

24TH  
ANNUAL REPORT  
2009-2010



**MTZ POLYFILMS LIMITED**



**MTZ POLYFILMS LIMITED**



**BOARD OF DIRECTORS**

**Mr. Sanjay B. Shah**  
(Executive Chairman)

**Mr. Anand S. Shah**  
(Executive Vice Chairman)

**Mr. Arvind Oberoi**  
(Managing Director)

**Mr. K. O. Devassy**  
(Director)

**Mr. Victor Asher**  
(Director)

**Mr. B. C. Gajjar**  
(Director)

**AUDITORS**

M/s. R. K. Chapawat & Co.  
Chartered Accountants

**BANKERS**

Bank of Baroda  
Dena Bank

**REGISTERED OFFICE**

Sarnath Centre, Ground Floor  
Upvan Area, Upper Govind Nagar  
Malad (East)  
Mumbai 400 097.  
Tel. No. : 91-22-2877-2814

**WORKS**

Plot No. 757  
GIDC Jhagadia Industrial Estate  
Near Talodra Village  
Jhagadia Walia Road  
Dist. Bharuch 393 110  
Gujarat.

**ADMINISTRATIVE OFFICE**

New India Centre, 4th Floor  
17, Cooperage Road  
Mumbai 400 001.  
Tel. No. : 91-22-2204-9090  
Fax No. : 91-22-2283-0102

**Annual General Meeting** of the Company will be held on Saturday, 30th April, 2011, at 4.00 p.m. at Smt. Revaben Ghadiyali Sabhagraha, 139, Kailash Puri, Upper Govind Nagar, Malad (E), Mumbai 400 097.

**REGISTRAR & TRANSFER AGENT**

M/s. Universal Capital Securities Private Limited  
21, Shakil Niwas  
Mahakali Caves Road  
Andheri (East)  
Mumbai 400 093.  
Tel. No. : 91-22-2826-2920  
Fax No. : 91-22-2820-7207

**CONTENTS**

Notice	2
Directors' Report & Management Discussion and Analysis	4
Annexure to Directors' Report	7
Corporate Governance Report	9
Auditors' Report	17
Balance Sheet	20
Profit and Loss Account	21
Cash Flow Statement	22
Schedules to the Accounts	23



# ANNUAL REPORT 2009-2010

## NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of MTZ Polyfilms Limited will be held on Saturday, 30th April, 2011, at 4 p.m. at Smt. Revaben Ghadiyali Sabhagraha, 139, Kailash Puri, Upper Govind Nagar, Malad (East), Mumbai 400 097, to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

### SPECIAL BUSINESS:

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

“**RESOLVED THAT** Mr. K. O. Devassy who was appointed as an Additional Director of the Company with effect from 22nd January, 2011, in terms of the provisions of Section 260 of the Companies Act, 1956 and who holds office upto the conclusion of this Annual General Meeting and is eligible for appointment as a Director and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.”

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

“**RESOLVED THAT** Mr. Victor Asher who was appointed as an Additional Director of the Company with effect from 22nd January, 2011, in terms of the provisions of Section 260 of the Companies Act, 1956 and who holds office upto the conclusion of this Annual General Meeting and is eligible for appointment as a Director and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.”

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

“**RESOLVED THAT** Mr. B. C. Gajjar who was appointed as an Additional Director of the Company with effect from 22nd January, 2011, in terms of the provisions of Section 260 of the Companies Act, 1956 and who holds office upto the conclusion of this Annual General Meeting and is eligible for appointment as a Director and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company.”

By Order of the Board of Directors

**ARVIND OBEROI**  
Managing Director

### Registered Office:

Sarnath Centre, Ground Floor  
Upvan Area, Upper Govind Nagar  
Malad (East), Mumbai 400 097.

Place : Mumbai

Date : 22nd January, 2011.

### NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. The instrument appointing the Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto and forms part of this Notice.
3. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
4. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to carry their copies to the meeting.
5. The Register of Members and Share Transfer Books will remain closed from 23rd April, 2011 to 30th April, 2011, both days inclusive.

**MTZ POLYFILMS LIMITED**



6. Members are requested to address all correspondence including change of address, etc., to the Company's Registrar and Share Transfer Agent, M/s. Universal Capital Securities Private Limited (formerly known as M/s. Mondkar Computers Private Limited), Unit - MTZ Polyfilms Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093.
7. Section 109A of the Companies Act, 1956 provides for Nomination by Shareholders of the Company in the prescribed Form No. 2B. Shareholders are requested to avail this facility.
8. Shareholders desiring any information regarding the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**

**ITEM NO. 3:**

Pursuant to Section 260 of the Companies Act, 1956, Mr. K. O. Devassy was appointed as an Additional Director of the Company with effect from 22nd January, 2011. As Additional Director, he holds office upto the date of the ensuing Annual General Meeting and requires to be appointed by the Members. His particulars are as follows:

Date of Birth : 26th May, 1952  
 Date of Appointment : 22nd January, 2011  
 Qualifications : B. A.

List of Companies in which outside Directorship(s) held as on 22nd January, 2011 : NIL

Chairman/Member of the Committees of the Board of other Companies on which he is a Director as on 22nd January, 2011 : NIL

**ITEM NO. 4:**

Pursuant to Section 260 of the Companies Act, 1956, Mr. Victor Asher was appointed as an Additional Director of the Company with effect from 22nd January, 2011. As Additional Director, he holds office upto the date of the ensuing Annual General Meeting and requires to be appointed by the Members. His particulars are as follows:

Date of Birth : 21st February, 1964  
 Date of Appointment : 22nd January, 2011  
 Qualifications : B. Com.

List of Companies in which outside Directorship(s) held as on 22nd January, 2011 : Zenyam Energy Resources Limited

Chairman/Member of the Committees of the Board of other Companies on which he is a Director as on 22nd January, 2011 : NIL

**ITEM NO. 5:**

Pursuant to Section 260 of the Companies Act, 1956, Mr. B. C. Gajjar was appointed as an Additional Director of the Company with effect from 22nd January, 2011. As Additional Director, he holds office upto the date of the ensuing Annual General Meeting and requires to be appointed by the Members. His particulars are as follows:

Date of Birth : 17th July, 1950  
 Date of Appointment : 22nd January, 2011  
 Qualifications : Diploma in Mechanical Engineering

List of Companies in which outside Directorship(s) held as on 22nd January, 2011 : NIL

Chairman/Member of the Committees of the Board of other Companies on which he is a Director as on 22nd January, 2011 : NIL

By Order of the Board of Directors

**ARVIND OBEROI**  
 Managing Director

**Registered Office:**

Sarnath Centre, Ground Floor  
 Upvan Area, Upper Govind Nagar  
 Malad (East), Mumbai 400 097.

Place : Mumbai  
 Date : 22nd January, 2011.



# ANNUAL REPORT 2009-2010

## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

To,  
The Members

Your Directors present the Twenty Fourth Annual Report with the Audited Accounts for the year ended 31st March, 2010.

### FINANCIAL RESULTS

	Rs. in lacs	
	Year ended 31/03/2010	Year ended 31/03/2009
Sales	10126.64	9325.87
Profit/(Loss) before interest, depreciation, deferred revenue expenditure, extraordinary/prior period items and tax	(230.35)	68.70
Interest and Finance Charges	(719.83)	(938.76)
Profit/(Loss) before depreciation, deferred revenue expenditure, extraordinary/prior period items and tax	(950.18)	(870.06)
Depreciation	(1002.71)	(1001.57)
Profit/(Loss) before deferred revenue expenditure, extraordinary/prior period items and tax	(1952.89)	(1871.63)
Deferred Revenue Expenditure amortised	(4.31)	(4.31)
Extraordinary/Prior Period Items (Net)	(0.81)	0.38
Profit/(Loss) after tax	(1958.01)	(1875.56)
Add: Deficit brought forward	(19002.39)	(17126.84)
(Loss) carried to Balance Sheet	(20960.40)	(19002.40)

### DIVIDEND

Due to the loss incurred during the year and the Company's substantial debt repayment obligations, the Directors are unable to recommend payment of dividend.

### FINANCIAL PERFORMANCE AND OPERATIONS – PET FILM

For the year ended 31st March, 2010, the Company achieved a gross turnover of Rs. 10126.64 lacs, an increase of 9% over the prior year. Net of excise duty, which was levied at a lower rate during the year under report, turnover increased by 12% in 2009-10. This increase is principally due to the 21% increase in plant throughout to 11,658 MT during the year and a substantial decline in job-working which was accretive to turnover. Partially offsetting the above gains was a 12% reduction in the average selling price of PET Film during the year.

