

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
KALPENA INDUSTRIES LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of Kalpena Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's 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") and in accordance with the accounting principles generally accepted in India. 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 the 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 the 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 the 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 but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 aforesaid 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 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

FOR B. MUKHERJEE & CO.
CHARTERED ACCOUNTANTS,
Firm Registration No. 302096E
B. MUKHERJEE
PARTNER
(Membership No. 002941)

Place: Kolkata
Date: 14th August 2013

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

- i) In respect of fixed assets
 - a) The company is generally maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b) As per the information and explanation given to us, fixed assets are physically verified by the management during the year, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on such verification were not material.
 - c) There was no substantial disposal of the Fixed Assets.
- ii) In respect of its inventory
 - a) As explained to us, the inventories of the company except stock in transit, have been physically verified by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
 - c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of operation of the company and have been dealt with in the books of accounts.
- iii) a) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Act.
b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the products of the company are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is generally an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- v) In our opinion and according to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- vi) The Company has not accepted any deposit from public in terms of section 58A and 58AA and the relevant provisions of the Companies Act, 1956.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- viii) We have broadly reviewed the books of accounts maintained by the company in respect of product where pursuant to rules prescribed by the central government, the maintenance of cost records has been prescribed under clause (d) of subsection (1) of sec 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detail examination of the cost record with a view to determine whether they are accurate or complete.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities. As at 31st March' 2013, there were no arrears in respect of the aforesaid dues for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as applicable as at 31st March' 2013, which have not been deposited on account of a dispute are as follows

Name of Statute	Nature of Dues	Amount (Rs. In Thousands)	Period of which the amount relates	Forum where dispute is pending
Excise Act	Excise Duty	2,935	F.Y. 1996-97	CEGAT
Value Added Tax	Value Added Tax	44,705 6,093 34,441	F.Y. 2004-05 F.Y. 2005-06 F.Y. 2006-07	Jt. Comm. of Sales Tax, Beliaghata, Kolkata
Central Sales Tax	Central Sales Tax	6,912 21,757 10,110	F.Y. 2004-05 F.Y. 2005-06 F.Y. 2006-07	Jt. Comm. of Sales Tax, Beliaghata, Kolkata

- x) There are no accumulated losses of the company. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution and banks as at the Balance Sheet date.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- xiv) In our opinion the company, is not dealing in or trading in shares, securities, debentures and other investments.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from bank or financial institution during the year.
- xvi) According to the information & explanation given to us, the term loan are being applied by the company for the purpose for which the loan were obtained.
- xvii) According to the information and explanations given to us, on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- xix) There are no debentures issued and outstanding at the year end.
- xx) The Company has not raised any money by public issue during the year.
- xxi) According to the information and explanations given to us and representations made by management and based upon the audit procedures performed, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

FOR B. MUKHERJEE & CO.
CHARTERED ACCOUNTANTS,
Firm Registration No. 302096E
B. MUKHERJEE
PARTNER
(Membership No. 002941)

Place: Kolkata
Date: 14th August 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Lacs)

	Note	As at March 31st, 2013		As at March 31st, 2012	
EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	2	1,881.46		1,881.46	
Reserve and Surplus	3	<u>19,806.92</u>		<u>18,088.50</u>	
			21,688.38		19,969.96
Non-Current Liabilities					
Long-term borrowings	4	14,290.26		5,415.63	
Deferred tax liabilities (Net)	5	1,585.09		1,162.07	
Long-term provisions	6	<u>24.37</u>	15,899.72	<u>21.06</u>	6,598.76
Current Liabilities					
Short-term borrowings	7	17,636.18		15,919.38	
Trade payables	8	7,484.45		6,526.38	
Other current liabilities	9	9,633.73		4,304.87	
Short-term provisions	10	<u>339.56</u>	35,093.92	<u>499.33</u>	27,249.96
TOTAL			<u>72,682.02</u>		<u>53,818.68</u>
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	11	20,779.61		11,029.84	
Intangible Assets		42.19		48.47	
Capital work-in-progress		6,609.54		1,596.43	
Non-current investments	12	253.59		253.60	
Long-term loans and advances	13	2,937.58		4,306.70	
Other non-current assets	14	<u>475.87</u>	31,098.38	<u>322.92</u>	17,557.96
Current assets					
Inventories	15	12,239.12		8,731.94	
Trade receivables	16	22,193.88		21,575.06	
Cash and Bank Balances	17	1,769.49		1,694.19	
Short-term loans and advances	18	5,336.29		4,227.90	
Other current assets	19	<u>44.86</u>	41,583.64	<u>31.63</u>	36,260.72
TOTAL			<u>72,682.02</u>		<u>53,818.68</u>

Significant accounting policies 1

The accompanying notes are an integral part of the financial statement.

