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# M.P. POLYPROPYLENE LIMITED

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ANNUAL REPORT 2012-13



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**DIRECTORS' REPORT*****Dear Stakeholders,***

Your Directors present the Annual Report and Audited Accounts for the period from 01<sup>st</sup> day of April 2012 to 31<sup>st</sup> March 2013. Your company was incorporated as a Limited Company on 25<sup>th</sup> day of May, 1978.

Your Company has not done any business activity during the previous year. In the previous year the Income was from the profit on sale of assets. In the current Financial Year the company has incurred a net loss of Rs.17,66,750/-.

**FINANCIAL PERFORMANCE**

<b>Particulars</b>	<b>As on 31.03.2013</b>	<b>As on 31.03.2012</b>
Gross Receipts	0.00	2,64,05,991.00
Expenditure	17,66,750	1,88,76,406.00
Net Profit/(Loss)before Tax	(17,66,750)	75,29,585.00
Provision for Mat/ Deffered Tax/FBT	0.00	14,34,760.00
Profit/(loss) after tax	(17,66,750)	60,94,830.00

**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 31<sup>st</sup> March 2013.

**OPERATIONS**

In the event of losses, the Directors cannot recommend any dividend for the year ended 31<sup>st</sup> March 2013.

**DIRECTORS**

In accordance with the Companies Act, 1956, Mr. Dinesh Chauhan, 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. Dinesh Chauhan, as Director of the Company will be placed before the Members in the ensuing AGM.

During the Year, the Board was further strengthened by appointment of 3 new directors, Mr.Sharad Dadhich ,Mr.Maksud Khan and Mr.Ranjeet Ranjan Thakur as additional Directors. They are appointed as Non-Executive Independent Directors. Mr.Maksud Khan and Mr.Ranjeet Ranjan Thakur, young dynamic individuals have been appointed for introduction of modern thinking as per new era and also to introduce latest technology for advancement and growth. Mr.Sharad Dadhich, aged 41, is having more than 20 years of experience in the corporate world. His rich and dynamic exposure in various facets of business enterprise will be an advantage for us and will empower our Board.

**LISTING**

The company is listed at Bombay Stock Exchange Limited. The suspension in trading of Equity Shares of the Company has been revoked by BSE vide its Notice No. 20120928-13 dated September 28, 2012.

**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 Loss 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.

### **INFORMATION AS PER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956**

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**

Mr. D.M.Oza & Associates, Chartered Accountants, Ahmedabad were appointed as auditors of the company for the financial year 2012-2013 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 31<sup>st</sup> March 2013 have given 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**

**M.P. POLYPROPYLENE LIMITED**

**PLACE: Raisen**

**DATE: September 04, 2013**

**CHAIRMAN**

## MANAGEMENT DISCUSSION AND ANALYSIS

### A. BUSINESS ENVIRONMENT AND OUTLOOK

The global polypropylene market was valued at US\$77.46 bln in 2012 and is expected to reach US\$124.01 bln by 2019, growing at a CAGR of 6.3% from 2013 to 2019. Growing demand from end-use industries such as packaging, automotive and consumer products is expected to drive the market, as per Transparency Market Research. In addition, factors such as changing lifestyles and increasing disposable incomes in Asia Pacific are further driving the market for various end-use industries. Automotive was the second largest end-use industry in terms of volume and is expected to grow at a CAGR of 5.7% from 2013 to 2019. The demand of polypropylene in consumer products was 7.1 mln tons in 2012. China dominated the polypropylene market that was valued at US\$23.73 bln in 2012. It is expected to be the fastest growing market due to high demand of polypropylene from end-use industries. The consumption of polypropylene is phenomenal in automotive industries of Europe. The European market in terms of revenue is expected to grow at a CAGR of 5.9% from 2013 to 2019. The demand for polypropylene in Rest of Asia Pacific was 7.01 mln tons in 2012. Product innovation and capacity addition is expected to drive the market growth. Demand within the polypropylene market has been forecast to increase at a compound annual growth rate (CAGR) of 4.5% over the next nine years, rising from a total of 42.3 million tons in 2011, to reach 62.4 million tons by 2020.