Despite the aforementioned increase in sales volumes and a tight control on production costs, the Company posted an operating loss for the year of Rs. 230.35 lacs as against an operating profit of Rs. 68.70 lacs in the previous year. This is almost entirely on account of the lower differential that existed during the year between PET Film and its raw material, Polyester Chips. The reduced differential was caused by a number of factors. Firstly, the selling prices of PET Film were lower during the year due to less buoyant demand growth from certain user segments in the domestic market together with incremental supply from newly commissioned competing production capacity towards the end of the year. Secondly, raw material costs were higher and more volatile during the year. Lastly, due to differing end market dynamics, PET Film prices could not match up to those of Polyester Chips on several occasions and differentials got squeezed as a result.

Commensurate with the higher operating loss, the Company's net loss after interest and depreciation increased to Rs. 1952.89 lacs from Rs. 1871.63 lacs in the earlier year. Notwithstanding this financial result, which is largely due to market forces beyond the control of the Company, management is encouraged with the progress made on the capacity utilization front, particularly after October 2009. This was made possible by the introduction of new suppliers for Polyester Chips with favorable payment terms and diversification of the customer base to include smaller customers with lower order quantities, thereby enabling a faster turnaround of working capital.

The domestic market for PET Film continued to grow but not at the rate witnessed before the 2008 economic crisis. The Indian flexible packaging sector, by far the largest end market for PET Film, remained in a growth phase, aided by the increase in demand for packaged food and personal care products. Nonetheless, in order to avoid possible stock losses due to heightened volatility in PET Film pricing, which in turn was caused by raw material price fluctuations, purchases by end users remained cautious and need based. This had a curtailing effect on overall offtake. The Company, because of the paucity of working capital, remained aligned with non-credit availing customers within the Indian market for PET Film. Hence, the global market situation for PET Film during the year under review was not of direct consequence to it. It is, however, pertinent to note that US and European demand for PET packaging films was in a recovery mode, particularly during the second half of the year.

At the present time, since a fully tied-up financial restructuring plan is yet to be approved by the Company's bankers and secured creditors, business is being conducted on a holding-on basis. This has resulted in the vast majority of management's time being

MTZ POLYFILMS LIMITED



focused on ensuring continuity in plant operations and medium to long term improvement projects remaining on hold.

**FUTURE OUTLOOK – PET FILM**

India is expected to remain a large and growing market for flexible packaging with the primary growth drivers being the country’s low per capita consumption of flexible packaging, expansion of the food processing and agri-business sector, thrust on organized retail initiatives, rise in disposable income of the consuming population which is facilitating lifestyle changes and growing user preference towards small-serve packs. This augurs well for domestic PET Film consumption which is projected to rise at around 15% annually going forward.

Further, with the cost of producing PET Film having increased in developed countries, producers in these regions are increasingly shifting their production to higher end applications such as Films for flat panel display screens and photovoltaic solar cell systems. As a result, export opportunities for commodity PET Film producers based in lower cost countries like India have grown of late and are likely to remain in the foreseeable future. It is therefore possible that exports could absorb a sizable part of the additional output from new capacities that have been created or are in the process of being created in India. Another positive development for the Indian PET Film industry could be the possible easing of trade barriers imposed by developed countries on imports of PET Film from India if a situation of constrained availability of the product arises in these countries due to inadequate local production.

In view of the above and barring unforeseen circumstances, the business outlook for the Indian PET Film industry appears to be healthy. However, for the Company to derive benefit from this, an early understanding needs to be arrived at with its lenders and secured creditors such that modifications addressing its historical debt and future financial flexibility can be incorporated in the earlier sanctioned Rehabilitation Scheme. Discussions in this regard have been ongoing with all concerned agencies but these are yet to culminate in an approved restructuring plan being tabled before BIFR.

**RISKS AND CONCERNS – PET FILM**

In the perception of the management, the principal risk factors affecting the Company are as follows:

- The cyclical nature of the PET Film sector and the volatility in earnings that can arise therefrom.
- Entry of new manufacturers both domestically and internationally and the destabilizing effect on the market/selling prices that can be caused as a result.
- The loss of key customers in the Indian and export market and the resultant adverse effect on sales volumes.

- Substitution of PET Film in certain applications by competing substrates such as BOPP Film, paper and aluminium foil.
- The imposition of further anti-dumping and anti-subsidy duties by important export destinations such as USA and the EU on imports of PET Film from India.
- Reduction in customs duty on import of PET Film into India and the decline in selling prices that can occur on account of this.
- Foreign exchange and interest rate fluctuations and their negative impact on financial results.
- The Company’s financial strength to withstand downturns in the PET Film sector.
- The Company’s ability to implement a revised financial and operational restructuring plan to reduce its leverage, improve its cost structure and de-bottleneck capacity.
- The Company being able to continue funding its working capital/liquidity needs and, as being experienced currently, the negative impact on capacity utilization in the event of shortfalls in working capital availability.
- The ability to source the required volume of raw materials and other inputs and disruptions that can occur in the supply chain if the Company is unable to meet its obligations to suppliers.
- Significant and sudden increases in the price of raw materials and the Company’s ability to pass these through to the market.

**PROJECT STATUS**

**POLYESTER CHIPS**

The Polyester Chips project remains deferred on account of the lack of resources required to implement it.

**FORWARD-LOOKING STATEMENTS**

Any forward-looking statements contained in the Directors’ Report represent your Company’s expectations based on present information and assumptions. These statements are subject to various uncertainties and actual results could differ materially from those which are expected or projected.

**INTERNAL CONTROL SYSTEMS**

The Company has a system of internal controls to ensure that all assets are protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. A program of management reviews supplements the process of internal controls. The Company also has an Audit Committee that interacts with its Auditors in dealing with matters within its terms of reference.



# ANNUAL REPORT 2009-2010

## CORPORATE GOVERNANCE

The Company has endeavored to comply with the provisions of Corporate Governance as prescribed under the Listing Agreement with the Bombay Stock Exchange. A separate Report on Corporate Governance alongwith the Auditors' Certificate on its compliance by the Company is included as a part of the Annual Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, the Board confirms that:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date.
- (iii) The Directors have 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.
- (iv) The Accounts have been prepared on a going concern basis.

## INSURANCE

The Fixed Assets and Current Assets of the Company have been adequately insured.

## FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the Public and/or Shareholders during the year under review.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo as required by Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure "A" to this Report.

## AUDITORS

M/s. R. K. Chapawat and Company, Chartered Accountants, Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

## PERSONNEL

The Company had 140 employees as at 31st March, 2010. Industrial relations were satisfactory during the year.

Information in accordance with Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and Accounts are being sent to Shareholders of the Company excluding the aforesaid information. Any Shareholder seeking such particulars may write to the Company at its Registered Office.

On behalf of the Board of Directors

Place : Mumbai  
Dated : 22nd January, 2011.

**SANJAY B. SHAH**  
Chairman



**MTZ POLYFILMS LIMITED**



**ANNEXURE "A" TO THE DIRECTORS' REPORT**

Information as per Section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report.

**I. CONSERVATION OF ENERGY**

- (a) Energy conservation measures taken:
  - i. Revamping of TDO chain to facilitate its smooth running, thereby reducing the electrical load required to operate the said Chain.
  - ii. Replacement of complete Cutting Head Assembly of Erema Recycling Plant for the purpose of improving its cutting efficiency and bringing down the overall energy required to reach the desired output.
  - iii. Continuation of measures taken in earlier years.
- (b) Impact of above measures for reduction of energy consumption and consequent impact on cost of production:
 

Savings in energy costs and usage, thereby resulting in lower cost of production.

**FORM "A"**

Form for Disclosure of Particulars with respect to Conservation of Energy

	<b>April 2009 to March 2010</b>	April 2008 to March 2009
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
(a) Purchased Units (lacs)	<b>163.69</b>	155.48
Total amount (Rs. in lacs)	<b>1011.63</b>	951.01
Rate / Unit (Rs.)	<b>6.18</b>	6.07
(b) Own Generation		
Through Diesel Generator		
Units (lacs)	<b>0.25</b>	0.32
Units per Ltr. of Diesel Oil	<b>2.42</b>	3.48
Cost / Unit (Rs.)	<b>15.31</b>	12.19
2. Furnace Oil		
Quantity (K. Ltrs)	<b>90.11</b>	504.68
Total Cost (Rs. in lacs)	<b>22.61</b>	119.14
Average Rate per Ltr. (Rs.)	<b>25.09</b>	23.61
3. Natural Gas		
Quantity (SCM) (lacs)	<b>21.03</b>	21.94
Total Cost (Rs. in lacs)	<b>309.47</b>	276.51
Average Rate per SCM (Rs.)	<b>14.71</b>	12.60
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
1. Electricity		
Units / MT	<b>1,404</b>	1,675
2. Furnace Oil / LDO / HSD		
Ltrs. / MT	<b>7.73</b>	54.38



# ANNUAL REPORT 2009-2010

## II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

### FORM "B"

#### RESEARCH AND DEVELOPMENT

1. Specific areas in which R&D carried out by the Company:
  - (a) Upgradation of outdated electronic systems in various sections of the plant.
  - (b) Evaluation and ordering of electrostatic band pinning system.
  - (c) Revamping of cooling tower.
2. Benefits derived as a result of the above efforts:
  - (a) Greater process control.
  - (b) Higher productivity due to reduction in downtime.
  - (c) Improved efficiency in process water cooling.
3. Future plan of action:
  - (a) Increase in line speed from 350 meters/min. to 400 meters/min.

