



**UNION QUALITY PLASTICS LTD**

*29<sup>th</sup> Annual Report*

**2012 - 2013**



# UNION QUALITY PLASTICS LIMITED

## 2012 - 13

### BOARD OF DIRECTORS:

**Mr. Zuzar A Kathawala**

Chairman & Managing Director

**Mrs. Duriya Z Kathawala**

Director

**Mr. Sunil R Tripathi**

Executive Director

**Mr. Jayaram Ananthanarayan**

Independent Director

**Mrs. Naseem Arsiwala**

Independent Director

**Mr. Rameshchandra K Mishra**

Independent Director

### BANKERS:

**THE CITY CO-OPERATIVE BANK LTD.**

**ICICI BANK LIMITED**

**HDFC BANK LIMITED**

**ORIENTAL BANK OF COMMERCE**

### AUDITORS:

**M/S. PAREKH SHAH & LODHA**

Chartered Accountants

### SHARE REGISTRAR & TRANSFER AGENT:

**Bigshare Services Pvt. Ltd.**

E-2/3, Ansa Industrial Estate, Sakivihar Road,

Sakinaka, Andheri (E), Mumbai - 400 072.

Tel. No. 2852 3474, 2865 0652/53, 569 36291

Fax No. 2852 5207.

Email: bigshare@bom7.vsnl.net.in

### REGISTERED OFFICE:

**UNION QUALITY PLASTICS LTD**

5th Floor, A.G.H. Chambers,

379/381 Narsi Natha Street,

Mumbai - 400009

### FACTORIES:

**UNION QUALITY PLASTICS LTD**

Plot No.204, G.I.D.C. Industrial Estate,

Umbergoan - 396171, Dist. Bulsar

Gujarat



## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE TWENTY NINETH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON SEPTEMBER 30TH, 2013 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 5TH FLOOR, A.G.H CHAMBERS, 379/381 NARSINATHA STREET MUMBAI – 400009, TO TRANSACT THE FOLLOWING BUSINESS:**

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2013, Profit & Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Durriya Kathawala who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Sunil Tripathi who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. Parekh Shah & Lodha, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditor's plus service tax, traveling and out of pocket expenses.

### **Registered Office:**

5th Floor, A.G.H Chambers,  
379/381 Narsi Natha Street,  
Mumbai – 400009

**By order of Board of Directors of  
Union Quality Plastics Limited**

**Mr. Zuzar A Kathawala**  
Managing Director

**Mrs. Duriya Z Kathawala**  
Director

Place: Mumbai  
Date: 18th July, 2013



### 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 only on poll and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered office of the Company not less than forty eight before the commencement of the meeting.
2. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting and members who hold shares in electronic form (Demat) are requested to bring their Client ID and DP ID numbers for identification of attendance at the meeting
3. The Register of Members and Share Transfer Books will remain closed from 23rd September, 2013 to 30th September, 2013 (both days inclusive)
4. Members are requested to notify the change in their address to the Company and/or Registrar & Share Transfer Agent of the Company in physical mode and always quote their folio no. in all correspondence with the Company. In respect of holding in electronic form, members are requested to notify any change of address and change in bank details in their Depository participants.
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Members seeking further information on the accounts or any other matter contained in the Notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.

**Registered Office:**

5th Floor, A.G.H Chambers,  
379/381 Narsi Natha Street,  
Mumbai - 400009

By order of Board of Directors of  
**Union Quality Plastics Limited**

**Mr. Zuzar A Kathawala**  
Managing Director

**Mrs. Duriya Z Kathawala**  
Director

Place: Mumbai  
Date: 18th July, 2013



## DIRECTORS' REPORT

To,  
The Members

Your Directors have pleasure in presenting the 29th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2013.

### 1. FINANCIAL RESULTS:

(Rs. In Lacs)

Particular	(31/03/2013)	(31/03/2012)
Turnover (including other income)	3232.52	2828.76
Profit before Tax & Depreciation	90.33	64.10
Less - Depreciation and Amortization	29.00	26.71
Less - Provision for Taxation including Deferred Tax	0.00	(12.25)
Profit after tax	61.33	49.64

### 2. OPERATIONS AND BUSINESS PERFORMANCE:

Total incomes for the year have increased to Rs. 3232.52 Lacs from Rs. 2828.76 Lacs in the previous year recording growth of 14%. Profit after tax increased to Rs. 61.33 Lacs from Rs. 49.64 in the previous year reflecting the growth of 23.55%. The Company is taking further measures to increase its market demand.

### 3. DIVIDEND:

In view of conservation of profit, your Directors had not recommended any dividend for this year.

### 4. FIXED DEPOSITS:

During the year, the Company did not accept any deposit from the public within the meaning of section 58A of the Companies Act, 1956.

### 5. QUALITY MANAGEMENT:

The company is committed to supply products and services conforming to customers requirements by involving employees, vendors sub - contractors and customers to achieve its vision of being a cost-efficient global suppliers of quality products.

### 6. PARTICULARS OF EMPLOYEE:

As required by the provision of section 217(2A) of the companies act 1956 of the companies act 1956, read with companies (particulars of employees) Rules, 1975 as amended, there are no employees covered for the year under review

### 7. DIRECTORS:

In pursuance of the Companies Act, 1956, and articles of association of the company Mrs. Durriya Kathawala and Mr. Sunil Tripathi retires by rotation and being eligible, offer themselves for re-appointment.

### 8. DIRECTORS RESPONSIBILITY STATEMENTS:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm:

1) That in the preparation of the annual accounts for the financial year ended 31st March, 2013, the



applicable accounting standards have been followed and no material departures have been made from the same;

- ii) That they had selected such accounting policies, applied them consistently, made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That they had prepared the annual accounts on a going concern basis.
- v) That Auditors comment on the internal audit system of the company, Directors wants to clarify that our internal accounting system is strong enough to take care of internal control for accounts under the supervision of management. Hence, we have not deputed outside agency to carry on internal audit.
- vi) The company is engaged in manufacturing business where staff turnover ratio is very high. Hence maintaining retirement and other benefit and provision for gratuity on accrual basis is very difficult. Keeping in view the above the Company follows a policy of providing gratuity liability and retirement and other benefits on actual payment basis.
- vii) That Auditors comment on default in the repayment of dues to Ambient Media Solution Pvt. Limited from previous financial years, Directors wants to clarify that the case is under litigation and negotiations are going on for one time settlement.

## 9. CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE AND OUT GO :

Additional information as required as per section 217(I)(c) of the companies act, 1956 read along with companies (Disclosures of particulars in the report of board of Directors) Rules, 1988 is given below;

### (I) Conservation of Energy:

Continuous monitoring and awareness amongst employees has helped to avoid waste of energy. Adequate measures had helped in reducing the consumption of energy and overall electricity bill. It is planned to extend the measures taken during the current year which yielded good results, to other areas/equipment/offices.

### (II) Technology Absorption:

Company has not incurred major expenditure on R& D activity during the year under review; however the company is searching various technology and methods which will help in reducing the consumption of energy, increase in input / output ratio and produce internationally acceptable quality products, company have the ISO 9001: 2000 Certificate.

### Information regarding technology imported during the last five years:

- |   |   |                |
|---|---|----------------|
| a. Technology imported  | : | No             |
| b. Year of import   | : | Not applicable |
| c. Has technology been fully absorbed   | : | Not applicable |
| d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of actions | : | Not applicable |

**(III) Foreign Exchange:**

During the year company has earned foreign exchange by export turnover which amounts to Rs. 198.19 Lacs (P. Y. Rs. 71.80 Lacs) and had incurred Rs. 149.33 Lacs (P. Y. Rs. 17.19 Lacs) towards expenditure in foreign exchange during the year. Company is making all efforts to capture the international market.

**10. AUDITORS:**

M/s. PAREKH SHAH & LODHA, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of ensuing annual general meeting and, being eligible, offer themselves for reappointment as statutory auditors. Members are requested to approve the same and fix their remuneration.

**11. AUDITORS OBSERVATION:**

The comment of the auditors in their reports is self explanatory and need no further clarification.

**12. CORPORATE GOVERNANCE:**

Your Company believes in coherent and self-regulatory approach in the conduct of its business to achieve highest standard of Corporate Governance. It has complied with the requirement of the Corporate Governance as stipulated by SEBI. A separate report on Corporate Governance along with Auditor's Certificate on its compliance is annexed to and forms part of the report.