### B. RISKS & CONCERNS

Growing environmental issues and volatile raw material prices are expected to inhibit the market growth. Increasing demand for bio-based polymers has shifted the focus of polypropylene manufacturers from synthetic to bio-based polypropylene. Packaging emerged as the largest and fastest growing end-use segment and accounted for over 50% of the total market in 2012. Changing consumer food habits and high competition in consumer products sector in emerging economies is expected to escalate market growth. The global polypropylene market is highly fragmented as top five players accounted for nearly 35% of the market in 2012. Some of the major players which dominated the market include Braskem, LyondellBasell, INEOS, Sinopec, SABIC, PetroChina, Reliance Industries Limited and Borealis among others.

### C. INTERNAL CONTROL SYSTEMS

The company has well defined control systems and procedures to ensure optimal use of Company's resources and protection thereof, facilitate accurate and speedy compilation of accounts and management information reports and compliance with laws and regulations. The Company has a well defined organization structure, authority levels and internal guidelines and rules for conducting business transactions. Internal/ External auditor's observations and recommendations and adequacy of internal controls are also periodically reviewed by the Audit Committee of the Board of Directors.

### D. FINANCIAL CONTROLS

The Company's management is committed to evolve strategy to achieve enhancement in the shareholders value through the adoption of strong fiscal discipline, improvement in operating efficiencies and resource utilization.

**E. HUMAN RESOURCES**

The Company firmly believes that Human Resources and knowledge capital is vital for business success and creating values for share holders. The Company's philosophy is based on a pluralistic leadership and empowerment model, a performance driven and transparent culture. The Company's endeavor is to create competency based skill enhancement and development. The Company is rationalizing the internal rules, perquisites, entitlements and grades to flatten the organization further.

**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 strives 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	CMD	06	06	Yes	2	2
Noor Mohammad Khan	NEID	06	06	Yes	2	2
Dinesh Kumar Chauhan	NEID	06	06	Yes	2	2
Sharad Dadhich*	NEID	03	03	Yes	0	0
Maksud Khan*	NEID	03	03	Yes	0	0
Ranjeet Ranjan Thakur*	NEID	03	03	Yes	0	0

CMD = Chairman and Managing Director NEID = Non Executive Independent Director

\* Appointed as Additional Director w.e.f. 01.10.2012

During the accounting year 6 board meetings were held. The Annual General Meeting of the company was held on 29<sup>th</sup> September 2012.

### 3. AUDIT COMMITTEE

An Audit Committee of the Company in terms of section 292A of the Companies Act, 1956 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. Noor Mohammad Khan 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 6 times during the financial Year.

#### ATTENDANCE OF THE AUDIT COMMITTEE MEETING:

Name of the Director	Number of Meeting Held	Number of Meeting Attended
Mr. Noor Mohammad Khan	6	6
Mr. Prem Sagar Gupta	6	6
Mr. Dinesh Kumar Chouhan	6	6

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. There were NIL complaints.

### 6. GENERAL BODY MEETINGS

Details of last 3 Annual General Meetings are as under:

Year	Date	Location
2009-2010	07 <sup>th</sup> September 2010	Registered Office
2010-2011	30 <sup>th</sup> September 2011	Registered Office
2011-2012	29 <sup>th</sup> September 2012	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.

## 8. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:

Company has paid outstanding listing fee and re-instatement fee to BSE.

## 9. MEANS OF COMMUNICATION

The quarterly results are available on BSE website

Management discussions and analysis form part of the Annual report.