#### 4. Expenditure on R&D:

- |   |             |
|---|-------------|
| (a) Recurring   | Rs. in lacs |
| (b) Total R&D expenditure as a percentage of turnover | 23.13       |
|   | 0.23%       |

## III. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned	Rs. in lacs
Foreign Exchange used	37.54
	89.57

On behalf of the Board of Directors

Place : Mumbai  
Dated : 22nd January, 2011.

**SANJAY B. SHAH**  
Chairman

MTZ POLYFILMS LIMITED



CORPORATE GOVERNANCE REPORT

**(A) Company's Philosophy on Corporate Governance**

The Company's philosophy on Corporate Governance envisages the attainment of a high level of transparency and accountability in all aspects of its operations and in all interactions with its stakeholders including Shareholders, Lenders, Employees and Statutory Bodies.

The Company has been making the stipulated disclosures on its financial performance and management. The Company has also endeavored to comply with the requirements of Corporate Governance specified in Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

**(B) Board of Directors**

**(i) Composition:**

The Company has an Executive Chairman, Executive Vice Chairman and Managing Director on the Board.

As on the date of this Report, the Board of Directors of the Company consists of 6 Directors. None of the Directors is a Member of more than 10 Committees and Chairman of more than 5 Committees across all companies where they are Directors. The names and categories of the Directors on the Board as well as the number of Directorships and Committee memberships held by them in the Company and other companies are given below:

Name of Director	Category	Number of Directorship(s) in other Public Companies	Number of Membership(s) in Board Committees	Number of Chairmanship(s) in Board Committees
Sanjay B. Shah	Executive Chairman (Promoter)	2	6	2
Anand S. Shah	Executive Vice Chairman (Promoter)	NIL	1	NIL
Arvind Oberoi	Managing Director	1	4	1
K. O. Devassy (*)	Non-Executive (Independent)	NIL	NIL	NIL
Victor Asher (*)	Non-Executive (Independent)	NIL	NIL	NIL
B. C. Gajjar (*)	Non-Executive (Independent)	NIL	NIL	NIL

(\*) Appointed as Additional Director w.e.f. 22nd January, 2011.

**(ii) Board Meetings held during Financial Year 2009-10 and Attendance of Directors**

The Board considers amongst other business, the quarterly performance of the Company and financial results. During the year under review, two Meetings were held on 3rd July, 2009 and 7th August, 2009.



## ANNUAL REPORT 2009-2010

The attendance of each Director at these meetings and at the last Annual General Meeting was as follows:

Name of Director	Number of Board Meetings attended	Attendance at the last Annual General Meeting held on 25th June, 2010.	Remarks
Sanjay B. Shah	2	No	
Anand S. Shah	2	Yes	
Arvind Oberoi	2	Yes	
K. O. Devassy	NIL	No	Appointed as Additional Director w.e.f. 22nd January, 2011.
Victor Asher	NIL	No	Appointed as Additional Director w.e.f. 22nd January, 2011.
B. C. Gajjar	NIL	No	Appointed as Additional Director w.e.f. 22nd January, 2011.

### (C) Committees of Directors

#### (i) Audit Committee

As on the date of this Report, the Audit Committee consists of four Directors, of whom two are Non-Executive Independent Directors. Mr. Arvind Oberoi is the Chairman of the Audit Committee.

Two Audit Committee Meetings were held during Financial Year 2009-10, on 3rd July, 2009 and 7th August, 2009.

The composition of the Audit Committee and the attendance of each Director at its Meetings was as follows:

Member	Category	No. of Meetings attended
Arvind Oberoi	Managing Director	2
Sanjay B. Shah	Executive Chairman	2
K. O. Devassy (*)	Independent, Non-Executive	NIL
B. C. Gajjar (*)	Independent, Non-Executive	NIL

(\*) Appointed as Member w.e.f. 22nd January, 2011.

The broad terms of reference of the Audit Committee are as under:

- i. to review with the Statutory Auditors and Internal Auditors of the Company, the annual accounts and the quarterly financial reporting by the Company.
- ii. to review changes in the statutory accounting policies of the Company.
- iii. to review the adequacy and effectiveness of accounting and financial controls of the Company and compliance with Company policies and applicable laws and regulations.
- iv. to make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report.

## MTZ POLYFILMS LIMITED

**(ii) Remuneration Committee**

The Remuneration Committee of the Board was constituted in the year 2002 and its composition is as under:

Name of Member	Category
B. C. Gajjar, Chairman (*)	Non-Executive, Independent
K. O. Devassy (*)	Non-Executive, Independent
Sanjay B. Shah	Promoter, Non-Independent, Executive Chairman
Anand S. Shah	Promoter, Non-Independent, Executive Vice Chairman

(\*) Appointed as Member w.e.f. 22nd January, 2011.

The broad terms of reference of the Remuneration Committee are as under:

- i. to review the performance of the working Directors.
- ii. to apprise the Board about the managerial talent of individual managers and industry remuneration package pattern.
- iii. to recommend to the Board retirement benefits to be paid to the working Directors, if considered appropriate by the Committee.

The Company has not introduced any Employees' Stock Option Scheme.

No Meetings of the Remuneration Committee were held during Financial Year 2009-2010.

**(iii) Remuneration paid to Directors for Financial Year 2009-10**

Details of remuneration paid to the Directors for the Financial Year ended 31st March, 2010 are as under:

Name of Director	Relationship with other Directors	Sitting Fees (Rs.)	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Sanjay B. Shah	Father of Anand S. Shah	NIL	Rupee 1/-	NIL	NIL
Anand S. Shah	Son of Sanjay B. Shah	NIL	25,17,480	NIL	25,17,480
Arvind Oberoi	None	NIL	29,49,984	NIL	29,49,984
K. O. Devassy (*)	None	NIL	NIL	NIL	NIL
Victor Asher (*)	None	NIL	NIL	NIL	NIL
B. C. Gajjar (*)	None	NIL	NIL	NIL	NIL

(\*) Appointed as Additional Director w.e.f. 22nd January, 2011.

**(iv) Shareholders' Grievance Committee**

The Shareholders' Grievance Committee looks into the redressal of investor complaints such as transfer of Shares, non-receipt of Balance Sheet, etc. The Committee also recommends measures to improve the quality of services to investors.



## ANNUAL REPORT 2009-2010

During Financial Year 2009-10, two Shareholders' Grievance Committee meetings were held on 3rd July, 2009 and 7th August, 2009, which were attended by the following members of the Committee:

Name of Member	Category	No. of meetings attended during 2009-10
B. C. Gajjar, Chairman (*)	Non-Executive, Independent	NIL
K. O. Devassy (*)	Non-Executive, Independent	NIL
Arvind Oberoi	Managing Director	2
Sanjay B. Shah	Executive Chairman	2

(\*) Appointed as Member w.e.f. 22nd January, 2011.

Mr. Arvind Oberoi, Managing Director, is the Compliance Officer who also acts as Secretary to the Shareholders' Grievance Committee. The contact details of the Compliance Officer are as follows:

Address : New India Centre, 4th Floor  
17, Cooperage Road  
Mumbai 400 001.  
Phone : 91-22-2204-9090  
Fax : 91-22-2283-0102  
E-mail : mtzplm@vsnl.com

### (v) Share Transfers (Physical Form)

- All Shares have been transferred and returned within 21 days from the date of receipt, so long as the documents have been complete in all respects.
- The Share Transfer Committee meets approximately once a fortnight.
- The Company's Registrar & Share Transfer Agent, M/s. Universal Capital Securities Private Limited, is fully equipped to carry out the transfer of Shares and redress investor complaints. The Share Transfer Committee has been authorised to approve the transfer of Shares. In order to expedite the process, certain Directors are also empowered to approve Share transfers. Accordingly, the transfer of Shares is effected at a frequency of twice a month.
- Total number of Shares transferred during the year ended 31st March, 2010 were 1,800 compared to 6,000 during 2008-09.
- As on 31st March 2010, there were no Shares pending for transfer.