**13. APPRECIATION:**

Your Directors would like to place on record their appreciation of the consistent support, co-operation and assistance from our customers, suppliers, shareholders, employees and other business associates including various agencies of the central and Maharashtra state governments and Bankers for their continued understanding, assistance and support.

On Behalf of the Board of Directors  
For **Union Quality Plastics Limited**

**Mr. Zuzar A Kathawala**  
Chairman

Place: Mumbai  
Date : July 18th, 2013

**CORPORATE GOVERNANCE:**

Annexure - A

**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company aims at ensuring high ethical standards in all areas of its business operations to enhance its stake holder's value

In accordance with Clause 49 of the Listing agreement with the Stock Exchanges, the details of governance including compliances by the Company with the provisions of Clause 49 are as under:

**1. BOARD OF DIRECTORS:**

As on 31.03.2013, The Company's Board consisted of Two Promoter Directors, One Executive Director & Three independent directors, who have rich experience in their fields.

The Board of the Company met 6 times during the last financial year on the following dates: -- 30.04.12, 23.06.12, 31.07.12, 24.08.12, 31.10.12, 31.01.13

**Code of conduct:**

The Company has already implemented a Code of Conduct for all Board Members and Senior Managements of the company in compliance with Clause 49 (1) of the Listing Agreement. But, since the operations of the Company were not much, the application of the code of conduct was limited to that extent

The constitution of the Board (as on 31.03.2013) and the attendance of the Directors are given below:

Name of the Director	Category of the Director	No. of other Directorship (*)	No. of Board meetings Attended	Attendance at Last AGM
Zuzar A. Kathawala	Managing Director	4	6	Yes
Durriya Z. Kathawala	Promoter Director	3	6	Yes
Sunil R. Tripathi	Executive Director	Nil	6	Yes
Ananthanarayan Jayaram	Independent Director	1	6	Yes
Naseem Shabbir Arsiwala	Independent Director	Nil	6	Yes
Rameshchandra Mishra	Independent Director	NIL	6	Yes

- Excludes Directorship in Foreign Companies, Companies u/s 25 of the Companies act, 1956
- The Director(s) are neither Chairman nor members of any other committee(s) other than Audit committee, grievance committee, remuneration committee of the Company as mentioned in this report.

Detailed Agenda is circulated/ sent to the members of the Board in advance The Board discuss/ deliberate and decides on all the topics/ matters including those suggested in the Listing Agreement, as and when the requirement arises.

Risk Mitigation Plan: The Company has already adopted a risk mitigation plan, suitable to the Company. During the year there were no activities that required the assessment of risk.





## 2. AUDIT COMMITTEE:

The total strength of the Audit Committee is three. The said committee was constituted to exercise powers and discharge function as stipulated in Clause 49 of the Listing Agreement, and other relevant statutory and regulatory provisions. The Chairman of the audit committee is an Independent director, and one Executive Director and one Independent Director as members of the Committee.

During the relevant financial year, Four Audit Committee Meetings were held on 30.04.12, 31.07.2012, 31.10.12 and 31.01.13

The constitution of the Committee (as on 31.03.2013) and the attendance of each member of the Committee is given below

Name of the Member	Category	No. of Meetings	Attendance (No)
Jayaram Anantha Narayan	Chairman	4	4
Sunil R. Tripathi	Member	4	4
Naseem Shabbir Arsiwala	Member	4	4

## 3. SHARE HOLDERS GRIEVANCE/ SHARE TRANSFER COMMITTEE:

### Share Holder's Grievance Committee

During the year two committee meeting was held on 28.09.12 and 28.03.2013. Share Holders Grievance Committee consists of Independent Director as chairman, and one Executive Director and one Independent Director as members.

The data for the year is as follows: No Complaints received from share holders/ Exchange during the year 2013 unresolved complaints (including pertaining to the previous year(s):2012. Majority of these complaints pertain to listing matters which the Company is addressing.

The constitution of the Committee as on today is as under:

Name of the Member	Category	No. of Meetings	Attendance (No)
Jayaram Anantha Narayan	Chairman	2	2
Sunil R. Tripathi	Member	2	2
Naseem Shabbir Arsiwala	Member	2	2

At present, Mrs. Ritika Vinayak Iswalkar, is the Compliance officer of the Company.

### Share Transfer Committee

The same members of Share Holders Grievance Committee are the members of this committee also. The Committee met twice in a year.

## 4. REMUNERATION COMMITTEE

Remuneration Committee was not set up during the year under review.



## 5. OTHER DETAILS/INFORMATIONS

The details of Annual General Meeting held in last 3 years are as under:

Year	Date	Location	Time
2011-2012	27th Sept, 2012	Registered Office- 5th Floor, A.G.H Chambers, 379/381, Narsi Natha Street, Mumbai – 400 009	11.00 A.M.
2010-2011	30th Sept, 2011	Registered Office- 5th Floor, A.G.H Chambers, 379/381, Narsi Natha Street, Mumbai – 400 009	10.00 A.M.
2009-2010	30th Sept, 2010	Registered Office- 5th Floor, A.G.H Chambers, 379/381, Narsi Natha Street, Mumbai – 400 009	3.30 P.M.

The Company has not used Postal Ballot. One Extra Ordinary General Meetings of the members of the Company was held on 16.07.12.

- **Means of communication:**

The Company has started filings since 1996 the entire quarterly / half yearly / annual results of the company with the Stock Exchanges and press release are made in English & Marathi as stipulated in the Listing Agreement. The company does not have a web site. It also has not displayed in official news release and no presentations were made to institutional investors or to the analysts. We do not send half yearly financial reports to the share holders. The management Discussion and Analysis is a part of the Annual Report

- **Compliance of Insider Trading Norms:**

Company has adopted the code of internal procedures and thus complies with the insider trading norms.

- **General Shareholder's information**

a) AGM, date, time, and venue

Venue	Date	Time
502 AGH CHAMBER, 379/381 NARSINATHA STREET, MASJID, MUMBAI 400 009	30-09-2013	11.00 AM

b) Financial year ending 31st March' 2013.

c) Book closure date 23.09.2013 to 30.09.2013, (both the days inclusive)

d) Listing on stock exchanges. : The shares are listed in Bombay Stock Exchange. Trading in Shares is suspended by BSE

All the dues regarding the Listing Fee have been paid



c) Distribution schedule as on 31.03.2013

Category	Number of Shareholders	% (percentage)	Number of Shares Held	% (Percentage)
Upto- 500	2052	80.47	521000	10.78
501-1000	209	8.20	156800	3.24
1001-2000	150	5.88	210500	4.35
2001-3000	50	1.96	131700	2.72
3001-4000	13	0.51	45000	0.93
4001- 5000	13	0.51	61100	1.27
5001 - 10000	37	1.45	236500	4.89
10001 and above	26	1.02	3472400	71.82
<b>Total</b>	<b>2550</b>	<b>100.00</b>	<b>4835000</b>	<b>100.00</b>

f) **Share price movements:**

There was no trading of the scripts at the Stock Exchange(s) during the year. The data regarding the price movements are not available, and the management is unable to provide the statement showing the monthly high and low price of the script of the Company as required in the Listing Agreement.

g) **SHARE HOLDING PATTERN AS ON 31.03.2013**

Category	No. of shares	% of equity
Promoter Group	2663700	55.09%
Resident Body Corporate	5500	0.11%
Banks/FI/FII/MF/Trust	198500	4.11%
NRI/OCB	382500	7.91%
Employee	29100	0.60%
Public	1555700	32.18%

Share holdings of Independent Directors (Name) No. of Shares NIL

a) Director retiring by rotation / reappointment:  
Mr. Ahmedally Kathawala & Mr. Sunil Tripathi

c) Share transfer system: Physically Processed by R& T Agent Big Shares Services Pvt. Ltd.

d) The Company has not proposed / declared any dividend during the year.

e) Financial Year: 01.04.2013 to 31.03.2014



For the current financial year, following is the calendar (tentative and subject to change)  
Financial reporting for 31st March, 2014:

- 1st Quarter 30.06.2013
  - 2nd Quarter 30.09.2013
  - 3rd Quarter 31.12.2013
  - Financial year closing: 31.03.2014
  - 4th Quarter – 31.03.2014
- f) Plant Location: Plot No. 204, G.I.D.C. Industrial Estate, Umbergaon – 396171 Dist. Valsad, Gujrat State, (India) Tele Fax (0260) 2562591
- g) Address for correspondence
- Regd Office: 502, A.G.H.Chambers, 379/381, Narsi Natha Street, Masjid, Mumbai – 400 009
  - E-mail id of the Company: uqpl\_india@yahoo.co.in
  - E-mail id of the Compliance officer: ritika.i@unionqualityplastics.com/  
info@unionqualityplastics.com
  - Telephone No: 23449885/86
  - Fax: 234016436

Share Transfer Agents :- **BIGSHARE SERVICES PVT.LTD.**

E/2 ANSA INDUSTRIAL ESTATE, SAKI VIHAR ROAD, SAKI NAKA ANDHERI EAST MUMBAI-400 072.