## 10. GENERAL SHAREHOLDER INFORMATION

Compliance Officer	Mr. Prem Sagar Gupta
Date and Time	30 <sup>th</sup> September, 2013, Monday, at 11.30 A.M.
Venue	Registered office
Financial Calendar	April – March
Date of Book Closure	28 <sup>th</sup> September, 2013 to 30 <sup>th</sup> September, 2013 (both days incl.)
Listing of Stock Exchanges	Bombay Stock Exchange Limited
Dividend	No dividend is declared
Stock Code	BSE : 506822

### Dematerialisation Information

Company has established demat connectivity with NSDL & CDSL. As at the end of the financial year, 48.79% Equity Share Capital was held in DMat.



### Market Data

Trading in Equity Shares of the Company was revoked in Bombay Stock Exchange Limited w.e.f. October 05, 2012. Market Data is as follows :

Month	Open Price	High Price	Low Price	Close Price
Oct-12	93.50	126.00	88.83	121.00
Nov-12	116.00	171.00	115.00	171.00
Dec-12	162.50	243.00	162.50	220.85
Jan-13	209.85	228.00	189.85	201.85
Feb-13	200.00	209.90	170.10	173.45
Mar-13	169.85	169.85	117.45	117.45

### Registrar & Share Transfer Agent

Bigshare Services Pvt Ltd  
E-2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East), Mumbai- 400 072  
Tel No: 022-28470652, 40430200

### Share Transfer System

Share Transfer in physical form are generally registered and returned within 21 days from the date of receipt in case if documents are complete in all respects.

### CATEGORY OF SHAREHOLDERS AS ON 31.03.2013.

Category	No. of Shares Held	Percentage of shareholding
<b>A. PROMOTER'S HOLDING</b>	595590	13.66
<b>B. NON PROMOTER'S HOLDING</b>		
<b>INSTITUTIONAL INVESTORS</b> Bank, Financial Institutions, Insurance Companies	188639	4.33
<b>NON INSTITUTIONAL INVESTORS</b>		
BODIES CORPORATE	811769	18.62
INDIVIDUALS	2758402	63.27
OTHERS	5400	0.12
<b>Grand Total</b>	<b>4359800</b>	<b>100.00</b>

### Investor Correspondence:

The Investors can send all correspondence to the Registered office. For information can visit [www.mppolyltd.com](http://www.mppolyltd.com).

## **11. 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 31<sup>st</sup> March, 2013.

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

**Director**

PLACE: **Raisen**

DATE: **September 04, 2013**

**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, 2013 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**

Date: **September 04, 2013**

**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, 2013, 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 D M Oza & Associates**  
Chartered Accountants  
Firm Regn. No. : 119407W

D.M. Oza  
Proprietor  
M. No. : 106993

Date: September 04, 2013

**AUDITORS' REPORT**

1. We have audited the attached Balance Sheet of **M.P.POLYPROPYLENE LIMITED** as at 31<sup>st</sup> March 2013 and also statement of Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
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 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose 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 to 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;
  - c. The Balance Sheet, and statement of 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 statement of Profit and Loss Account dealt with this report comply with the accounting standards referred to in sub-section (3C) 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 31-3-2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31.3.2013 from being appointed as a 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, since there were no more employees working w.e.f. 31.07.2005
  - g. 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 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 transactions for which the company is contingently liable.
  - h. We were unable to verify the up to 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.

- 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 the significant Accounting Policies and other 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 31<sup>st</sup> March, 2013
  - ii. in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date.

**For D M Oza & Associates**  
Chartered Accountants  
Firm Regn. No. : 119407W

D.M. Oza  
Proprietor  
M. No. : 106993

Date: September 04, 2013

## **Annexure to the Auditors' Report**

(Referred to in Paragraph 3 of our Report of even date.)

1. The Company disposed of all its fixed assets in the year 2011-12. In our opinion and according to information and explanations furnished to us, such disposal of assets will not affect the Going Concern assumption, in case of the Company.
2. As the company does not carry stocks of finished goods, spare parts and raw materials, reporting requirements under paragraph 4(ii) a, 4(ii)b and 4(ii) (c) 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) In the absence of any loan granted under section 301 of the Act, there is no question to recover of such amount and interest.  
  