### (vi) Investor Relations/Complaints

The Shareholder's Grievance Committee holds meetings at regular intervals and the Company is continuously in touch with M/s. Universal Capital Securities Private Limited, its Registrar & Share Transfer Agent, to review periodically the outstanding Shareholders' complaints.

#### Status of Investors' Complaints:

Complaints pending as at 1st April, 2009 : NIL  
Complaints received during the period 1st April, 2009 to 31st March, 2010 : 10  
Complaints resolved during the period 1st April, 2009 to 31st March, 2010 : 10  
Complaints unresolved as at 31st March, 2010 : NIL

MTZ POLYFILMS LIMITED



**(D) Shareholders' / General Body Meetings**

The details of the Annual General Meetings (AGM) of the Company held in the last three years are as follows:

For the Year	Venue	Day and Date	Time
2008-2009	Smt. Revaben Ghadiyali Sabhagraha, 139, Kailash Puri, Upper Govind Nagar, Malad (East), Mumbai 400 097.	Friday, 25th June, 2010	4.00 p.m.
2007-2008	Amar Gian Grover Auditorium, Lala Lajpat Rai Marg, Mahalaxmi, Mumbai 400 034.	Tuesday, 30th December, 2008	4.00 p.m.
2006-2007	Amar Gian Grover Auditorium, Lala Lajpat Rai Marg, Mahalaxmi, Mumbai 400 034.	Wednesday, 19th December, 2007	4.00 p.m.

No resolution was passed through Postal Ballot in 2009-2010.

**(E) Disclosure**

No transaction of material nature has been entered into by the Company with the Promoters, Directors or Management and their relatives, etc., that may have potential conflicts with the interest of the Company at large.

No strictures have been imposed on the Company by any regulatory authority for non-compliance with any laws.

**(F) Means of Communication**

**Financial Results**

The Annual, Half Yearly and Quarterly Financial Results were published in the Free Press Journal (Mumbai) and Navshakti (Mumbai). The results were also submitted to the Bombay Stock Exchange Limited (BSE) in accordance with the Listing Agreement.

**(G) Management Discussion and Analysis**

Management Discussion and Analysis Report forms part of the appended Directors' Report.

**(H) General Shareholder Information**

**(i) Annual General Meeting**

<b>Day, date and time</b>	Saturday, 30th April, 2011 at 4.00 p.m.
<b>Venue</b>	Smt. Revaben Ghadiyali Sabhagraha, 139, Kailash Puri, Upper Govind Nagar, Malad (East), Mumbai 400 097.
<b>Book Closure Dates</b>	23rd April, 2011 to 30th April, 2011

**(ii) Financial Calendar (tentative and subject to change)**

Particulars	Date
<b>Financial Results:</b>	
1st quarter ending 30th June, 2010	12th October, 2010
2nd quarter ending 30th September, 2010	March 2011
3rd quarter ending 31st December, 2010	March 2011
4th quarter ending 31st March, 2011	End May, 2011
<b>Annual General Meeting for the year ended 31st March, 2011</b>	<b>End of September, 2011</b>



## ANNUAL REPORT 2009-2010

**(iii) Dividend**

No Dividend has been declared by the Company.

**(iv) Listing on Stock Exchange & ISIN Number**

Name & Address	Telephone / Fax / Website	Scrip Code
Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001.	Tel : 022-2272-1233/34 Fax : 022-2272-2082 022-2272-2037/39 Website : www.bseindia.com	512424

**ISIN NO. FOR SHARES IN DEMAT MODE: INE864A01011**

- The Company has not paid Annual Listing Fees for the year 2010-11 and paid partial amount for the year 2009-2010 to the Bombay Stock Exchange Limited. Outstanding payments are in the process of being made.
- Depository Connectivity:** The Company's Shares are available for trading in Dematerialised Form on both the Depositories in India i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL).

**(v) Market Price Data**

The monthly High and Low Share Prices as well as the Volume of Shares traded at the Bombay Stock Exchange Limited (BSE) during 2009-2010 are given below:

Month	Month's High Price (Rs.)	Month's Low Price (Rs.)	Volume (in Nos.)
April 2009	1.62	0.91	4,11,608
May 2009	2.42	1.12	9,56,318
June 2009	2.16	1.25	46,41,265
July 2009	1.50	1.00	8,47,522
August 2009	1.47	1.09	7,52,342
September 2009	1.94	1.34	15,82,609
October 2009	1.56	1.18	6,27,829
November 2009	1.90	1.17	10,62,772
December 2009	2.05	1.36	9,98,017
January 2010	1.78	1.45	9,54,120
February 2010	1.64	1.30	3,61,927
March 2010	1.86	1.21	7,37,369

**(vi) Shareholding Pattern as at 31st March, 2010**

Category	No. of Shares held	% of Shareholding
Promoters (including Persons Acting in Concert)	3,08,31,981	34.50
Mutual Funds and UTI	92,14,237	10.31
Banks, Financial Institutions / Insurance Companies	1,10,77,700	12.40
NRIs / OCBs	10,64,139	1.19
Private Corporate Bodies	80,88,742	9.05
Indian Public	2,90,07,300	32.46
Others - Clearing Members	71,661	0.08
<b>TOTAL</b>	<b>8,93,55,760</b>	<b>100.00</b>



**MTZ POLYFILMS LIMITED**



	No. of Shares	% of Shareholding
No. of Shares in Demat Form at NSDL	5,90,00,759	66.03
No. of Shares in Demat Form at CDSL	2,41,71,491	27.05
No. of Shares in Physical Segment	61,83,510	6.92

**(vii) Distribution of Shareholding (as at 31st March, 2010)**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	13,374	63.29	35,43,071	3.97
501-1,000	3,788	17.93	33,64,826	3.77
1,001-2,000	1,637	7.74	28,08,119	3.14
2,001-3,000	632	2.99	17,31,577	1.94
3,001-4,000	272	1.29	10,21,559	1.14
4,001-5,000	515	2.44	25,32,975	2.83
5,001-10,000	505	2.39	40,77,959	4.56
10,001 and above	407	1.93	7,02,75,674	78.65
<b>TOTAL</b>	<b>21,130</b>	<b>100.00</b>	<b>8,93,55,760</b>	<b>100.00</b>

**(viii) Registrar and Share Transfer Agent**

M/s. Universal Capital Securities Private Limited  
 21, Shakil Niwas  
 Mahakali Caves Road  
 Andheri (East)  
 Mumbai 400 093.  
 Tel. No. : 91-22-2826-2920  
 Fax No. : 91-22-2820-7207

**(ix) Registered Office**

Sarnath Centre, Ground Floor  
 Upvan Area, Upper Govind Nagar  
 Malad (East)  
 Mumbai 400 097.  
 Tel. No. : 91-22-2877-2814

**(x) Administrative Office**

New India Centre, 4th Floor  
 17, Cooperage Road  
 Mumbai 400 001.  
 Tel. No. : 91-22-2204-9090  
 Fax No. : 91-22-2283-0102  
 E-mail : mtzplm@vsnl.com

**(xi) Plant Location**

Plot No. 757  
 GIDC Jhagadia Industrial Estate  
 Near Talodra Village  
 Jhagadia Walia Road  
 Dist. Bharuch 393 110  
 Gujarat.  
 Tel. No. : 02645-226-071/72  
 Fax No. : 02645-226-073  
 E-mail : mtzplw@sify.com

**(I) CEO/CFO CERTIFICATION**

In terms of revised Clause 49 of the Listing Agreement, the certification by the CEO and CFO on the financial statements and internal controls relating to financial reporting has been obtained.



## ANNUAL REPORT 2009-2010

### (J) CODE OF CONDUCT

The Company has framed and adopted a Code of Conduct which is approved by the Board of Directors. The code is applicable to all Directors and Senior Management of the Company. For the year under review, all Directors and Senior Management have confirmed adherence to the provisions of the said Code.

For **MTZ POLYFILMS LIMITED**

**ARVIND OBEROI**  
Managing Director

Place : Mumbai

Date : 22nd January, 2011.

### AUDITORS' CERTIFICATE ON CLAUSE 49 COMPLIANCE

The Board of Directors  
MTZ Polyfilms Limited

We have examined the compliance of the conditions of Corporate Governance by MTZ Polyfilms Limited for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with 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 in all material respects with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances were pending for a period of one month against the Company as certified by the Share Transfer Agent of the Company, based on the records maintained by them.

We further 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 **R. K. CHAPAWAT & CO.**  
Chartered Accountants

**R. K. CHAPAWAT**  
Proprietor  
MEMBERSHIP NO. 33720

Place : Mumbai

Date : 22nd January, 2011.