- h) Stock Code – 526799 (Bombay Stock Exchange)
- i) Dematerialization of shares & liquidity: Bulk of the shares are in physical mode, as given below:

Sr.No	Particulars	No. of shares	Percentage
1	Physical Shares	2157500	44.62%
2	Electronic Shares	2677500	55.38%
	<b>Total</b>	<b>4835000</b>	<b>100.00%</b>

## 6) DISCLOSURE

- j) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity NA
- k) Conversion date and likely impact on Equity Shares NA
- l) The details of related parties' viz.: Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with Company's interest: NA
- m) Penalties or structures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the period under review  
NONE



n) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc  
NA

**7) Management Discussion and Analysis**

Overall review, industry Structure and Developments: The Company Sales have increased and the efforts towards higher value addition product has been successful. the Import of the same would be felt more in the coming financial year.

The company is also making efforts to increase exports and are gearing up production and are going through various audits to cater to this.

By Order of Board of Directors of  
**Union Quality Plastics Limited**

**Mr. Zuzar A Kathawala**  
Chairman & Managing Director

Place : Mumbai  
Date: 18/07/2013



## CEO & CFO CERTIFICATION

**The Board of Directors**

**M/S UNION QUALITY PLASTICS LIMITED**

**Mumbai**

Re-financial Statements for the year 2012-13 – Certification

I, Mr. Zuzar A. Kathawala, Chairman, Managing Director and, CFO, on the basis of the review of the financial statements and the cash flow statements for the

Financial year ending 31.03.2013 and to the best of our knowledge and belief, thereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended 31.03.2013 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
  - (a) There have been no significant changes in the internal control over financial reporting during this year.
  - (b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
  - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

**Zuzar A Kathawala**

Chairman & Executive Director / CFO

Place: Mumbai

Date: 18th July, 2013



## DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Zuzar A. Kathawala Chairman & Managing Director of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 31.03.2013.

For **Union Quality Plastics Limited**

**Zuzar A Kathawala**  
Chairman & Executive Director

Place: Mumbai  
Date: 18<sup>th</sup> July, 2013



## Independent Auditor's Report

To the Members of  
**UNION QUALITY PLASTICS LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of UNION QUALITY PLASTICS LIMITED, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.





### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 subject to the non compliance by the company of the Accounting Standard 15 relating to non provision of retirement and other benefit which is being accounted by the company on cash basis instead of accrual basis (liability quantum not ascertained) and provision for gratuity is not made on actuarial basis.
  - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For PAREKHASHAH & LODHA**  
**Chartered Accountants**  
Firm No.107487W

**CA Ravindra Chaturvedi**  
**(Partner)**  
Membership No.: 048350

Place: Mumbai  
Date: 18<sup>th</sup> July, 2013



## ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the accounts of Union Quality Plastics Ltd. for the year ended 31st March 2013.

### 1. **In respect of its fixed assets:**

- a) The Company is in the process of updating of Fixed Asset Register to show full particulars including details and situation of fixed assets.
- (b) We were given to understand that the management has physically verified the fixed assets during the year and this revealed no material discrepancies during such verification between book records and physical balance. In our opinion the frequency of the verification is reasonable, having regard to the size of the Company and the nature of its business.
- c) In our opinion the Company has not disposed off any major asset/ substantial part of its business during the year and the 'Going Concern' status of the Company is not affected.

### 2. **In respect of its inventories:**

- a) As informed to us, the inventories have been physically verified by management at reasonable intervals during the financial year.
- b) In our opinion, the procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of examination of the records of inventory, we are of opinion that the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

### 3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:

- a] During the year the Company has not granted unsecured loan/ Advances of to the parties listed in aforesaid register and balance outstanding, as on 31-03-2013 is Rs. 253.87 lacs (P.Y. Outstanding of Rs. 253.87 Lacs).
- b] In our opinion and according to the information and explanation given to us, the terms and conditions on which the abovementioned loan has been granted are not prima facie prejudicial to the interest of the Company, except for non charging of the interest.
- c] In respect of loans granted by the Company, these are repayable on demand and therefore the question of interest overdue amounts does not arise.
- d] During the year the Company has taken interest free unsecured loans from Eight parties listed in aforesaid register aggregating to Rs. 340.45 lacs and the maximum outstanding balance during the year is Rs.381.01 lacs. The balance outstanding, as on 31-03-2013 is Rs. 670.65 lacs (P.Y. Outstanding of Rs. 336.91Lacs).
- e] In our opinion and according to the information and explanation given to us, the terms and conditions on which the abovementioned loan has been taken are not prima facie prejudicial to the interest of the Company.



- f] In respect of loans taken by the Company, these are repayable on demand and therefore the question of interest overdue amounts does not arise.
4. In our opinion and according to the explanations given to us there is an adequate internal control procedure commensurate with the size of Company and nature of its business, for the purchase of fixed assets, inventory and for the sale of goods. During the course of our audit no major weakness has been observed in internal controls.
5. In respect of transactions covered under section 301 of the Companies Act, 1956.
- a) Based on the audit procedures applied by us and according to the explanations provided by the management, we are of the opinion that all transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 and which have so been entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. As informed to us, sections 58A and 58AA of the Companies Act, 1956 is not applicable to the Company as it has not accepted any deposits from the public. Hence, the clause (vi) of the Order is not applicable.
7. ***In our opinion the company does not have any formal internal audit system.***
8. In our opinion and to the best of our knowledge and according to the information given to us by management, The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
9. In respect of statutory dues:
- a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. According to the information made available to us, no undisputed arrears of statutory dues are outstanding as at 31st March 2013 for more than six months from the date when they became except for Professional Tax liability of Rs. 88,773/-.
- b) According to the information and explanations given to us there are no amounts in respect of Sales Tax, Custom duty, Wealth tax, Excise duty and Cess that have not been deposited with the appropriate authorities on account of any dispute, except for some dues towards Provident Fund Authorities, as per information provided to us.
10. The Company has accumulated losses of Rs. 17,71,79,024/- as on 31<sup>st</sup> March 2013 (P.Y. Rs. 18,33,11,924/-). The company has not incurred any cash losses during the financial year and in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank at balance sheet date, *except for the continued default in the repayment of dues to Development Credit Bank Limited from previous financial years.*
12. Based on our audit procedures and as per the information and explanations given by the management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the financial year 2012-2013.
13. The provision of any special statutes applicable to the Chit Funds, Nidhi or Mutual Benefit Society are not



- applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of this clause are not applicable on the Company.
  15. According to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
  16. According to the information and the explanations given to us, the company has not raised any term loans during the year, except cash credit facility from City Co-op Bank Ltd, the outstanding balance of which is Rs. 227.23 lakhs as on 31.3.2013.
  17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that the company has not utilized funds raised from short term sources towards long term applications and vice versa.
  18. During the current financial year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
  19. No debentures have been issued during the current financial year.
  20. No money has been raised by public issues during the current financial year.
  21. On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the current financial year.

**For PAREKH SHAH & LODHA**

Chartered Accountants  
Firm Regn No. 107487W

**CA Ravindra Chaturvedi**  
(Partner)

Membership No.: 048350

Place: Mumbai

Date: 18<sup>th</sup> July, 2013



## AUDITORS CERTIFICATE OF CORPORATE GOVERNANCE

To the members of  
**UNION QUALITY PLASTICS LIMITED**

We have examined the compliance of conditions of corporate governance by Union Quality Plastics Ltd. for the year ended 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchange(s) of India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of 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 explanations given to us and the representations made by the Directors and the management, we certify **that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement.**

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 PAREKH SHAH & LODHA**

Chartered Accountants  
Firm Regn No. 107487W

**CA Ravindra Chaturvedi**  
(Partner)  
Membership No.: 048350

Place: Mumbai  
Date: 18<sup>th</sup> July, 2013



## BALANCE SHEET AS AT 31ST MARCH 2013

(Amount in Rs.)