This is the Balance Sheet referred to in our report of even date.

For **B. Mukherjee & Co.**
Chartered Accountants
Firm Registration No:302096E

B. Mukherjee
Partner
Membership No.002941
Date : 14th August, 2013
Place : Kolkata

For and on behalf of Board of Directors
Narrindra Suranna
Chairman and Managing Director

Rajesh Kumar Kothari
Whole Time Director

A. B. Chakrabartty
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

	Note	Year Ended March 31st, 2013	Year Ended March 31st, 2012
INCOME			
REVENUE FROM OPERATIONS	20	126,517.36	97,728.60
Less: Excise duty		<u>9,831.29</u>	<u>6,689.57</u>
Revenue from operations (net)		116,686.07	91,039.03
Other Income	21	1,227.89	284.19
Total Revenue		<u>117,913.96</u>	<u>91,323.22</u>
EXPENSES			
Cost of materials consumed	22	101,889.09	77,832.39
Changes in inventories of finished goods	23	(582.89)	(592.94)
Employee benefits expense	24	1,410.85	1,085.34
Finance costs	25	2,538.44	1,685.62
Depreciation and amortization expense		1,203.80	897.81
Less: Depreciation on amount added on revaluation		<u>14.48</u>	<u>14.29</u>
Other expenses	26	8,407.29	7,210.16
Total expenses		<u>114,852.10</u>	<u>88,104.09</u>
Profit before exceptional and extraordinary items and tax		3,061.86	3,219.13
Exceptional & extraordinary items		-	-
Profit before tax		3,061.86	3,219.13
Tax expense:			
Current Tax Expenses		641.78	638.04
Deferred Tax		<u>423.02</u>	<u>156.73</u>
Profit for the year		<u>1,997.06</u>	<u>2,424.36</u>
Earnings per equity share: (Refer note no.29)		<i>Rs.</i>	<i>Rs.</i>
Basic		10.61	12.99
Diluted		10.61	12.99

Significant accounting policies

1

The accompanying notes are an integral part of the financial statement.
This is the Statement of Profit & Loss referred to in our report of even date.

For **B. Mukherjee & Co.**
Chartered Accountants
Firm Registration No:302096E

For and on behalf of Board of Directors
Narrindra Suranna
Chairman and Managing Director

B. Mukherjee
Partner
Membership No.002941
Date : 14th August, 2013
Place : Kolkata

Rajesh Kumar Kothari
Whole Time Director
A. B. Chakrabartty
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

	Year Ended March 31st, 2013		Year Ended March 31st, 2012	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extra Ordinary Items		3,061.86		3,219.13
Add: Depreciation	1,189.32		883.52	
Loss on Sale of Fixed Assets	6.08		-	
Bad debts / Advances Written off	2.86		-	
Preliminary Expenses W/Off	-		0.03	
Finance Costs	2,538.44	3,736.70	1,685.62	2,569.18
		6,798.56		5,788.30
Less: Interest Income	387.81		169.70	
Profit on Sale of Fixed Assets	-		0.24	
Liabilities written back to the extent no longer required	-		11.03	
Foreign Currency Fluctuation Gain (Notional)	-	387.81	83.69	264.66
Operating Profit before Working Capital Changes		6,410.75		5,523.64
Adjustment for:				
Trade and Other Receivables	(1,959.53)		(5,761.10)	
Inventories	(3,507.18)		(1,211.01)	
Trade payables and other liabilities	1,428.31	(4,038.41)	1,459.61	(5,512.50)
Cash Generated before Extra Ordinary Items		2,372.34		11.14
Extra Ordinary Items				-
Cash Generated from Operations		2,372.34		11.14
Direct Tax paid (net of refunds)		(600.08)		(627.81)
Net Cash Generated from Operating Activities (A)		1,772.26		(616.67)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of tangible/intangible assets		(13,788.54)		(1,071.52)
Advance towards purchase of Fixed Assets		1,417.99		(2,342.00)
Sale of fixed assets		7.15		4.48
Interest Received		374.58		254.11
Net Cash Generated from Investing Activities (B)		(11,988.81)		(3,154.93)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings		11,592.91		1,806.31
Short Term Borrowings (net)		1,716.80		4,171.36
Interest Paid		(2,538.44)		(1,685.62)
Dividend Paid (Including Tax on Dividend)		(479.43)		(473.35)
Net Cash Generated from Financing Activities (C)		10,291.84		3,818.70