## MTZ POLYFILMS LIMITED



## AUDITORS' REPORT

TO,  
THE MEMBERS OF MTZ POLYFILMS LIMITED

We have audited the attached Balance Sheet of MTZ POLYFILMS LIMITED as at 31st March, 2010 and the Profit and Loss Account of the Company and the Cash Flow Statement for the year ended on that date, both 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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.

1. As required by the Companies (Auditor's Report) Order, 2003, 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 paragraphs 4 and 5 of the said order, to the extent applicable.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state 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 such books.
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts of the Company.
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement *read with Note No. B.6 of Schedule 16* dealt with by this Report, comply with the mandatory Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
  - (e) In our opinion and based on the information and explanations given to us, none of the Directors except *Mr. Sanjay B. Shah* and *Mr. Arvind Oberoi* are disqualified as on 31st March, 2010 from being appointed as Directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - (f) *Subject to Note No. B.6 regarding non-provision for the loss on account of continued deferment of the PET Chips manufacturing project amounting to Rs. 3130 lacs, Note No. B. 8 (a) regarding non-provision for Sundry Debtors of Rs. 350.53 lacs, Note No. B. 8 (b) regarding non-provision for Loans and Advances of Rs. 383.55 lacs and Note No. B. 8 (c) regarding non-provision for diminution in the value of an Investment aggregating to Rs 18.92 lacs, the combined effect of which is an under-provision of Rs. 3883 lacs in Expenses*, in our opinion and to the best of our information and according to the explanations given to us, the Accounts read together with the 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 of 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 after Extraordinary/Prior Period Items for the year ended on that date; and
    - iii. in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

For **R. K. CHAPAWAT & CO.**  
Chartered Accountants

**RAVINDRA CHAPAWAT**  
Proprietor  
MEMBERSHIP NO. 37720

Place : Mumbai  
Date : 12th October, 2010.



## ANNUAL REPORT 2009-2010

### ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The Company has formulated a programme of physical verification of all fixed assets which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Accordingly, the physical verification of fixed assets has been carried out by the management during the year and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed-off any substantial part of its fixed assets so as to affect its going concern status.
2. (a) As explained to us, inventories have been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) The Company has not granted/taken any loan(s) from parties covered under Section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable, and other terms and conditions are not, prima facie, prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
  - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements that needed to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts and arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- or more in respect of any party.
6. The Company has not accepted any deposits from the Public.
7. In our opinion, there was an inadequate internal audit system in the Company during the financial year under review.
8. We are informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
9. In respect of Statutory Dues:
  - (a) According to the records of the Company, the Company is regular in depositing undisputed Statutory Dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues excepting dues towards Gokul Gram Yojana (GST) Rs. 10.70 lacs, FBT Rs. 52.66 lacs and Employers' Contribution to Provident Fund Rs. 26.34 lacs were outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable.
  - (b) In our opinion and according to the information and explanations given to us, the Company has no disputed Statutory Dues outstanding.

## MTZ POLYFILMS LIMITED



10. The Company is registered with the Board for Industrial and Financial Reconstruction (BIFR) and its rehabilitation scheme has been sanctioned vide order dated 7th June, 2004.
11. As per the books and records maintained by the Company and according to the information and explanations given to us, the Company has defaulted in payment of dues to Standard Chartered Bank, Dena Bank, Bank of India and Bank of Baroda as per sanctions, negotiations and understandings from time to time. Excepting the above, the Company is regular in payment of dues to Banks and Financial Institutions in terms of sanctions.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of Shares, Debentures and other securities. Therefore, the provisions of Clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Banks or Financial Institutions during the year.
16. The Company has not raised any new terms loans during the year. The term loans outstanding at the beginning of the year were applied for the purpose for which they were raised.
17. On the basis of information received from the management and based on our examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term assets and vice versa.
18. During the year, the Company has not made Preferential Allotment of Shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any Debentures during the year for which security needs to be created.
20. The Company has not raised funds through Public Issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that could cause the financial statements to be materially mis-stated.

For **R. K. CHAPAWAT & CO.**  
Chartered Accountants

**RAVINDRA CHAPAWAT**  
Proprietor  
MEMBERSHIP NO. 37720

Place : Mumbai  
Date : 12th October, 2010.



**ANNUAL REPORT 2009-2010**

**BALANCE SHEET AS AT 31ST MARCH, 2010.**

	Schedule	Rs. in lacs	As at 31/03/10 Rs. in lacs	As at 31/03/09 Rs. in lacs
<b>I. SOURCES OF FUNDS</b>				
<b>1. Shareholders' Funds</b>				
a) Share Capital	1	8,935.58		8,935.58
b) Reserves and Surplus	2	8,763.02		8,763.02
			<b>17,698.60</b>	<b>17,698.60</b>
<b>2. Loan Funds</b>				
a) Secured Loans	3	14,355.16		13,779.72
b) Deferred Credits	4	1,404.66		1,365.26
c) Unsecured Loans		729.11		779.18
			<b>16,488.93</b>	<b>15,924.16</b>
<b>TOTAL</b>			<b>34,187.53</b>	<b>33,622.76</b>
<b>II. APPLICATION OF FUNDS</b>				
<b>1. Fixed Assets</b>				
a) Gross Block	5	21,803.75		21,803.75
b) Less: Depreciation		12,483.27		11,480.56
c) Net Block		9,320.48		10,323.19
d) Capital Work-in-Progress		3,759.90		3,759.90
			<b>13,080.38</b>	<b>14,083.09</b>
<b>2. Investments</b>	6		<b>29.77</b>	<b>29.77</b>
<b>3. Current Assets, Loans and Advances</b>				
a) Inventories	7	569.47		599.20
b) Sundry Debtors	8	687.40		569.90
c) Cash and Bank Balances	9	207.34		176.89
d) Loans and Advances	10	662.09		710.66
			<b>2,126.30</b>	<b>2,056.65</b>
<b>Less: Current Liabilities and Provisions</b>				
a) Liabilities	11	1,947.80		1,504.98
b) Provisions	12	87.38		74.33
			<b>2,035.18</b>	<b>1,579.31</b>
<b>Net Current Assets</b>			<b>91.12</b>	<b>477.34</b>
<b>4. Profit and Loss Account</b>			<b>20,960.41</b>	<b>19,002.40</b>
<b>5. Deferred Revenue Expenditure</b>			<b>25.85</b>	<b>30.16</b>
<b>TOTAL</b>			<b>34,187.53</b>	<b>33,622.76</b>

**Accounting Policies and Notes on Accounts** 16

As per our attached report of even date

For **R. K. CHAPAWAT & CO.**  
Chartered Accountants

**RAVINDRA CHAPAWAT**  
Proprietor  
Membership No. 37720

Place : Mumbai  
Dated : 12th October, 2010.

For and on behalf of the Board

**SANJAY B. SHAH**  
**ANAND S. SHAH**  
**ARVIND OBEROI**

Chairman  
Executive Vice Chairman  
Managing Director

Place : Mumbai  
Dated : 12th October, 2010.

**MTZ POLYFILMS LIMITED**



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.**

	Schedule	Rs. in lacs	Rs. in lacs	Previous Year Rs. in lacs
<b>INCOME</b>				
Sales		10,126.64		9,325.88
Other Income	13	34.14		48.48
			10,160.78	9,374.36
Increase/(Decrease) in Stocks	14		3.93	(89.88)
			10,164.71	9,284.48
<b>EXPENDITURE</b>				
Manufacturing and Other Expenses	15	9,620.29		8,226.22
Excise Duty paid		774.77		989.56
Interest and Finance Charges		719.83		938.76
Depreciation		1,002.71		1,001.57
Deferred Revenue Expenses amortised		4.31		4.31
			12,121.91	11,160.42
Profit/(Loss) before Extraordinary/Prior Period Items			(1,957.20)	(1,875.94)
Extraordinary/Prior Period Items (Net) (Refer Note No. 11 of Schedule 12)			(0.81)	0.38
Profit/(Loss) for the Year			(1,958.01)	(1,875.56)
Loss brought forward from previous year			(19,002.40)	(17,126.84)
Balance (Loss) carried to Balance Sheet			(20,960.41)	(19,002.40)
Earnings per Share (Rs.)			(2.19)	(2.10)

**Accounting Policies and Notes on Accounts**

16

As per our attached report of even date

For **R. K. CHAPAWAT & CO.**  
Chartered Accountants

**RAVINDRA CHAPAWAT**  
Proprietor  
Membership No. 37720

Place : Mumbai  
Dated : 12th October, 2010.

For and on behalf of the Board

**SANJAY B. SHAH**  
**ANAND S. SHAH**  
**ARVIND OBEROI**

Chairman  
Executive Vice Chairman  
Managing Director

Place : Mumbai  
Dated : 12th October, 2010.



## ANNUAL REPORT 2009-2010

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010.