	Particulars	Note	As at 31st March, 2013	As at 31st March, 2012
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1</b>	<b>Shareholder's Fund</b>			
	Share Capital	1	4,81,93,700	4,81,93,700
	Reserves and Surplus	2	(14,88,94,976)	(15,50,27,876)
			<b>(10,07,01,276)</b>	<b>(10,68,34,176)</b>
<b>2</b>	<b>Non-Current Liabilities</b>			
	Long-Term Borrowings	3	12,94,23,064	12,94,23,064
<b>3</b>	<b>Current Liabilities</b>			
	Short-Term Borrowings	4	9,80,72,639	9,35,31,471
	Trade Payables	5	5,70,36,941	4,40,41,742
	Other Current Liabilities	6	90,49,611	7,93,550
	Short-Term Provisions	7	15,77,937	30,45,148
			<b>16,57,37,128</b>	<b>14,14,11,912</b>
	<b>TOTAL</b>		<b>19,44,58,916</b>	<b>16,40,00,800</b>
<b>II</b>	<b><u>ASSETS</u></b>			
<b>1</b>	<b>Non-current Assets Fixed Assets</b>	8		
	Tangible Assets		1,81,17,615	1,47,96,089
	Non-Current Investments	9	24,76,282	28,06,282
	Deferred Tax Assets (Net)	10	12,25,220	12,25,220
	Long-Term Loans And Advances	11	67,56,675	51,74,687
			<b>1,04,58,177</b>	<b>92,06,189</b>
<b>2</b>	<b>Current Assets</b>			
	Inventories	12	3,64,19,734	4,74,07,121
	Trade Receivables	13	8,37,31,983	4,15,47,832
	Cash And Cash Equivalents	14	50,82,636	61,37,131
	Short-Term Loans And Advances	15	4,06,48,770	4,49,06,439
	Other Current Assets	16	-	-
			<b>16,58,83,124</b>	<b>13,99,98,522</b>
	<b>TOTAL</b>		<b>19,44,58,916</b>	<b>16,40,00,800</b>

Notes, referred hereinabove, annexed to and forming part of the Balance Sheet & Profit and Loss Statement  
Significant Accounting Policies and Notes to Accounts 24

As per our report of even date

For PAREKH SHAH & LODHA

Chartered Accountants

Firm Regn No. 107487W

For and on Behalf of the Board  
UNION QUALITY PLASTICS LTD.

(Z A Kathawala)  
Chairman & Managing Director

(D Z Kathawala)  
Director

CA Ravindra Chaturvedi

Partner

M. No. 048350

Date :18/07/2013

Place : Mumbai



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013				
(Amount in Rs.)				
	Particulars	Note	As at 31st March, 2013	As at 31st March, 2012
I	Revenue from Operations	16	32,14,58,319	28,23,86,917
II	Other Income	17	17,93,249	4,89,533
III	<b>Total Revenue (I + II)</b>		<b>32,32,51,568</b>	<b>28,28,76,450</b>
V	<b>Expenses:</b>			
	Cost of Materials Consumed	18	22,32,84,736	20,91,16,910
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	67,06,293	25,39,604
	Employee Benefits Expense	20	2,39,34,961	2,02,04,640
	Finance Costs	21	50,24,114	20,35,617
	Depreciation and Amortization Expense	22	29,00,898	27,73,038
	Other Expenses	23	5,52,67,666	4,24,68,400
	<b>Total expenses</b>		<b>31,71,18,668</b>	<b>27,91,38,209</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>61,32,900</b>	<b>37,38,241</b>
VI	Exceptional items		-	-
VII	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>61,32,900</b>	<b>37,38,241</b>
VIII	Extraordinary Items		-	-
IX	<b>Profit before tax (VII- VIII)</b>		<b>61,32,900</b>	<b>37,38,241</b>
X	<b>Tax Expense:</b>			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	(12,25,220)
	(3) (Short)/ Excess Provision for Income Tax for Earlier Years		-	-
XI	<b>Profit (Loss) for the period</b>		<b>61,32,900</b>	<b>49,63,461</b>
XII	Earnings per equity share:			
	Basic		1.27	1.03
	Diluted		1.27	1.03

Notes, referred hereinabove, annexed to and forming part of the Balance Sheet & Profit and Loss Statement  
Significant Accounting Policies and Notes to Accounts 24

As per our report of even date  
**For PAREKH SHAH & LODHA**  
Chartered Accountants  
Firm Regn No. 107487W

For and on Behalf of the Board  
**UNION QUALITY PLASTICS LTD.**

(Z A Kathawala)  
Chairman & Managing Director

(D Z Kathawala)  
Director

**CA Ravindra Chaturvedi**  
Partner  
M. No. 048350  
Date : 18/07/2013  
Place : Mumbai



**Notes annexed to and forming part of the Balance Sheet & Statement of Profit and Loss Account**  
(Amount in Rs.)

PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>NOTE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
70,00,000 (P.Y. 70,00,000) Equity Shares of Rs. 10/- each	7,00,00,000	7,00,00,000
<b>TOTAL</b>	<b>7,00,00,000</b>	<b>7,00,00,000</b>
Issued, Subscribed and Paid up share capital		
48,35,000 (P.Y. 48,35,000) Equity Shares of Rs. 10/- each fully paid up	4,83,50,000	4,83,50,000
Less : Calls in Arrears 15,630 (P. Y. 15,630) Equity Shares of Rs. 10/- each	1,56,300	1,56,300
<b>TOTAL</b>	<b>4,81,93,700</b>	<b>4,81,93,700</b>

- a) A reconciliation of the number of shares outstanding at the beginning and at the end of the accounting year, is set out below:

Particulars	F.Y. 2012-2013 No. of shares	F.Y. 2011 2012 No. of shares
<b>Equity Shares</b>		
Equity shares at the beginning of the year	48,35,000	48,35,000
Add: shares issued during the year	-	-
<b>Equity shares at the end of the year</b>	<b>48,35,000</b>	<b>48,35,000</b>

- b) There are Nil ( Previous year – Nil) rights, preference and restriction attaching to each class of shares including restriction on the distribution of dividend and the repayment of capital."
- c) There are nil number of shares ( Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.
- d) Shares in the company held by each shareholders holding more than 5% shares, as on 31.03.2013:

Name of the Shareholder	No. of shares	Percentage (%)
Zuzar Ahmedally Kathawala (PY 7,98,900 16.52%)	7,98,900	16.52%
Qusai Zuzar Kathawala (PY 7,10,900 14.70%)	7,10,900	14.70%
Ahmedally G Kathawala (PY 3,62,800 7.50%)	3,62,800	7.50%
Adamji Investment Pvt. Ltd. (PY 5,39,800 11.16%)	5,39,800	11.16%

- e) There are nil number of shares ( Previous year Nil) reserved for issue under option and contracts /commitment for the sale of shares/disinvestment including the terms and amounts.

- f) For the period of five years immediately preceding the date as at which the balance sheet is prepared

Particulars	No of. Equity Shares	No of. Equity Shares
Aggregate number and class of shares allotted as fully paidup pursuant to contract(s) without payment being received in cash	Nil	Nil
Aggregate number and class of shares allotted as fully paidup by way of bonus shares.	Nil	Nil
Aggregate number and class of shares bought back	Nil	Nil





- g) There are no securities issued which are convertible into equity/preference shares.
- h) There are 15630 Calls unpaid (previous year 15630) of Rs 10/- each. Calls unpaid by directors & officers of the company as on Balance Sheet date are Nil. (previous year Nil).
- i) There is no forfeiture of the shares of any class during the Financial Year (Previous Year - Nil).