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

	Year Ended March 31st, 2013	Year Ended March 31st, 2012
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	75.30	47.09
Cash and Cash equivalents at the beginning of the year	1,694.19	1,647.10
Cash and Cash equivalents at the end of the year	1,769.49	1,694.19

NOTES:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on cash Flow Statements issued by the Institute of Chartered Accountants of India
- Previous Year's figures have been regrouped where necessary to conform to the current year's classification.
- Cash and cash equivalents comprise of:

<i>Cash on Hand</i>	47.09	34.55
Balances with scheduled banks:		
- <i>In Current Accounts</i>	693.46	372.47
- <i>In EEFC Accounts</i>	164.42	279.95
- <i>In Margin & Guarantee Deposit Accounts*</i>	808.66	953.01
- <i>In Unpaid Dividend Account*</i>	55.86	54.21
	1,769.49	1,694.19

* Balances not available for use by the Company

This is the Cash Flow Statement referred to in our report of even date.

For **B. Mukherjee & Co.**
Chartered Accountants
Firm Registration No:302096E

B. Mukherjee
Partner
Membership No.002941
Date : 14th August, 2013
Place : Kolkata

For and on behalf of Board of Directors
Narrindra Suranna
Chairman and Managing Director

Rajesh Kumar Kothari
Whole Time Director

A. B. Chakrabartty
Company Secretary

Notes to the financial statements for the year ended 31st March, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

ii) Use of Estimates

The preparation of Financial Statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statement and the result of the operations during the reporting year end. Although these assumptions are made as per the Management 's best knowledge of current events and actions, actual result may differ from these estimates.

iii) Tangible Fixed Assets

Fixed Assets including capital work in progress are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

iv) Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment loss, if any.

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on a straight-line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

v) Depreciation and Amortisation

Depreciation includes amortisation. Depreciation on Tangible Fixed Assets has been provided on the Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956 on prorata basis with reference to the date of addition. Technical Know How is amortised over a period of five years on straight line basis beginning from the financial year 2010-11 and Computer Software is amortised on straight line basis over a period of ten years.

Notes to the financial statements for the year ended 31st March, 2013

vi) Impairment of Tangible and Intangible Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

vii) Revenue Recognition:

Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, and includes raw material sales & remission of Central Sales Tax and Vat Amount. Jobs charges is recognised as per terms of contract. Sales includes amounts recovered towards excise duty and are net of returns. Revenue from sale of scrap is recognised as and when scrap is sold.

Other income and expenditure are recognised and accounted on accrual basis.

viii) Foreign currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Non monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

ix) Financial Derivatives Hedging Transactions

In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets. Derivatives contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statements.

x) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long Term Investments are stated at cost less written down for any diminution, other than temporary, in carrying value. Current investments are stated at lower of cost and quoted value.

xi) Inventories

Raw materials and Stores & spareparts: Inventories are valued at cost or net realisable value whichever is lower. Cost is determined by using the Weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Finished Goods: Inventories are valued at lower of cost and net realisable value. Finished goods include cost of conversion and other cost incurred for bringing the inventories to their present location and condition.

Notes to the financial statements for the year ended 31st March, 2013

xii) Retirement and other Employee Benefits

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

Contribution towards provident funds are recognised as expenses and are made to government administered provident fund towards which the Company has no further obligations beyond its monthly contribution. Liability towards gratuity, covering eligible employees on the basis of year-end actuarial valuation is recognised as a charge.

Accrued liability towards leave encashment benefits, covering eligible employees' is recognised as charge. Contribution to Central Government administered Employees' State insurance Scheme for eligible employees is recognised as charge. Super Annuation benefit scheme is not existing in the company at present.

xiii) Borrowing Cost

Borrowing cost that are directly attributable to acquisition and construction of qualifying asset are capitalised as part of the cost of such asset upto the date the asset is put to use. All other borrowing cost are charged to revenue on accrual basis unless otherwise stated.

xiv) Current and deferred tax

Provision for current income tax is made in accordance with the provisions of the Income-tax Act, 1961.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

Provision for wealth tax liability is estimated in accordance with Wealth Tax Act, 1957

xv) Provisions and Contingent Liabilities

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

xvi) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period after deducting any attributable tax thereto for the period by the weighted average number of equity shares outstanding during the 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 is adjusted for the effects of all dilutive potential equity shares.

Notes to the financial statements for the year ended 31st March, 2013

(₹ in Lacs)

	As at March 31st, 2013	As at March 31st, 2012
2. SHARE CAPITAL		
Authorised		
3,06,00,000 (Previous Year : 3,06,00,000) Equity Shares of ₹ 10/- each	3,060.00	3,060.00
Issued, Subscribed & Paid Up		
1,88,14,586 ((Previous Year : 1,88,14,586) Equity Shares of ₹ 10/- each	1,881.46	1,881.46
	1,881.46	1,881.46

i) Terms/ Rights attached to Equity Shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion of their shareholding.