(e) Since the company has not taken any loan covered under section 301 of the Act, the provisions of clause 4(iii)(e) (f) & (g) of the Companies (Auditor's Report) Order (as amended) are not applicable to this company;
4. The Company has closed down its operations from 31.07.2005 and therefore there is no adequate internal control system in existence in the company.
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, the transactions made in pursuance of contracts or arrangements, if any has been entered in the register maintained under section 301 of the Companies Act 1956 which is exceeding the value of rupees five lakhs in respect of one party during the year have been made at prices which are 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. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 58AA and other relevant provisions of the companies Act 1956 And the companies (Acceptance of Deposits) Rule, 1975.
7. In our opinion and according to the information and explanations given to us , since the activities of the Company remained suspended w.e.f. 31.07.2005, there does not exists an internal audit system.

8. The maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 is not applicable to the company. So far as all the activities of the company remain suspended w.e.f. 31.07.2005.
9. (a) The old liabilities which were already provided for in previous year have either been paid off or are taken over by another company.  
  
(b) According to the information and explanation given to us and on the basis of our examination of the records of the company, we state that 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.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues payable to financial institutions or banks during the year.
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, the provisions of clause 4(xii) of the order are not applicable to the company.
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 is 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 can form any opinion.
16. In our opinion and according to the information and explanations given to us, the company took no term loans 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 are 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 31.3.2013 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 year which is noticed during the course of our audit.

**For D M Oza & Associates**  
Chartered Accountants  
Firm Regn. No. : 119407W

D.M. Oza  
Proprietor  
M. No. : 106993

Date: September 04, 2013

**BALANCE SHEET**

(Amount in Rs.)

Particulars	Note No.	As At 31.03.2013	As At 31.03.2012
<b><u>I. EQUITY AND LIABILITIES</u></b>			
<b><i>(1) Shareholders' Fund</i></b>			
(a) Share Capital	2	435,98,000.00	435,98,000.00
(b) Reserve & Surplus	3	-859,92,972.00	-842,26,222.00
(c) Money Received against share warrants		0.00	0.00
<b><i>(2) Share Application money pending allotment</i></b>		0.00	0.00
<b><i>(3) Non-Current Liabilities</i></b>			
(a) Long-Term Borrowings		0.00	0.00
(b) Deferred Tax Liabilities (Net)	4	0.00	0.00
<b><i>(4) Current Liabilities</i></b>			
(a) Short-Term Borrowings		0.00	0.00
(b) Trade Payables		0.00	0.00
(c) Other Current Liabilities	5	424,04,222.00	386,36,592.00
(d) Short-Term provisions	6	0.00	19,96,820.00
<b>TOTAL::</b>		<b>9,250.00</b>	<b>5,190.00</b>
<b><u>II ASSETS</u></b>			
<b><u>(1) Non-current Assets</u></b>			
<b><i>(a) Fixed Assets</i></b>			
(i) Tangible Assets		0.00	0.00
(ii) Intangible Assets		0.00	0.00
(iii) Capital Work-in-Progress		0.00	0.00
(iv) Intangible assets under development		0.00	0.00
<b><i>(2) Current Assets</i></b>			
(a) Current Investments		0.00	0.00
(b) Inventories		0.00	0.00
(c) Trade Receivables		0.00	0.00
(d) Cash and cash equivalents	7	9,250.00	5,190.00
<b>TOTAL::</b>		<b>9,250.00</b>	<b>5,190.00</b>

Significant Accounting Policies

Notes on Financial Statements

For and on behalf of the Board of Directors.

1

As per our annexed report of even date.

For D.M.Oza and Associates

Chartered Accountants

F. Regn. No. : 119407W

Director

Director

D.M. Oza

Proprietor

Date: September 04, 2013

Membership No. 106993

**PROFIT & LOSS ACCOUNT**

(Amounts in Rs.)