<b>Notes annexed to and forming part of the Balance Sheet &amp; Statement of Profit and Loss Account</b> (Amount in Rs.)		
<b>PARTICULARS</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
<b>NOTE - 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium</b>		
Opening balance	2,84,40,348	2,84,40,348
(-) Calls in Arrears	1,56,300	1,56,300
Closing Balance	<b>2,82,84,048</b>	<b>2,82,84,048</b>
<b>Profit and Loss Account</b>		
Opening balance	(18,33,11,924)	(18,82,75,385)
(+) Net Profit/(Net Loss) For the current year	61,32,900	49,63,461
Closing Balance	<b>(17,71,79,024)</b>	<b>(18,33,11,924)</b>
<b>TOTAL</b>	<b>(14,88,94,976)</b>	<b>(15,50,27,876)</b>
<b>NOTE - 3</b>		
<b>LONG-TERM BORROWINGS</b>		
<b>A. SECURED LONG-TERM BORROWINGS</b>		
<b><u>Term Loan</u></b>		
<b>From Ambient Media Pvt Ltd.</b>		
In Foreign Currency <sup>1</sup>	22,18,631	22,18,631
In Rupees <sup>2</sup>	1,45,29,473	1,45,29,473
<b><u>Demand Loan</u></b>		
<b>From Ambient Media Pvt Ltd.</b>		
In Rupees <sup>3</sup>	11,26,74,960	11,26,74,960
<b>TOTAL</b>	<b>12,94,23,064</b>	<b>12,94,23,064</b>

- 1 External Commercial Borrowings - The above account is Non Performing Assets since years, no installment was paid during the current year (including previous financial years. {Refer Note No 24 (b) (16) (v)}
- 2 Secured by way of first charge against Factory Land and Construction thereon along with plant & machinery installed situated at Umbergaon, Gujarat. The above account is Non Performing Assets since years, no installment was paid during the current year (including previous financial years. {Refer Note No 24 (b) (16) (v)}
- 3 Cash Credit Secured by way of pari passu first charge on stock of raw materials, finished goods, consumable stores & spares, work in progress and book debts of the Company. The above account is Non Performing Assets since years, no installment was paid during the current year (including previous financial years. Since the time of repayment was not ascertained, hence the same was considered as long term liability. {Refer Note No 24 (b) (16) (v)}



Notes annexed to and forming part of the Balance Sheet & Statement of Profit and Loss Account (Amount in Rs.)		
PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>NOTE - 4</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>SECURED SHORT-TERM BORROWINGS</b>		
Loans Repayable on Demand- From Banks		
The City Co-op Bank Ltd	2,27,23,492	2,06,54,670

(Working Capital facility from City Co-op bank is secured by pari passu first charge on stock of raw materials, finished goods, work in progress and book debts of the company along with the personal surety & security given by the directors of the company. Further the said working facility are repayable on demand and carries interest rates at 15% p. a. on monthly rest)

<b>UNSECURED SHORT-TERM BORROWINGS</b>		
Loans and Advances from Related Parties	6,70,65,092	6,47,78,960
Loans Repayable on Demand- From Other Parties	82,84,055	80,97,841
<b>TOTAL</b>	<b>9,80,72,639</b>	<b>9,35,31,471</b>
<b>NOTE - 5</b>		
<b>TRADE PAYABLES</b>		
Sundry Creditors	4,10,89,393	3,82,39,567
Expenses Payable	5,87,675	4,94,840
Advance received from Clients	1,53,59,873	53,07,336
<b>TOTAL</b>	<b>5,70,36,941</b>	<b>4,40,41,742</b>
<b>NOTE - 6</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Duties & Taxes Payable	90,49,611	7,93,550
	<b>90,49,611</b>	<b>7,93,550</b>
<b>NOTE - 7</b>		
<b>SHORT TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Salary & Reimbursements	14,22,107	14,29,883
Contribution to PF	1,55,830	1,52,731
Bonus Payable to Workers	-	14,62,534
<b>TOTAL</b>	<b>15,77,937</b>	<b>30,45,148</b>



(in Rupees)

**NOTE - 8**  
**FIXED ASSETS**

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deductions	Revaluations/ (Impairments)	As at 31.03.2013	01.04.2012	For the year	Adjustment due to revaluations/ (Impairments)	As At 31.03.2013	As at 31.03.2012
<b>I. TANGIBLE ASSETS</b>										
Lease Hold Land	22,52,550	-	-	-	22,52,550	-	-	-	22,52,550	22,52,550
Factory Building	2,30,62,287	-	-	-	2,30,62,287	1,62,58,736	6,80,355	-	61,23,196	68,03,551
Plant and Machinery	7,36,73,608	58,96,511	-	-	7,95,70,119	6,85,57,593	20,78,710	-	89,33,816	51,16,015
Electrical Installations	40,18,752	-	-	-	40,18,752	39,35,853	23,063	-	59,836	82,899
Furniture & Fixtures	7,53,152	16,000	-	-	7,69,152	5,01,498	48,445	-	2,19,209	2,51,654
Office equipment	4,82,107	2,15,615	-	-	6,97,722	3,43,672	39,720	-	3,83,392	1,38,435
Staff Quarters	1,74,736	-	-	-	1,74,736	70,609	5,206	-	98,921	1,04,127
Computers	4,19,097	-	-	-	4,19,097	3,72,239	18,743	-	3,90,982	46,858
Air Conditioner	-	39,798	-	-	39,798	-	4,267	-	4,267	-
Generator	-	54,500	-	-	54,500	-	2,389	-	2,389	-
<b>TOTAL</b>	<b>10,48,36,289</b>	<b>62,22,424</b>	-	-	<b>11,10,58,713</b>	<b>9,00,40,200</b>	<b>29,00,898</b>	-	<b>9,29,41,098</b>	<b>1,47,96,089</b>
Previous Year	10,36,31,930	12,04,359	-	-	10,48,36,289	8,73,68,905	26,71,295	-	1,47,96,089	1,79,57,958

Note: There was no written off/ addition to any class of the Fixed Assets, on a reduction of capital and/or on revaluation of assets during the last five financial years



Notes annexed to and forming part of the Balance Sheet & Statement of Profit and Loss Account (Amount in Rs.)		
PARTICULARS	As at 31.03.2013	As at 31.03.2012
<b>NOTE - 9</b>		
<b>NON-CURRENT INVESTMENTS</b>		
<b>Non Trade Investments - As per annexure 9A</b> (Valued at Cost and Certified by the Management)		
Investment in Equity instruments/Mutual Funds		
<b>Quoted Investment in Equity</b>	3,66,632	3,66,632
Aggregate amount of quoted investments (Market value of Rs 2,50,444 (Previous Year Rs 4,04,090))		
<b>Quoted Investment in Mutual Funds</b>	16,75,000	20,05,000
Aggregate amount of mutual funds (Market value of Rs. 16.61,453 (Previous Year Rs.19,45,335))		
<b>Unquoted Investment</b>		
Investments in Shares and NCD	6,14,635	6,14,635
Investments in Government or Trust securities	15,000	15,000
Less : Provision for diminution in the value of Investments	1,94,985	1,94,985
<b>TOTAL</b>	<b>24,76,282</b>	<b>28,06,282</b>
<b>NOTE - 10</b>		
<b>DEFERRED TAX ASSETS</b>		
Opening Balance - Assets/(Liabilities)	12,25,220	-
Add: Arised During the year	-	12,25,220
<b>Closing Balance - Assets / (Liabilities)</b>	<b>12,25,220</b>	<b>12,25,220</b>
<b>NOTE - 11</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
Security Deposits	67,56,675	51,74,687
<b>TOTAL</b>	<b>67,56,675</b>	<b>51,74,687</b>
<b>NOTE - 12</b>		
<b>INVENTORIES</b>		
(As taken, valued at Cost and certified by the Management )		
Raw Materials and components	63,81,073	1,00,36,222
Work in Progress	18,03,000	17,63,001
Finished goods	2,65,43,129	3,32,89,422
Stores and spares	16,92,532	23,18,475
<b>TOTAL</b>	<b>3,64,19,734</b>	<b>4,74,07,121</b>
<b>NOTE - 13</b>		
<b>TRADE RECEIVABLES</b>		
"Trade receivables - Unsecured Considered Good (outstanding for a period less than six months from the date they are due for payment)"	7,22,04,794	3,85,01,838
"Trade receivables - Unsecured Considered Good (outstanding for a period exceeding six months from the date they are due for payment) "	1,15,27,189	30,45,994
<b>TOTAL</b>	<b>8,37,31,983</b>	<b>4,15,47,832</b>



<b>NOTE - 14</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
<b>Balance with Banks:</b>		
Balance with Scheduled Banks - In Current Accounts	18,91,936	32,14,915
Balance with Scheduled Banks - In Margin Accounts	16,40,898	16,40,898
Fixed Deposits (with more than 12 months maturity)	2,50,000	2,85,000
<b>Cash on hand</b>	12,99,803	9,96,318
<b>TOTAL</b>	<b>50,82,636</b>	<b>61,37,131</b>
<b>NOTE - 15</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured Considered Good)		
<b>Loans and advances to related parties -</b>		
Advances to Directors	-	67,01,363
Business Advances to Ambient Media Pvt. Ltd.	2,53,86,849	2,53,86,849
Advance to Others	-	2,36,000
<b>Other loans and advances</b>		
Balances with Revenue Departments	88,93,164	68,54,850
Advances to Employees	5,06,115	2,83,000
Advances to Suppliers	58,62,642	54,44,377
<b>TOTAL</b>	<b>4,06,48,770</b>	<b>4,49,06,439</b>

**SCHEDULES FORMING PART OF PROFIT & LOSS A/C FOR THE YEAR ENDED  
31.03.2013**

(Amount in Rs.)