The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, the amount of per share dividend recognised as distribution to equity shareholders is ₹ 1.20 per Equity Share of ₹ 10/- each.

ii) Reconciliation of the number of shares

Equity Shares:

	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	18,814,586	1,881.46	18,494,586	1,849.46
Add: Shares issued in the ratio of 2:3 to the shareholders of Bavaria Poly Pvt. Ltd. pursuant to a Scheme of amalgamation without payment being received in Cash.	-	-	320,000	32.00
Balance as at the end of the year	18,814,586	1,881.46	18,814,586	1,881.46

iii) Details of equity shares held by shareholders holding more than 5% shares:

Name of Share Holder	Number of Shares	% holding	Number of Shares	% holding
Shriram Financial Consultants Pvt. Ltd	8,957,034	47.61%	8,957,034	47.61%
Shyambaba Trexim Pvt. Ltd.	3,110,336	16.53%	3,110,336	16.53%
Subh Labh Vintrade Pvt. Ltd	1,550,000	8.24%	1,550,000	8.24%
Inbara Holdings Pvt. Ltd	1,450,000	7.71%	1,450,000	7.71%

Notes to the financial statements for the year ended 31st March, 2013

(₹ in Lacs)

- iv) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date:

Number of Equity Shares of Rs.10/- each allotted as fully paid up pursuant to contract (Scheme of Amalgamation/ Arrangements) without payment being received in Cash)

	<u>5,214,586</u>		<u>5,214,586</u>	
	As at		As at	
	<u>March 31st, 2013</u>		<u>March 31st, 2012</u>	
3. RESERVE AND SURPLUS				
Capital Reserve (Balance as per last account)		12.91		12.91
Securities Premium Account (Balance as per last account)		5,322.45		5,322.45
Amalgamation Reserve (Balance as per last account)		840.05		840.05
Revaluation Reserve				
Balance as at the beginning of the year	211.73		226.03	
Less: Depreciation arising out of revaluation	<u>14.48</u>	197.25	<u>14.29</u>	211.74
General Reserve				
Balance as at the beginning of the year	2,543.18		2,143.18	
Add: Transfer from Surplus in Statement of Profit and Loss during the year	<u>400.00</u>	2,943.18	<u>400.00</u>	2,543.18
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	9,158.17		7,614.88	
Add: Profit for the year	<u>1,997.06</u>		<u>2,424.35</u>	
	11,155.23		10,039.24	
Less: Appropriation Proposed Dividend on Equity Shares	225.78		413.92	
Tax on Proposed Dividend	38.37		67.15	
Transferred to General Reserve	<u>400.00</u>	<u>10,491.08</u>	<u>400.00</u>	<u>9,158.17</u>
		<u>19,806.92</u>		<u>18,088.50</u>
4. LONG TERM BORROWINGS				
	Non Current	Current	Non Current	Current
Secured				
Term Loan from Banks	14,260.98	3,886.91	5,415.63	1,175.00
Term Loan from Others	<u>29.28</u>	<u>6.36</u>	-	-
	14,290.26	<u>3,893.27</u>	5,415.63	1,175.00

- i) Terms of repayment of long-term borrowings are as follows:

Term Loans from Banks

- a) USD 6.25 million equivalent to ₹ 2921.89 lacs (31.03.2012: USD 8.75 million equivalent to ₹ 4090.62 lacs) loan is secured by exclusive charge on existing movable and immovable assets of Bhasa Unit in Kolkata and Silvassa Unit-I, Exclusive charge on all movable fixed assets of Kandua Unit, Kolkata, Exclusive charge on all movable assets of Bhiwadi Unit. and is repayable in 16 equal quarterly installments; the next installment is due on 30th May, 2013.

Notes to the financial statements for the year ended 31st March, 2013

(₹ in Lacs)

- b) USD 19 million equivalent to ₹ 10526.00 lacs (31.03.2012: Nil) loan is secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Surangi Unit and all present and future movable properties located at Daman & Falta Unit. and is repayable in 16 equal quarterly installments; the next installment is due on 20th August, 2013.
- c) Indian rupee loan amounting ₹ 4700 lacs (31.03.2012 : ₹ 2500 lacs) is secured by exclusive charge on movable and immovable assets of Dankuni Unit in Kolkata and is repayable in 16 equal quarterly installments; the next installment is due on 17th May, 2013.