Particulars	Notes	Financial Year Ended 31.03.2013	Financial Year Ended 31.03.2012
<b>I. Revenue From Operations</b>		0.00	0.00
<b>II. Other Income</b>	8	0.00	264,05,991.00
<b>III. Total Revenue ( I + II )</b>	<b>TOTAL::</b>	<b>0.00</b>	<b>264,05,991.00</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed		0.00	0.00
(Increase) / Decrease in Stock in Trade		0.00	0.00
Employees benefit Expenses		92750.00	0.00
Financial Costs	9	0.00	148.00
Depreciation		0.00	0.00
Other Manufacturing Expenses		0.00	0.00
Other Administrative Expenses	10	16,74,000.00	188,76,258.00
<b>Total Expenses</b>	<b>TOTAL::</b>	<b>17,66,750.00</b>	<b>188,76,406.00</b>
<b>V. Profit Before Exceptional and extraordinary Items and Tax (III-IV)</b>		-17,66,750.00	75,29,585.00
VI. Exceptional Items		0.00	0.00
<b>VII. Profit Before Extraordinary Items And Tax (V-VI)</b>		-17,66,750.00	75,29,585.00
VIII. Extraordinary Items		0.00	0.00
<b>IX. Profit Before Tax (VII-VIII)</b>		-17,66,750.00	75,29,585.00
<b>X. Tax expenses:</b>			
Net current Tax		0.00	14,34,760.00
Deferred Tax		0.00	0.00
Taxes for earlier years		0.00	0.00
<b>XI. Profit (Loss) for the period</b>		-17,66,750.00	60,94,830.00
<b>VIII Basic / Diluted Earnings Per Equity Share</b>		-	-

Significant Accounting Policies

Notes on Financial Statements

1

For and on behalf of the Board of Directors.

As per our annexed report of even date.

For D.M.Oza and Associates

Chartered Accountants

F. Regn. No. : 119407W

Director

Director

D.M. Oza

Proprietor

Date: September 04, 2013

Membership No. 106993

**CASH FLOW STATEMENT**

(Amount in Rs.)

<u>SOURCES OF FUNDS</u>	<u>AMT</u>	<u>APPLICATION OF FUNDS</u>	<u>AMT</u>
Opening Cash in Hand	5190.00	Payment of Taxes and Provisions	1996820.00
Loan from Sach Buildwell Infrastructure Limited	42404222.00	Payment of Loans & Liabilities	38636592.00
		Payment of Expenses	1766750.00
		Closing Cash in Hand	9250.00
	<b>42409412.00</b>		<b>42409412.00</b>

For and on behalf of the Board of Directors.

As per our annexed report of even date.

For D.M.Oza and Associates

Chartered Accountants

F. Regn. No. : 119407W

Director

Director

Date: September 04, 2013

D.M. Oza

Proprietor

Membership No. 106993

**NOTES FORMING PART OF ACCOUNTS****Note No. 1 to the financial statements for the year ended on 31.03.2013****TO & FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013****1. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY & NOTES ON ACCOUNTS****a. Basis of preparation of Financial Statements:**

The financial statements have been prepared as for a Going Concern on historical cost convention and on accrual method of accounting in accordance with the generally accepted accounting principles and the provisions of Companies Act, 1956.

**b. Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation. As informed to us the company has closed down all its operations in 31<sup>st</sup> July 2005. The Company has sold out its fixed assets. However the assets have been sold off in the previous Year, hence no depreciation has been charged.

**c. Inventories:**

Inventories are valued at cost or market price whichever is lower. The values of the stock of finished goods have been taken to be nil. In the opinion of the management the stock of finished goods as held has no realizable value.

**d. Revenue Recognition:**

(i) There are no sales as the working of the company ended w.e.f 31.07.2005

(ii) The claims are accounted for on accrual basis, except Insurance claims, which are accounted for on settled basis.

