare parts & consumables

- The above data being technical nature we have relied upon management information & valuation.

E. Expenditure in Foreign Currency (On cash basis)

<u>2010</u>	<u>2009</u>
(Rs.)	(Rs.)
NIL	NIL

F. a) Employees drawing remuneration not less than Rs. 24,00,000/- per annum and employed throughout the year:

.	2010 MARCH	2009 MARCH
Salary including ex-gratia	NIL	NIL
Perquisites	NIL	NIL
Contribution to P.F.	NIL	NIL
No. of employees	NIL	NIL

b) Employees drawing not less than Rs. 2,00,000/- per month and employed part of the year:

.

	2010 MARCH	2009 MARCH
Salary including exgratia	NIL	NIL
Perquisites	NIL	NIL
Contribution to P.F.	NIL	NIL
No. of employees	NIL	NIL
G. Managerial Remuneration		
a) Payment to Contoller sales & sales Promotion	31.3.2010	31.3.2009
	(Rs.)	(Rs.)
Salary	NIL	NIL
Perks	NIL	NIL
Provident Fund	NIL	NIL
b) Payment to Managing Director		
Salary	NIL	NIL
Perks	NIL	NIL
Provident Fund	NIL	NIL
c) Payment to Director		
Salary	NIL	NIL
Perks	NIL	NIL
Provident Fund	NIL	NIL
d) Other Directors		
Consultancy fees	NIL	NIL
H. Earning in foreign Exchange	NIL	NIL

11. Figures have been rounded off to the nearest rupee. Previous year figures have been re-classified wherever necessary to conform to the classification adopted for the current year.

12. Earnings per share:

The following is a computation of earnings as per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings as per share.

	Current year	Previous Year
a) Profit/ (loss) after Taxation (Rs.)	(14,33,163)	(9,98,258)
b) Basic earnings per equity share-weighted		
average number of equity shares outstanding	43,59,800	43,59,800
c) Effect of dilutive potential equity shares	NIL	Nil
d) Dilutive earnings per equity share-weighted		
average number of equity shares and potential equity share equivalents outstanding	43,59,800	43,59,800
e) Nominal value of equity shares (Rs.)	10	10

M.P. POLYPROPYLENE LIMITED

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f) Basic earning per share (Rs.)

(0.46) (0.46)

g) Diluted Earnings per share (Rs.)

(0.46) (0.46)

13. Schedule 1 to 9 form an integral part of the Balance Sheet and Profit & Loss account and have been duly authenticated.

As per our annexed report of even date

FOR JAIN CHATTERJEE & ASSOCIATES
CHARTERED ACCOUNTANTS

For & on behalf of Board of Directors

SATYAJEET CHATTERJEE
PARTNER

Director

Director

Place : Dist Raisen

Date : August 12, 2010

M.P.POLYPROPYLENE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2010

PARTICULARS	2009-10 Amount (Rs.)	2008-09 Amount (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit / (Loss) before tax	(1,433,163)	(998,258)
Adjustment for :		
Depreciation	900,067	1,106,555
Operating Profit before working Capital Changes	(533,096)	108,297
Adjustment For:		
Stock in trade	-	-
Decrease in Loans (Liabilities)	-	-
Loans & Advances	-	-
Trade Receivable	-	-
Trade Payables & Other Current Liabilities	533,096	4,891,703
Net Cash Flow From Operating Activities	-	5,000,000
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Purchase of Investment	-	-
Net Cash Flow From Investing Activities	-	-
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Repayment of Finance & Lease Liabilities	-	(5,000,000)
Net Cash Flow From Financial Activities	-	(5,000,000)
Net Increase (Decrease) in cash & cash equivalent (A+B+C)	-	-
Opening Cash & Cash equivalents	26,911	26,911
Closing Cash & Cash equivalents	26,911	26,911

As per our annexed report of even date

FOR JAIN CHATTERJEE & ASSOCIATES
 CHARTERED ACCOUNTANTS

For & behalf of Board Directors

SATYAJEET CHATTERJEE
 PARTNER

DIRECTOR

Director

Place : Dist Raisen

Date : August 12, 2010

M.P.POLYPROPYLENE LIMITED			
STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956			
Balance Sheet abstract and Company General Profile			
▼ 1. Registration Detail:			
Registration No.			1447
State Code :			10
Balance Sheet Date :			3/31/2010
▼ 2. Capital Raised During the year (amount in Rs.'000)			
Public Issue			NIL
Bonus Issue			NIL
Right Issue			NIL
Private Placement (Preferential Allotment)			NIL
▼ 3. Position of Mobilisation and Deployment of Fund (Rs in '000)			
Sources of Fund		111,939.06	
Paid up Capital	43,598.00	Reserves & Surplus	67,859.53
Secured loan	342.19	Unsecured Loan	139.34
Application Of Fund		111,939.06	
Net Fixed Assets	34,744.23	Investment	-
Net Current Assets	(78,804.80)	Profit & Loss Account	155,999.64
▼ 4. *Performance of Company (Rs in '000 except EPS)			
Turnover	-	Total Expenditure	533.10
Profit / (Loss) before Tax	(1,433.16)		
Profit / (Loss) after Tax	(1,433.16)		
Earning Per Share	-	Dividend Rate	Nil
General Name of three principal	products/services of the Company (as per monetary terms)		
Item Code No.	NA	Product Description Builder & Developer	NA
As per our annexed report of even date			
FOR JAIN CHATTERJEE & ASSOCIATES		For & behalf of Board Directors	
CHARTERED ACCOUNTANTS			
SATYAJEET CHATTERJEE			
PARTNER		DIRECTOR DIRECTOR	
Place : Dist Raisen			
Date : August 12, 2010			