	Rs. in lacs	2009-10 Rs. in lacs	2008-09 Rs. in lacs
<b>A. Cash Flow from Operating Activities</b>			
Net Profit/(Loss) before Tax and Extraordinary/Prior Period Items		(1,957.20)	(1,875.94)
Adjustments for:			
Interest and Finance Charges paid	719.83		938.76
Depreciation	1,002.71		1,001.57
Loss on Sale of Fixed Assets	-		1.28
Deferred Revenue Expenses amortised	4.31		4.31
		<u>1,726.85</u>	<u>1,945.92</u>
<b>Operating Profit before Working Capital changes</b>		<b>(230.35)</b>	69.98
Adjustments for:			
Trade and Other Receivables	(68.94)		(50.95)
Inventories	29.74		132.67
Trade and Other Payables	455.86		(227.49)
		<u>416.66</u>	<u>(145.77)</u>
<b>Cash generated from Operations</b>		<b>186.31</b>	(75.79)
Interest and Finance Charges paid		(719.83)	(938.76)
<b>Cash Flow before Extraordinary/Prior Period Items</b>		<b>(533.52)</b>	(1,014.55)
Extraordinary/Prior Period Items (Net)		(0.81)	0.38
<b>Net Cash from/(used in) Operating Activities (A)</b>		<b>(534.33)</b>	(1,014.17)
<b>B. Cash Flow from Investing Activities</b>			
Purchase of Fixed Assets and Other Capital Expenditure		-	(9.08)
Sale of Fixed Assets		-	2.00
<b>Net Cash from/(used in) Investing Activities (B)</b>		<b>-</b>	(7.08)
<b>C. Cash Flow from Financing Activities</b>			
Proceeds from Borrowings		564.78	971.89
<b>Net Cash from Financing Activities (C)</b>		<b>564.78</b>	971.89
<b>Net Change in Cash and Cash Equivalents (A+B+C)</b>		<b>30.45</b>	(49.36)
<b>Opening Balance of Cash and Cash Equivalents (1st April)</b>		<b>176.89</b>	226.25
<b>Closing Balance of Cash and Cash Equivalents (31st March)</b>		<b>207.34</b>	176.89

As per our attached report of even date

For **R. K. CHAPAWAT & CO.**  
Chartered Accountants

**RAVINDRA CHAPAWAT**  
Proprietor  
Membership No. 37720

Place : Mumbai  
Dated : 12th October, 2010.

For and on behalf of the Board

**SANJAY B. SHAH**  
**ANAND S. SHAH**  
**ARVIND OBEROI**

Chairman  
Executive Vice Chairman  
Managing Director

Place : Mumbai  
Dated : 12th October, 2010.



MTZ POLYFILMS LIMITED



SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31/03/10 Rs. in lacs	As at 31/03/09 Rs. in lacs
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised:</b> 10,00,00,000 Equity Shares of Rs.10 each	<b>10,000.00</b>	10,000.00
<b>Issued and Subscribed:</b> 8,93,55,760 Equity Shares of Rs.10 each fully paid up	<b>8,935.58</b>	8,935.58
TOTAL	<b>8,935.58</b>	8,935.58

<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Share Premium Account</b> As per last Balance Sheet	<b>8,144.21</b>	8,144.21
<b>Capital Reserve</b>	<b>618.81</b>	618.81
TOTAL	<b>8,763.02</b>	8,763.02

<b>SCHEDULE 3</b>		
<b>SECURED LOANS</b>		
<b>A. Term Loans</b>		
From Banks		
(a) Rupee Loans	7,517.06	7,517.06
(b) Interest accrued and due	3,107.45	2,824.10
(c) Vehicle Loan	1.51	6.50
	<b>10,626.02</b>	10,347.67
<b>B. Working Capital Loans</b>		
From Banks	<b>3,729.14</b>	3,432.05
TOTAL	<b>14,355.16</b>	13,779.72

**NOTES:**

- Term Loans referred to in A are secured on pari-passu basis by hypothecation of plant and machinery and all movable assets (excluding current assets charged to the Company's bankers for working capital finance). These loans are further secured by corporate guarantee of another company and personal guarantee of Promoter, excluding Term Loan from Standard Chartered Bank of Rs. 515 lacs, which is secured by way of a subservient charge on plant and machinery and all movable assets (excluding current assets).
- Vehicle Loan is secured by way of hypothecation of vehicle.
- Working Capital Loans referred to in B are secured by hypothecation of inventories, book debts and other current assets, both present and future. These loans are further secured by second charge on the Company's fixed assets.

<b>SCHEDULE 4</b>		
<b>DEFERRED CREDITS</b>		
Gujarat Industrial Development Corporation Secured against leasehold land at GIDC Jhagadia Industrial Estate, Dist. Bharuch.	<b>1,404.66</b>	1,365.26
TOTAL	<b>1,404.66</b>	1,365.26



ANNUAL REPORT 2009-2010

**SCHEDULE 5  
FIXED ASSETS**

Rs. in lacs

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01/04/09	Additions	Deductions	Cost as at 31/03/10	Upto 31/03/09	Additions	Deductions	Upto 31/03/10	As at 31/03/10	As at 31/03/09
Leasehold Land	1,531.57	-	-	1,531.57	-	-	-	-	1,531.57	1,531.57
Office Premises	325.75	-	-	325.75	55.35	5.31	-	60.66	265.07	270.39
Buildings	2,606.78	-	-	2,606.78	973.12	87.07	-	1060.20	1,546.58	1,633.66
Plant and Machinery	15,731.69	-	-	15,731.69	9,534.01	830.63	-	10,364.64	5,367.05	6,197.68
Electrical Installations	1,359.00	-	-	1,359.00	743.83	64.55	-	808.38	550.62	615.17
Furniture and Fixtures	77.92	-	-	77.92	57.77	4.93	-	62.70	15.21	20.15
Office Equipment	40.82	-	-	40.82	17.55	1.94	-	19.51	21.31	23.25
Computers	50.65	-	-	50.65	49.23	1.42	-	50.65	-	1.42
Air Conditioners	14.68	-	-	14.68	8.02	0.70	-	8.72	5.96	6.66
Vehicles	64.89	-	-	64.89	41.65	6.16	-	47.81	17.08	23.24
<b>TOTAL</b>	<b>21,803.75</b>	-	-	<b>21,803.75</b>	<b>11,480.56</b>	<b>1,002.71</b>	-	<b>12,483.27</b>	<b>9,320.48</b>	<b>10,323.19</b>
Previous Year	21,806.60	9.08	11.93	21,803.75	10,487.65	1,001.57	8.66	11,480.56	10,323.19	

**SCHEDULE 6  
INVESTMENTS (NON-TRADE)**

	As at 31/03/10 Rs. in lacs	As at 31/03/09 Rs. in lacs
<b>Quoted</b>		
8,60,000 Equity Shares of Synthetics and Chemicals Limited of the face value of Rs.10 each fully paid up	<b>197.80</b>	197.80
Less : Provision for diminution of Investment	<b>178.88</b>	178.88
	<b>18.92</b>	18.92
<b>Unquoted</b>		
1,04,800 Equity Shares of Bharuch Eco-Aqua Infrastructure Ltd. of the face value of Rs. 10 each fully paid up	<b>10.85</b>	10.85
<b>TOTAL</b>	<b>29.77</b>	29.77

**NOTE:**

Aggregate Value of Investments  
Unquoted - Cost  
Quoted - Cost  
Market Value of Quoted Share

<b>10.85</b>	10.85
<b>197.80</b>	197.80
-	-

MTZ POLYFILMS LIMITED



	Rs. in lacs	As at 31/03/10 Rs. in lacs	As at 31/03/09 Rs. in lacs
<b>SCHEDULE 7</b>			
<b>INVENTORIES</b>			
Raw Materials		46.11	63.92
Stock-in-Process		39.71	42.28
Finished Goods		50.70	44.20
Stores and Spares		432.95	448.80
TOTAL		<u>569.47</u>	<u>599.20</u>

**SCHEDULE 8**

**SUNDRY DEBTORS**

(Unsecured)

Debts outstanding for a period exceeding six months:

Considered good	28.31	202.72
Considered doubtful	350.53	-
	<u>378.84</u>	<u>202.72</u>

Debts outstanding for a period less than six months:

Considered good	308.56	367.18
Considered doubtful	-	-
	<u>308.56</u>	<u>367.18</u>

TOTAL	<u>687.40</u>	<u>569.90</u>
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**SCHEDULE 9**

**CASH AND BANK BALANCES**

Cash-in-hand		5.59	1.72
Bank Balances			
With Scheduled Banks:			
In Current Accounts		1.59	(18.90)
In Fixed Deposit Accounts [Lodged with Banks against Letters of Credit established on behalf of the Company]		200.16	194.07
TOTAL		<u>207.34</u>	<u>176.89</u>