**e. 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. However the Company has closed down all its operations w.e.f. 31<sup>st</sup> July 2005.

**f. Earnings 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. 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 Realizable Value”. The loss arising to the company and the matter being technical in nature, we are unable to comment on the same. However as per the decision of the management the stock balance has been written off.
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 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. a) Liability of deferred Sales Tax, CST, MPST etc. pertaining to old accounting years could not be verified in the absence of relevant records and we have relied on book balances.
- b) Sales tax liability for the current financial year 2012-2013 as reflected in the books could not be verified by us, since sales tax returns were not produced during the course of our audit for our verification. Therefore we were unable to comment on the exact liability for the current financial year.
- c) In the absence of reasonable records we are unable to determine the liabilities of interest on account of non-payment of sales tax/delayed payment. The management is of the opinion that it will get a reduction/waiver towards this liability under BIFR Package. Any liability finally determined will be accounted for in the financial year in which it will be finally determined and settled. To this extent profit is overstated and liability for the year is also understated.
- 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. No interest is being charged/ paid on current accounts/ advances given/received.
7. 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.

8. The suspension in trading of Equity Shares of the Company has been revoked by BSE vide its Notice No. 20120928-13 dated September 28, 2012, w.e.f. October 05, 2012. Company has paid outstanding listing fees and re-instatement fee to Bombay Stock Exchange Limited.

9. Provision for payments to Auditor's includes for tax matters and other matters Rs. 25,000/-.

10. Sales Expenses amounting to Rs. NIL previous year Rs. Nil are paid to the companies in which some of the Directors are interested as Directors.

**Note No. 2 to the financial statements for the year ended on 31.03.2013**

**SHARE CAPITAL**

PARTICULARS	( in Rs.)	
	AS AT 31.03.2013	AS AT 31.03.2012
<b>(A) Authorised, Issued, Subscribed and paid-up share capital</b>		
<b><u>Authorised Share Capital</u></b>		
9900000 Equity Shares of Rs. 10/- Each	99000000.00	99000000.00
10000 Redeemable cumulative Preference Shares of Rs. 100/- each	1000000.00	1000000.00
	<b>1000,00,000.00</b>	<b>1000,00,000.00</b>

<b><u>Issued, Subscribed &amp; Fully Paid-up Share Capital</u></b>		
4083800 Equity Shares of Rs. 10/- Each Fully Paid up	40838000.00	40838000.00
276000 Equity Shares of Rs. 10/- each were allotted other than cash	2760000.00	2760000.00
	<b>435,98,000.00</b>	<b>435,98,000.00</b>

**(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year.**

PARTICULARS	( in Rs.)	
	AS AT 31.03.2013	AS AT 31.03.2012
No of shares outstanding as at the beginning of the year	<b>43,59,800</b>	<b>43,59,800</b>
Add : Number Of Shares Allotted During The Year As Fully Paid-Up	-	-
<b>Number of shares outstanding as at the end of the year</b>	<b>4359800</b>	<b>4359800</b>

**Note No. 3 to the financial statements for the year ended on 31.03.2013****RESERVES & SURPLUS**

( in Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2013	31.03.2012
<b>General Reserve</b>		
Opening Balances	18571326.00	18571326.00
Add : Addition during the year	0.00	0.00
Closing Balances	<b>185,71,326.00</b>	<b>185,71,326.00</b>
<b>Capital Reserve</b>		
Opening Balances	311750.00	311750.00
Add : Addition during the year	0.00	0.00
Closing Balances	<b>3,11,750.00</b>	<b>3,11,750.00</b>
<b>Revaluation Reserve</b>		
Opening Balances	40814242.00	40814242.00
Less : Depreciation on revalued assets during the year	0.00	0.00
Closing Balances	<b>408,14,242.00</b>	<b>408,14,242.00</b>
<b>Investment allowance (Utilised) Reserve</b>		
Opening Balances	7927812.00	7927812.00
Add : Transferred from Investment Allowance Reserve	0.00	0.00
Closing Balances	<b>79,27,812.00</b>	<b>79,27,812.00</b>
Opening Balance	(151851352.00)	(157946182.00)
Add: Profit/ Loss for the year transferred	-17,66,750.00	6094830.00
	<b>(153618102.00)</b>	<b>(151851352.00)</b>
	<b>-859,92,972.00</b>	<b>-842,26,222.00</b>

Note: Profit for the year has not been appropriated for the purpose of distribution of dividend and its tax.