PARTICULARS	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>NOTE - 16</b>		
<b>INCOME FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Local Sales	34,33,03,024	30,43,35,194
Less: Excise duty on sales	3,69,08,039	2,82,02,819
Net Sales	30,63,94,985	27,61,32,375
Less: Stock in transit (include Excise duty paid)	32,04,922	-
Less: Sales Return	15,50,659	11,48,743
	30,16,39,404	27,49,83,632
Export Sales	1,98,18,915	71,79,503
Jobwork Charges	-	2,23,782
<b>TOTAL</b>	<b>32,14,58,319</b>	<b>28,23,86,917</b>



<b>NOTE - 17</b>		
<b>OTHER INCOME</b>		
Interest Income	2,05,478	1,30,591
Pond Installation	6,94,762	-
Net gain/loss on foreign currency transaction	8,53,813	1,00,751
Sundry Credit balance Written Off	-	2,32,726
Dividend on Mutual Fund	8,897	25,466
Net gain/loss on sale of investments	28,696	
Miss. Income	1,602	
<b>TOTAL</b>	<b>17,93,249</b>	<b>4,89,533</b>
<b>NOTE - 18</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Raw Material Consumed		
Opening Stock	1,00,36,222	1,60,93,856
Add : Purchases	21,73,81,757	20,05,52,042
Add: Reduction in Credit of Sales Tax	22,47,830	25,07,234
Less: Closing Stock	63,81,073	1,00,36,222
<b>TOTAL</b>	<b>22,32,84,736</b>	<b>20,91,16,910</b>
<b>NOTE - 19</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Finished Goods	3,32,89,422	3,61,13,626
Less: Closing Finished Goods	2,33,38,207	3,32,89,422
Less: Stock in transit of Finished Goods (include Excise duty paid)	32,04,922	-
Opening Work in Progress	17,63,000	14,78,400
Less: Closing Work in Progress	18,03,000	17,63,000
<b>TOTAL</b>	<b>67,06,293</b>	<b>25,39,604</b>
<b>NOTE - 20</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and incentives	2,11,17,127	1,78,43,967
Contributions to -		
- Provident fund	14,36,326	14,19,758
Gratuity fund contributions	10,00,163	5,77,081
Staff welfare expenses	3,81,345	3,63,834
<b>TOTAL</b>	<b>2,39,34,961</b>	<b>2,02,04,640</b>



SCHEDULES FORMING PART OF PROFIT & LOSS A/C FOR THE YEAR ENDED 31.03.2013		
(Amount in Rs.)		
PARTICULARS	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>NOTE - 21</b>		
<b>FINANCE COSTS</b>		
Interest on Cash Credit	31,76,626	7,81,789
Other Borrowing Costs	12,79,996	10,04,711
Bank Charges	5,67,492	2,49,117
<b>TOTAL</b>	<b>50,24,114</b>	<b>20,35,617</b>
<b>NOTE - 22</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation	29,00,898	26,71,295
Preliminary Expenses Written Off	-	1,01,743
<b>TOTAL</b>	<b>29,00,898</b>	<b>27,73,038</b>
<b>NOTE - 23</b>		
<b>OTHER EXPENSES</b>		
Direct Expenses		
Consumption of Stores	73,94,803	29,63,513
Labour Charges	99,04,602	94,29,214
Pond instalation material	82,951	-
Power and fuel	1,27,56,332	1,21,29,592
Repairs & Maintenance		
- Building	1,97,496	59,759
- Machinery	62,340	4,49,744
- Others	10,17,806	32,240
Insurance Expenses	28,146	94,516
<b>TOTAL</b>	<b>3,14,44,476</b>	<b>2,51,58,578</b>
<b>Administrative &amp; Selling Expenses</b>		
Auditors Remuneration:		
- as statutory auditor	67,416	67,416
- as tax auditor	33,708	33,708
Rent & Hire Charges	20,80,000	30,99,000
Rates and taxes, excluding, taxes on income.	63,279	3,74,135
Advertisement	1,40,468	31,454
Directors Remuneration	23,40,000	24,33,000
Computer Expenses	9,965	52,820
Electricity Charges	2,08,765	1,99,578
Export Expenses	1,71,389	1,79,408



Provision of Excise Duty on Stock of Finished Goods	29,19,839	-
Freight/Octroi & Clearing (Include export freight)	49,16,050	19,99,686
Other Interest/late payment charges	11,95,817	99,603
Legal & Profession Fess	29,61,630	13,06,063
Membership & Subscription	1,00,345	2,43,877
Motor Vehicle Expenses	3,22,218	4,87,107
Printing & Stationery	3,89,195	2,60,893
Discount & Commission on Sales	2,26,651	13,865
Fees Paid to BSE	-	11,26,725
Sales & Business Promotion Expenses	19,76,020	20,01,135
Postage & Telephone	7,70,056	9,15,344
Travelling & Conveyances Expenses	18,78,438	16,49,270
Donation	18,302	-
Miscellaneous expenses,	10,33,639	7,35,736
	2,38,23,190	1,73,09,822
<b>TOTAL</b>	<b>5,52,67,666</b>	<b>4,24,68,400</b>





## Note - 24: ACCOUNTING POLICIES AND NOTES TO ACCOUNT

### (A) SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

#### (b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that effect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. actual; results could differ from estimates

#### (c) Employee Benefits:-

- i. Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- ii. Gratuity liability is defined benefit obligations and is provided for on payment basis.
- iii. Short term compensated absences are provided for on based on estimates. Long term compensated absences are provided for based on actuarial valuation on projected unit credit method carried by an independent actuary as at end of the year.
- iv. Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.
- v. Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss account immediately.

#### (d) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Fixed assets erected & commissioned have been capitalized at cost including other incidental expenses relating to acquisition and installation.

#### (e) Depreciation

- i) Depreciation has been provided on written down value method corresponding to the rates prescribed under schedule XIV of the Companies Act 1956.
- ii) Depreciation on additions is being provided on pro-rata basis from the date of such additions.

#### (f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's



net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### **(g) Leases**

Assets acquired under finance leases are recognised in accordance with the method recommended by the ICAI. Lease payments are apportioned between finance charge and reduction of outstanding liabilities. The finance charge is allocated to periods during lease term at a constant periodic rate of interest on the remaining balance of the liability.

#### **(h) Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

#### **(i) Inventories**

Raw materials, components, stores and spares:

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### **(j) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### **Dividend**

Dividend including Interim is accounted for when declared.

All items of income/ expenses are accounted for on accrual basis except for the following items which are accounted for on cash basis.

- 1) Encashment of leave and gratuity payable to employees
- 2) Custom /Excise Duty on Material in bond.
- 3) Bonus

#### **(k) Foreign currency translation**

##### **(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



(ii) Conversion

Foreign currency monetary items are reported using the closing rate at the end of the reporting period. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India are capitalized as a part of fixed asset

**(I) Taxes on Income**

Income Tax expense comprise of Current Tax and Deferred Tax charge or credit. The current tax is determined as the amount of tax payable in respect of taxable income for the year, as per the provisions of Income Tax Act, 1961. The Company provides for Deferred Tax Liability based on the tax effect of Timing Differences resulting from the reorganization of item in the financial statements and estimating its current income tax provision. Where there are brought forward fiscal allowances, deferred tax asset is recognized only if there is virtual certainty of realization of such assets. Deferred tax assets and liabilities are reviewed as at each balance sheet date and restated as per current developments.