**ANNUAL REPORT 2009-2010**

	Year ended 31/03/10 Rs. in lacs	Year ended 31/03/09 Rs. in lacs
<b>SCHEDULE 10</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured)		
Advances recoverable in cash or in kind or for value to be received	406.64	410.26
MODVAT Receivable Account	24.39	13.94
DEPB Benefit Receivable Account	1.39	3.26
VAT Refund Receivable Account	38.12	99.41
Sundry Deposits	164.77	158.23
Advance payment of Taxes	26.78	25.56
	<hr/>	<hr/>
TOTAL	<b>662.09</b>	<b>710.66</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTE:**

	As at 31/03/10 Rs. in lacs	As at 31/03/09 Rs. in lacs
Considered good	278.54	598.33
Considered doubtful	383.55	112.33
	<hr/>	<hr/>
	<b>662.09</b>	<b>710.66</b>
	<hr/> <hr/>	<hr/> <hr/>

**SCHEDULE 11**

**LIABILITIES**

Sundry Creditors	1,335.74	1,020.61
Advances from Customers	136.40	156.07
Dealer Deposit	0.99	0.99
Other Liabilities	474.67	327.31
	<hr/>	<hr/>
TOTAL	<b>1,947.80</b>	<b>1,504.98</b>
	<hr/> <hr/>	<hr/> <hr/>

**SCHEDULE 12**

**PROVISIONS**

For Gratuity and Leave Encashment	87.38	74.33
	<hr/>	<hr/>
TOTAL	<b>87.38</b>	<b>74.33</b>
	<hr/> <hr/>	<hr/> <hr/>

MTZ POLYFILMS LIMITED



	Rs. in lacs	Rs. in lacs	Previous Year Rs. in lacs
<b>SCHEDULE 13</b>			
<b>OTHER INCOME</b>			
Sale of Scrap		10.78	23.73
Interest Income		23.36	23.38
Miscellaneous Income		-	1.37
<b>TOTAL</b>		<b>34.14</b>	<b>48.48</b>
<b>SCHEDULE 14</b>			
<b>INCREASE/(DECREASE) IN STOCKS</b>			
<b>Closing Stock</b>			
Finished Goods	50.70		44.20
Stock-in-Process	39.71		42.28
		<b>90.41</b>	<b>86.48</b>
<b>Opening Stock</b>			
Finished Goods	44.20		42.28
Stock-in-Process	42.28		134.08
		<b>86.48</b>	<b>176.36</b>
<b>INCREASE/(DECREASE)</b>		<b>3.93</b>	<b>(89.88)</b>
<b>SCHEDULE 15</b>			
<b>MANUFACTURING AND OTHER EXPENSES</b>			
<b>Raw Materials consumed</b>			
<b>Payments to and Provisions for Employees</b>			
Salaries and Wages	454.28		430.08
Contribution to Provident and Other Funds	24.23		28.22
Welfare Expenses	6.22		12.26
		<b>484.73</b>	<b>470.56</b>
<b>Operating and Other Expenses</b>			
Packing Material consumed	86.04		143.01
Stores and Spares consumed	214.40		198.69
Power, Fuel and Water Charges	1,316.85		1,261.63
Labour and Other Charges	39.86		39.22
Rent, Rates and Taxes	8.92		15.20
Repairs - Buildings	-		0.01
Repairs - Machinery	12.20		7.22
Repairs - Others	7.13		6.10
Legal and Professional Expenses	23.57		21.68
Travelling and Conveyance	30.77		37.89
Commission	29.11		58.16
Selling and Distribution Expenses	133.63		158.63
Directors' Sitting Fees	0.08		0.28
Insurance	28.71		24.28
Miscellaneous Expenses	100.64		94.53
		<b>2,031.91</b>	<b>2,066.53</b>
<b>TOTAL</b>		<b>9,620.29</b>	<b>8,226.22</b>

**NOTE:** Miscellaneous Expenses include expenses related to Motor Car, Postage, Telephone, Printing & Stationary, etc.



# ANNUAL REPORT 2009-2010

## SCHEDULE 16

### ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Nature of Operations

The Company is engaged in the manufacture and sale of PET Film.

##### 2. Basis of Preparation of Financial Statements

(a) The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and comply in all material aspects with the applicable accounting standards notified under Section 211 (3C) of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

(b) The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

##### 3. Fixed Assets

(a) Fixed Assets are stated at historical cost of acquisition or construction less accumulated depreciation.

(b) Cost comprises of purchase price (net of rebates and discounts), import duties, levies (net of CENVAT and VAT) and any directly attributable cost(s) of bringing the assets to their working condition for intended use.

##### 4. Depreciation on Fixed Assets

Depreciation on Fixed Assets is provided on the Straight Line Method in accordance with the provisions of Section 205 (2) (b) of the Companies Act, 1956.

##### 5. Investments

Investments are stated at cost of acquisition less provision for diminution in value, if such diminution is other than temporary in nature.

##### 6. Recognition of Income and Expenditure

(a) Revenue/Income and cost/expenditure are generally accounted for on accrual basis as they are earned or incurred.

(b) CENVAT Credit is accounted for on accrual basis (except in case of capital items) at the time of receipt of input material in the factory.

(c) Sales are inclusive of Excise Duty and Taxes.

##### 7. Research and Development

Research and Development expenses are charged to revenue in the year in which they are incurred. Capital expenditure on Research and Development is treated as addition to Fixed Assets.

##### 8. Inventories

(a) Raw Materials  
At cost on FIFO basis.

(b) Stores and Spares  
At cost on FIFO basis.

(c) Stock-in-Process  
At estimated cost.

(d) Finished Goods  
At cost or market value, whichever is lower.

##### 9. Foreign Currency Transactions

Foreign Currency Transactions are normally recorded at the exchange rate prevailing at the time of the transactions. Assets and liabilities represented in foreign currency as at the date of the Balance Sheet have been restated at the exchange rate prevailing on such date. Gains or losses arising on settlement of transactions/re-statement of assets or liabilities have been charged to the Profit and Loss Account or capitalized as part of the asset cost, depending on the nature of transactions.

MTZ POLYFILMS LIMITED



**10. Retirement Benefits**

Provision for Gratuity and Leave Encashment is made on the basis of actuarial valuation at the end of the year in conformity with Accounting Standard-15, 'Accounting for Retirement Benefits of Employees'. Contribution to Provident Fund is accounted for on accrual basis.

**11. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. However, in the case of a qualifying asset, the active development of which is interrupted for an extended period, the capitalization of borrowing costs is suspended and charged to the Profit and Loss Account.

**12. Related Party Transactions**

The Company has entered into transactions with related parties within the meaning of Accounting Standard-18, 'Related Party Disclosures'. The Company has also entered into transactions with Key Management Personnel in their capacity as employees of the Company. Details of transactions are furnished in the Notes to Accounts.

**B. NOTES TO ACCOUNTS**

	Rs. in lacs	Previous Year Rs. in lacs
<b>1. Contingent Liabilities</b>		
(a) Bills Discounted with Banks and Others	29.41	-
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	379.91	379.91
(c) Legal claims against the Company not acknowledged as debts	363.66	131.90
(d) Counter Guarantee given by the Company on behalf of Bharuch Eco-Aqua Infrastructure Limited	14.38	14.38
TOTAL	<u>787.36</u>	<u>526.19</u>
<b>2. Payments to Auditors</b>		
(a) Audit Fees	1.75	1.75
(b) Tax Audit Fees	0.35	0.35
(c) In any other manner (certification and consultation)	0.03	0.26
TOTAL	<u>2.13</u>	<u>2.36</u>
<b>3. Directors' Remuneration</b>		
(a) Remuneration	54.67	53.30
(b) Perquisites in cash or in kind	0.63	0.56
(c) Contribution towards Provident and Superannuation Fund	0.09	2.16
TOTAL	<u>55.39</u>	<u>56.02</u>

**4. Additional information as per Schedule VI of the Companies Act, 1956 (to the extent applicable)**

	Unit	Quantity	Value Rs. in lacs	Quantity	Previous Year Value Rs. in lacs
(a) Sales					
(i) Polyester Film	MT	11,552	10,102.80	9,226	9,203.17
(iii) Processing Charges		100	23.83	363	122.71
(b) Closing Stock					
Polyester Film	MT	62	50.70	56	44.20
(c) Consumption of Raw Materials					
Polyester Chips	MT	11,689	7,103.65	9,878	5,689.13



**ANNUAL REPORT 2009-2010**

(d) Value of Imported and Indigenous Raw Materials, Stores and Spares consumed:

	Value Rs. in lacs	% of total Consumption	Value Rs. in lacs	Previous Year % of total Consumption
(i) Raw Materials:				
Imported	729.67	10.27	-	-
Indigenous	6,373.98	89.73	5,689.13	100.00
TOTAL	<u>7,103.65</u>	<u>100.00</u>	<u>5,689.13</u>	<u>100.00</u>
(ii) Stores and Spares:				
Imported	76.94	35.89	45.32	22.81
Indigenous	137.46	64.11	153.37	77.19
TOTAL	<u>214.40</u>	<u>100.00</u>	<u>198.69</u>	<u>100.00</u>

(e) Quantitative information with regard to class of goods manufactured:

Product	Unit	Registered Capacity	Installed Capacity	Actual Production	Registered Capacity	Installed Capacity	Actual Production
Polyester Film	TPA	13,000	13,000	11,658	13,000	13,000	9,630
Polyester Chips	TPA	30,000	U.I.	U.I.	30,000	U.I.	U.I.
U.I. - Under Implementation							

(f) CIF Value of Imports:

	Rs. in lacs	Previous Year Rs. in lacs
(i) Raw Materials	729.67	-
(ii) Spares and Consumables	76.94	29.27
TOTAL	<u>806.61</u>	<u>29.27</u>
(g) Expenditure in Foreign Currency:		
(i) Travelling Expenses	-	12.93
(ii) Other matters	73.69	107.11
TOTAL	<u>73.69</u>	<u>120.04</u>

(h) Earnings in Foreign Currency:

Export of Goods calculated on FOB basis	37.54	401.00
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5. As the Company's business activity falls within a single segment viz. 'PET FILM', the disclosure requirements of Accounting Standard-17, 'Segment Reporting', issued by the Institute of Chartered Accountants of India, are not applicable.
6. The implementation of the Company's captive Polyester Chips manufacturing plant at Jhagadia Industrial Estate, Bharuch, Gujarat continues to be deferred for nearly fifteen years for want of required resources and other economic considerations. Due to the inordinate delay in completing and commissioning of the project, a difference has arisen between the amount already spent on the Polyester Chips project and the estimated realisable value of the same amounting to approximately Rs. 3130 lacs, resulting in a loss to the Company. As per the requirement of Para 4.4 of Accounting Standard-4, the estimate in regard to the contingent loss has to be provided for in the judgement and perception of the management of the Company. Given that no provision is made for such contingent loss in the Profit and Loss Account for the year ended 31st March, 2010, the losses have been understated to the extent of Rs. 3130 lacs.
7. Balances of Debtors, Creditors, Deposits and Loans and Advances are subject to confirmation.
8. (a) Sundry Debtors includes an amount of Rs. 350.53 lacs (Previous Year Rs. NIL) considered doubtful of recovery. No provision has been made in the books of accounts as the management is making efforts to recover the same.



MTZ POLYFILMS LIMITED



- (b) Advances recoverable in cash or in kind includes an amount of Rs. 383.55 lacs (Previous Year Rs. 112.32 lacs) considered doubtful of recovery. Against this, no provision has been made in the books of accounts since the Company is still pursuing the recovery of this amount.
  - (c) Provision has not been made for diminution in the value of the Company's Investment aggregating to Rs. 18.92 lacs in Equity Shares of Synthetics and Chemicals Limited. A final view with respect to providing for total diminution in the value of this Investment will be taken in due course.
9. Duty credits receivable under the Duty Entitlement Pass Book Scheme of the Government have been accounted for on accrual basis, amounting to Rs. 45.35 lacs (Previous Year Rs. 29.13 lacs) and included under export sales.
10. The Company did not owe any sum of money exceeding Rs. 1.00 lac for more than thirty days as at 31st March, 2010 due to a creditor registered as a Small Scale Industrial Undertaking.
11. Extraordinary/Prior Period Items comprise of:
- (a) Credits:
    - (i) Time-barred Sundry Creditor Balances written back Rs. NIL (Previous Year Rs. 0.38 lac)
  - (b) Debits:
    - (i) Prior Period Expenses Rs. 0.81 lac (Previous Year Rs. NIL)
12. In the opinion of the Board, all Current Assets and 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, except as stated in Note No. B.8 on the Accounts.
13. Related Party Transactions:

(a) Companies and Promoters/Associates:

Previous Year

Nature of Transaction	Amount Rs. in lacs	Amount Rs. in lacs
Unsecured Loan	729.11	779.18

(b) Key Management Personnel:

Previous Year

Name	Designation	Nature of Transaction	Amount Rs. in lacs	Amount Rs. in lacs
Mr. Anand S. Shah	Executive Vice Chairman	Salary	Refer to Note No. B.3	
Mr. Arvind Oberoi	Managing Director	Salary		

14. As a matter of prudence, Deferred Tax Assets have not been considered in terms of Para-17 of Accounting Standard-22 relating to 'Accounting for Taxes on Income'.
15. Previous year's figures have been rearranged/regrouped wherever necessary.



**ANNUAL REPORT 2009-2010**

16. Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.

**Balance Sheet Abstract and Company's General Business Profile:**

I. Registration No.	37344	State Code	11
Balance Sheet Date	31/03/2010		

**II. Capital raised during the year (Rs. in lacs)**

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement	-

**III. Position of Mobilisation and Deployment of Funds (Rs. in lacs)**

Total Liabilities	34,187.53	Total Assets	34,187.53
Sources of Funds		Net Fixed Assets	9,320.48
Paid-up Capital	8,935.58	Capital Work-in-Progress	3,759.90
Secured Loans	14,355.16	Investments	29.77
Deferred Credits	1,404.66	Net Current Assets	91.12
Reserves and Surplus	8,763.02	Deferred Revenue Expenditure	25.85
Unsecured Loans	729.11	Accumulated Losses	20,960.41

**IV. Performance of Company (Rs. in lacs)**

Turnover	10,126.64	Total Expenditure	12,121.90
Profit/(Loss) before tax	(1,958.01)	Profit/(Loss) after Tax	(1,958.01)
Earnings per Share (Rs.)	-	Dividend (%)	-

**V. Generic Names of Principal Products, Services of the Company**

Item Code No.	3920.62
Product Description	Polyester Film

As per our attached report of even date

For **R. K. CHAPAWAT & CO.**  
Chartered Accountants

**RAVINDRA CHAPAWAT**  
Proprietor  
Membership No. 37720

Place : Mumbai  
Dated : 12th October, 2010.

For and on behalf of the Board

**SANJAY B. SHAH**  
**ANAND S. SHAH**  
**ARVIND OBEROI**

Chairman  
Executive Vice Chairman  
Managing Director

Place : Mumbai  
Dated : 12th October, 2010.

**MTZ POLYFILMS LIMITED**

**Registered Office:** Sarnath Centre, Ground Floor,  
Upvan Area, Upper Govind Nagar, Malad (East), Mumbai 400 097.



**PROXY FORM**

DP I.D. No. :	Regd. Folio No. :
Client I.D. No. :	No. of Shares held :

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
being a Member/Members of MTZ POLYFILMS LIMITED hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_

as my/our Proxy to attend and vote for me/us, and on my/our behalf, at the Twenty Fourth Annual General Meeting of the Company to be held on Saturday, 30th April, 2011, at 4.00 p.m., at Smt. Revaben Ghadiyali Sabhagraha, 139, Kailash Puri, Malad (E), Mumbai 400 097, or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Signed by the said

Affix a 30 Paise  
Revenue Stamp

- NOTES:** 1. The Proxy must be returned so as to reach the Administrative Office of the Company at New India Centre, 4th Floor, 17, Cooperage Road, Mumbai 400 001 not less than 48 hours before the time for holding the aforesaid Meeting.  
2. Those Members who have multiple folios with different Joint Holders may use copies of this Attendance Slip/Proxy.

----- TEAR HERE -----

**MTZ POLYFILMS LIMITED**

**Registered Office:** Sarnath Centre, Ground Floor,  
Upvan Area, Upper Govind Nagar, Malad (East), Mumbai 400 097.



**ATTENDANCE SLIP**

DP I.D. No. :	Regd. Folio No. :
Client I.D. No. :	No. of Shares held :

Shareholders attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company held on Saturday, 30th April, 2011, at 4.00 p.m., at Smt. Revaben Ghadiyali Sabhagraha, 139, Kailash Puri, Malad (E), Mumbai 400 097.

.....  
Member's / Proxy's name in  
Block Letters

.....  
Signature of Member / Proxy

**NOTE:** Shareholders/Proxyholders desiring to attend the meeting should bring their copies of the Annual Report for reference at the meeting.

BOOK POST



If undelivered, please return to:

**MTZ POLYFILMS LIMITED**  
New India Centre, 4th Floor  
17, Cooperage Road  
Mumbai 400 001.