**Note No. 4 to the financial statements for the year ended on 31.03.2013****DEFERRED TAX LIABILITIES (Net)**

( in Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2013	31.03.2012
Deferred Tax Liabilities	0.00	7909431.00
Less : Deferred Tax Assets On Account of Gratiuty	0.00	0.00
Less: Liability Taken Over by associate concern 'United Health Care Ltd'	0.00	7909431.00
Deferred Tax Liabilities (Net)	<b>0.00</b>	<b>0.00</b>



**Note No. 5 to the financial statements for the year ended on 31.03.2013****OTHER CURRENT LIABILITIES**

( in Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2013	31.03.2012
<u>SACH BUILDWELL INFRASTRUCTURE LIMITED</u>	42404222.00	0.00
<u>R.K.Towers (India) Limited</u>	0.00	18422280.00
<u>United Health Care Ltd.</u>	0.00	20214312.00
	<b>424,04,222.00</b>	<b>386,36,592.00</b>

**Note No. 6 to the financial statements for the year ended on 31.03.2013****SHORT TERM PROVISIONS**

( in Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2013	31.03.2012
Provision for MAT	0.00	1434760.00
Provision for income-tax	0.00	537060.00
Provision for payment to auditor	0.00	25000.00
	<b>0.00</b>	<b>19,96,820.00</b>

**Note No. 7 to the financial statements for the year ended on 31.03.2013****CASH & CASH EQUIVALENTS**

( in Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2013	31.03.2012
Cash and Bank Balance	9250.00	5185.00
	<b>9,250.00</b>	<b>5,185.00</b>

**Note No. 8 to the financial statements for the year ended on 31.03.2013****OTHER INCOME**

( in Rs.)

PARTICULARS	For the year	For the year
	ended	ended
	31.03.2013	31.03.2012
<u>Other Sources :</u>		
Profit on sale of Land	0.00	2364000.00
Profit on sale of Building	0.00	24041991.00
<b>TOTAL::</b>	<b>0.00</b>	<b>264,05,991.00</b>

**Note No. 9 to the financial statements for the year ended on 31.03.2013****FINANCIAL COSTS**

( in Rs.)

PARTICULARS	For the year ended 31.03.2013	For the year ended 31.03.2012
Interest Expenses	0.00	148.00
<b>TOTAL::</b>	<b>0.00</b>	<b>148.00</b>

**Note No. 10 to the financial statements for the year ended on 31.03.2013****OTHER ADMINISTRATIVE EXPENSES**

( in Rs.)

PARTICULARS	For the year ended 31.03.2013	For the year ended 31.03.2012
Electricity Penalty	0.00	1387000.00
Professional Fee & Consultancy Charges	150000.00	35000.00
ROC Filing Fee	25000.00	19000.00
Commission - Sale of Property	0.00	282040.00
Provision for payment to auditor	25000.00	25000.00
BSE Reinstatement Fee	1264200.00	0.00
Annual Listing Fee	33302.00	0.00
Other office Expenditure	91790.00	0.00
<u>Other Expenses:-</u>		
Credit Balance Write Off (Consumable Stores)	0.00	2075034.00
Credit Balance Write Off (Stock-in-Process)	0.00	21737.00
Loss on sale of Plant & Machinery	0.00	15031447.00
Depository & RTA Fee	84708.00	0.00
<b>TOTAL::</b>	<b>16,74,000.00</b>	<b>188,76,258.00</b>