**(m) Borrowing Costs**

Borrowing Costs attributable to the fixed assets during their construction/renovation and modernization are capitalized in accordance with AS-16 issued by ICAI. Such borrowing costs are apportioned on the average balance of Capital Work-In-Progress for the year. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(n) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

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

**(o) Provisions**

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement

**(p) Segment Information**

The Company has only one business and geographical Segment viz. HDPE Tarpaulene and related products in India. Hence no further disclosures are required to be made as per AS-17 on segment reporting.

**(q) Indirect Taxes****Excise Duty:**

- I) Excise Duty payable on finished goods is accounted for on clearance of goods from the factory, no provision is made for Excise Duty in respect of Finished Goods lying the factory.
- II) Convat in respect of Excise Duty paid on purchase of Raw Materials, Stores and Capital goods is accounted for by reducing the purchase cost of the related goods

**Custom Duty:**

Custom Duty payable on Raw Materials, Stores, Spares and Components is accounted on clearance thereof from the bonded warehouses.

**(B) NOTES TO THE ACCOUNTS****1. Impairment of Assets**

The Company has carried out Impairment test on its fixed assets as on the date of Balance Sheet and the management is of the opinion that there is no asset for which provision for impairment is required to be made as per Accounting Standard - 28 on Impairment of Assets.

**2 Contingent Liabilities:**

- a) As per the representation made by management, the company has not any contingent liability for bill discount from bank and other, futher all the Bank Guarantee with custom Authorities has been provided by DCB bank and the same has canceled. Also all the facility including Bank Guarantee and Bill purchase has been assigned by the DCB to the Asset Reconstruction Company of India Limited (Arcil). Refer Note 12 (V).
- b) Bank Guarantee issued by OBC Bank of Rs. 29,46,500/-
- c) PF commissioner was issued notice of demand of Rs. 57.84 lacs (Rs. 44.61 lacs for penalty and Rs. 13.23 lacs ) for interest. The company was paid Rs.15 lacs upfront and appeal into Appellate Tribunal Delhi in 2007. In May 2011 matter disposed off in favor of the company and restricts the order up to interest only. The department was challenged the decision in 'Honorable High Court' and the same was dismissed by Single Judge Bench on 27.03.2012. Department further file appeal with Divisional Bench and the said bench asked for condonation of delay in filing the appeal from PF department.
- d) In Case of Excise duty following demand notice issued by the authority.



Demand of (Rs. In Laacs)	Status.
Rs. 26.02	Demand Notice was issued on 15.01.1997. The matter is pending with larger bench of Custom Excise & Service tax tribunal Ahmadabad.
Rs. 47.96	Demand Notice was issued on 10.03.2008. The matter is in appeal with the Custom Excise & Service tax tribunal Ahmadabad. (CESTAT)
Rs. 7.20	Notice was issued by commissioner of Custom & Excise on 30.11. 2012. Final order was passed on June, 2013. The company is in process to file appeal in the Custom Excise & Service tax tribunal Ahmadabad. (CESTAT)
Rs. 79.56	In the continuation of Excise raid on 25.01.2011, Show cause notice was issued by the commissioner on 14.05.2013. The same was matter of Appeal with the Appellate tribunal Ahmadabad. (CESTAT)

3. No provision has been made in accounts for gratuity and other retirement benefits accruing to employees which is not in accordance with the Accounting Standard 15 and accounting policy of the company

#### 4. Payments to Auditors

Particulars	2013-12	2011-12
Audit Fees (inclusive of Service Tax)	67,416	67,416
Tax Audit Fees (inclusive of Service Tax)	33,708	33,708
<b>Total</b>	<b>1,00,124</b>	<b>1,00,124</b>

#### 5. Managerial Remuneration

Remuneration has been paid to Managing Director as per Schedule XII of Companies Act 1956 as under:-

Particulars	2012-13	2011-12
Salary	25,00,000	24,33,000
<b>Total</b>	<b>25,00,000</b>	<b>24,33,000</b>

#### 6. Segment Reporting

The Company has only one business and geographical Segment viz. HDPE Tarpaulene and related products in India. Hence no further disclosures are required to be made as per AS-17 on segment reporting.



## 7. Accounting standard (AS-19) Lease Transaction Disclosures

### (a) Disclosures relating to Finance and Operating Leases

The Company has not entered in any kind of Finance and Operating Lease transactions during the Financial Year. Hence, no disclosure is required to be made as per AS-19 in this respect.

## 8. Related Parties Disclosures

### (I).

### Names of related parties

Names of related parties where control exists irrespective of whether transactions have occurred or not	Nil	
Names of other related parties with whom transactions have taken place during the year	Nil	
Associates	Nil	
Key Management Personnel	1.	Mr. Zuzar A. Kathawala (Managing Director)
	2.	Mrs. Durriya Z. Kathawala (Director)
	3.	Mr. Sunil Ramakanth Tripathi (Director)
Relatives of key management personnel	1.	Mr. Imtiaz A. Kathawala
	2.	Yunus Kathawala
	3.	Salim Kathawala
	4.	A. G. Kathawala
	5.	Qusai Kathawala
	6.	Naamah Kathawala
Enterprises owned or significantly influenced by key management personnel or their relatives	1.	Alban Communications India Pvt. Ltd.
	2.	Adamji Investment Pvt. Ltd
	3.	Ambient Media Solutions Pvt. Ltd.
	4.	Niyuprene Plastics Co. Pvt. Ltd.
	5.	Kathawala Realtors LLP
	6.	International Linker (Partnership Firm)

**(II). Related Party Disclosure**

(Amount in Rupees)

	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Relatives of Key Management Personnel		Enterprises owned or significantly influenced personnel or their relatives	
	2013	2012	2013	2012	2013	2012
<b>Employee Benefits for Key Management Personnel</b>						
Zuzar A. Kathawala	14,40,000	14,40,000				
Sunil Tripathi	9,00,000	9,93,000				
<b>Unsecured Loans Taken</b>						
Durriya Z Kathawala	2,20,000	2,50,000				
Zuzar A. Kathawala	2,26,69,834	25,05,000				
A.G. Kathawal			50,000	14,00,000		
Imtiaz A Kathawala			1,00,000	6,15,000		
Naamah Kathawala				55,000		
Qusai Kathawala				4,80,000		
Ambient Media Solutions P. Ltd.					7,95,490	10,26,070
Niyuprene Plastics Co. Pvt. Ltd.					2,00,000	
Kathawala Realtors LLP					95,90,000	77,80,000
Sunrise Corporation					6,40,000	
<b>Total of Unsecured Loans Taken</b>	<b>2,28,89,834</b>	<b>27,55,000</b>	<b>1,50,000</b>	<b>25,50,000</b>	<b>1,12,25,490</b>	<b>88,06,070</b>
<b>Unsecured Loans Repayments</b>						1,00,96,000
Durriya Z Kathawala	3,00,000	1,10,000				
Zuzar A. Kathawala	1,61,03,192	30,76,174				
A.G. Kathawal			50,50,000	56,80,000		
Imtiaz A Kathawala			1,00,000			
Naamah Kathawala				5,000		
Qusai Kathawala				4,80,000		
Ambient Media Solutions P. Ltd.					6,06,000	23,16,000



	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Relatives of Key Management Personnel		Enterprises owned or significantly influenced personnel or their relatives	
	2013	2012	2013	2012	2013	2012
Niyuprene Plastics Co. Pvt. Ltd.						
Kathawala Realtors LLP					95,90,000	77,80,000
Sunrise Corporation					10,000	
<b>Total of Unsecured Loans Repayments</b>	<b>1,64,03,192</b>	<b>31,86,174</b>	<b>51,50,000</b>	<b>61,65,000</b>	<b>1,02,06,000</b>	<b>1,00,96,000</b>
<b>Business Advances or Loan – Taken / Received back</b>						
Zuzar A. Kathawala	69,37,363					
<b>Business Advances Or Loan repaid/ given</b>						
Zuzar A. Kathawala	-	69,37,376	-	-	-	-
<b>Hire Charges / (Income)</b>	-	-	-	-	-	60,000
<b>Sales International Linker</b>	-	-	-	-	23,26,300	-
<b>Receipts against sale</b>	-	-	-	-	23,26,300	-
<b>Balances Outstanding at the year end</b>						
Unsecured Loan Payable	75,42,743	10,76,102	5,39,35,281	5,89,35,281	55,87,067	47,67,577
Business Advance (Receivable)/Payable	-	69,37,363			(2,53,86,849)	(2,53,86,849)

\* Amount written off or written back in respect of debts due from or to related parties is "NIL".

\*\* Figures for the previous year have been shown in the brackets.

\*\*\* Related party relationship is as identified by the management and relied upon by the auditor.

#### 9. Provision for Taxation

a) **Current Tax:** The company has made a appropriate provision for taxation for the year under the provision of the Income Tax Act, 1961

#### b) **Deferred Tax**

Deferred tax is recognized on timing differences in accordance with AS-22 issued by ICAI as per details given hereunder.

As a matter of Prudence, no provision for deferred Tax Asset has been made in the accounts.





We are given to understand that though the shares were pledged for a particular transaction and upto a limit of Rs. 10 Lacs only, in the year January 2000 the bank exercised their right to invoke the pledge without giving notice to the pledger and without restricting the sale to the extent of Rs. 10 Lacs only, and accordingly sold the shares for Rs. 2,88,50,988.57 and credited the proceeds to the companies cash and the matter is under litigation by the parties concerned the amount so credited by the bank is shown under the heading suspense account failing under classified group unsecured loans.

- V) As per the information available the loan from Ambient Media Pvt. Ltd. for Rs. 1294.23 lacs (as mentioned in Note No. 3 of the Balance Sheet) was originally granted by Development Credit Bank (DCB) and the same has been assigned by the DCB to the Asset Reconstruction Company of India Limited (Arcil). The Arcil has again sold its above said loan asset to one of the group company M/s Ambient Media Solutions Private Limited (AMSPL). The company has paid a sum of Rs. 253.87 lacs to AMSPL as a part of settlement of loan (as mentioned in Note 15 to Balance Sheet), subject to final settlement.

13. Balance of all sundry Debtors, Sundry Creditors & loan and advances are subject to confirmation and consequent reconciliation and adjustments, if any.
14. As per the Excise records, Dutiable sales is Rs. 3007.32 lacs, Reconciliation of total Sales with Excise records are as follows

Particulars	Amount in lacs
Dutiable Sales as per the Excise records	
Direct Sale	2,068.80
Branch Transfer	938.52
<b>Dutiable Sales as per the Excise records</b>	<b>3,007.32</b>
Add: Export Sales	198.19
Add: Sales to UNICEF	44.22
Less: Sales Return	(15.51)
<b>Total Sales</b>	<b>3,234.22</b>
Less: Stock at Branch	(28.52)
Add: Additional sales at branch	8.88
<b>Total Sales stated in P&amp;L</b>	<b>3,214.58</b>

15. No forward exchange contracts are outstanding on the balance sheet date which is entered to hedge foreign exchange exposures of the Company.
16. Account confirmation statements were not received from some of the parties
17. In the opinion of the Board, the assets (other than Fixed Assets and Non Current Investments) are approximately of the value stated, if realized in the ordinary course of business. The provisions for liabilities are considered to be adequate by the Board

As per our report of even date  
**For PAREKH SHAH & LODHA**  
 Chartered Accountants  
 Firm Regn No. 107487W

For and on Behalf of the Board  
**UNION QUALITY PLASTICS LTD.**

(Z A Kathawala)  
 Chairman & Managing Director

(D Z Kathawala)  
 Director

**CA Ravindra Chaturvedi**  
 Partner  
 M. No. 048350  
 Date :18/07/2013  
 Place : Mumbai



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013			
Particulars		2012-13 RS	2011-12 RS
<b>CASH FLOW FROM OPERATION ACTIVITIES :</b>			
Net Profit before tax and extraordinary items :		61,32,900	37,38,241
Adjustment for :			
Depreciation		29,00,898	26,71,295
Preliminary Expenses		-	1,01,742
Interest/Dividend received		(2,14,376)	(1,30,591)
<b>Operating Profit before Working capital changes :</b>		<b>88,19,422</b>	<b>63,80,687</b>
Adjustment for :			
Trade and Other Receivables		(4,21,84,151)	(1,00,21,521)
Inventories		1,35,54,673	75,70,488
Trade Payables		1,72,16,762	(68,34,408)
Other Current Assets		42,57,669	(1,13,75,564)
<b>Cash Generated from Operation</b>		<b>16,64,374</b>	<b>(1,42,80,317)</b>
Cash Flow Before extraordinary items		16,64,374	(1,42,80,317)
Direct Tax Paid		-	-
Other Income		-	-
<b>Net cash from operating activities after extra ordinary items</b>	<b>A</b>	<b>16,64,374</b>	<b>(1,42,80,317)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale / (Purchase) of Fixed Assets		(62,22,424)	(12,04,359)
Sale/ (Purchase) of Investments		3,30,000	(16,88,250)
Interest/Dividend received		2,14,376	1,30,591
<b>Net Cash Used in Investing activities</b>	<b>B</b>	<b>(56,78,048)</b>	<b>(27,62,018)</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
Net Proceeds from Issue of Share Capital		-	-
Net Proceeds from Unsecured Loans		8,90,358	(51,89,178)
Net Proceeds from Secured Loans		20,68,822	2,06,54,670
<b>Net Cash used in Financial Activities</b>	<b>C</b>	<b>29,59,180</b>	<b>1,54,65,492</b>
<b>Net Increase\Decrease in Cash and Cash Equivalents</b>	<b>A+B+C</b>	<b>(10,54,495)</b>	<b>(15,76,843)</b>
<b>Cash and Cash Equivalents as on 01-04-12(Opening)</b>		<b>61,37,131</b>	<b>77,13,974</b>
<b>Cash and Cash Equivalents as on 31-03-13(Closing)</b>		<b>50,82,636</b>	<b>61,37,131</b>

**AUDITORS'S CERTIFICATE**

We have examined the above Cash Flow Statement of Union Quality Plastics Ltd for the year ended 31st March 2013. The Statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our Report of even date to Members of the Company.

As per our report of even date

**For PAREKH SHAH & LODHA**

Chartered Accountants

Firm Regn No. 107487W

For and on Behalf of the Board

**UNION QUALITY PLASTICS LTD.**

(Z A Kathawala)

Chairman & Managing Director

(D Z Kathawala)

Director

**CA Ravindra Chaturvedi**

Partner

M. No. 048350

Date : 18/07/2013

Place : Mumbai

**UNION QUALITY PLASTICS LIMITED**

Regd. Off: 5th Floor, A.G.H Chambers, 379/381, Narsi Natha Street, Mumbai - 400 009.

**ATTENDANCE SLIP**

**29th Annual General Meeting: 30th September, 2013.**

Regd. Folio No./DP or Client ID

Mr. / Mrs. / Miss

(Shareholder's Name in BLOCK Letters)

Certify that I am a registered shareholder / proxy for the registered shareholders of the company.

(Member's / proxy's name and address in Block Letters to be furnished below)

hereby record my peresence at the 29th Annual General Meeting of the Company to be held on Monday, 30th September, 2013 at 11:00 am

If signed by Proxy, name should be  
Written here in BLOCK Letters

Member's / Proxy's Signature

-----  
Please fill in this attendance slip and hand it over at the Entrance of the Meeting Hall.

**UNION QUALITY PLASTICS LTD.**

Regd. Off: 5th Floor, A.G.H Chambers, 379/381, Narsi Natha Street, Mumbai - 400 009.

**Proxy Form**

**29th Annual General Meeting: 30th September, 2013.**

Regd. Folio No./DP or Client ID.....

No. of sharesheld.....

I/We.....of.....being a member/members of Union Quality Plastics Limited here by appoint

Mr./Mrs.....of.....failing

him/her Mr./Mrs.....of.....

..... failing him/her as my/our proxy to attend and vote for me/us and on

my/ our behalf at the 29th Annual General Meeting of the Company to be held on Monday,

30th September, 2013 at 11:00 am and at my adjournment thereof..

As witness my/our hand(s) this.....day of.....2013.

Signature .....

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company, not less than 48 hours before the time for holding the aforesaid Annual General Meeting