Term Loan from Others

- a) Indian rupee loan amounting ₹ 35.64 lacs (31.03.2012 : ₹ Nil) is secured by Hypothecation against Motor Car and repayable in 60 equal monthly installments.

	As at March 31st, 2013	As at March 31st, 2012
5. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability		
Related to fixed assets	1,585.09	1,148.80
Deferred tax asset		
Disallowances under the Income Tax Act, 1961	-	13.27
Net Deferred tax liability	<u>1,585.09</u>	<u>1,162.07</u>
6. LONG-TERM PROVISIONS		
Provision for employee benefits:		
Provision for gratuity (net)	24.37	21.06
	<u>24.37</u>	<u>21.06</u>
7. SHORT-TERM BORROWINGS		
<u>Secured</u>		
Loan repayable on demands		
From Banks*	17,295.42	15,919.38
<u>Unsecured</u>		
From other parties	340.76	-
	<u>17,636.18</u>	<u>15,919.38</u>

* Includes Buyers Credit and Packing Credit

Working Capital Loans from Banks are secured by way of hypothecation of stocks of raw materials, work-in-progress, finished goods, stores & spares and book debts of the Company. Mortgage of Flat located at D-403, Dharam Palce, CHS limited, Shantvaan, Borivalli (E), Mumbai-400066, on First Pari-passu basis. These loans are further secured by a second charge over the residual value on the Fixed assets of the units both present and future located at the Dabhel Industrial area, Daman and others.

Notes to the financial statements for the year ended 31st March, 2013

(₹ in Lacs)

	As at March 31st, 2013	As at March 31st, 2012
8. <u>TRADE PAYABLES</u>		
Acceptances - Secured (Refer Note (i) below)	591.38	1,466.03
Sundry Creditors (Refer Note (ii) & (iii) below)	<u>6,893.07</u>	<u>5,060.35</u>
	<u>7,484.45</u>	<u>6,526.38</u>
i) Secured by way of hypothecation of stocks & book debts in favour of the company's bankers		
ii) Sundry Creditors:		
Sundry creditors for goods	6,119.36	4,523.92
Sundry creditors for expenses	<u>773.72</u>	<u>536.43</u>
	<u>6,893.08</u>	<u>5,060.35</u>
iii) The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Act 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act has not been given.		
9. <u>OTHER CURRENT LIABILITIES</u>		
Current maturities of Long term debt (Refer Note No.4)	3,893.27	1,175.00
Unpaid Dividend (Refer Note (i) below)	55.86	54.22
Statutory dues including provident fund and tax deducted at source	45.21	34.04
Creditors for Capital Expenditure	4,959.99	2,774.88
Advance from customers	214.09	46.35
Other Liabilities	<u>465.31</u>	<u>220.38</u>
	<u>9,633.73</u>	<u>4,304.87</u>
There are no amounts due for payment to the Investor Education and Protection Fund Under Section 205C of the Companies Act, 1956 as at the year end.		
10. <u>SHORT- TERM PROVISIONS</u>		
Provision for employee benefits:		
Provision for compensated absences (Not funded)	61.35	18.26
Provision - Others:		
Provision for taxation (Net of tax payments)	14.06	-
Provision for proposed dividend on equity shares	225.78	413.92
Provision for tax on proposed dividends	<u>38.37</u>	<u>67.15</u>
	<u>339.56</u>	<u>499.33</u>

Notes to the financial statements for the year ended 31st March, 2013

NOTE - 11

FIXED ASSETS

(₹ in Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2012	Addition during the year	Sales during the year	As at 31-03-2013	As at 01-04-2012	For the year	Adjustment for Sales	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
TANGIBLE ASSETS:										
Free hold land	1,772.94	1,036.94	-	2,809.88	-	-	-	-	2,809.88	1,772.94
Factory Building	3,149.37	4,229.93	-	7,379.30	532.65	185.45	-	718.10	6,661.20	2,616.72
Plant & Machinery	8,353.68	4,995.68	25.93	13,323.42	2,974.48	843.66	17.11	3,801.03	9,522.39	5,379.20
Furniture & Fixture	126.21	32.50	-	158.70	34.56	9.35	-	43.91	114.79	91.65
Motor Car	291.41	57.33	8.17	340.57	69.61	29.55	3.76	95.40	245.17	221.80
Scooter, Moped & Cycle	4.22	-	-	4.22	2.86	0.25	-	3.11	1.11	1.36
Laboratory Equipment	159.71	5.68	-	165.39	115.78	8.15	-	123.93	41.46	43.93
Electrical Installation	1,127.30	570.72	-	1,698.02	324.89	105.24	-	430.13	1,267.89	802.41
Office Equipment	94.89	13.23	-	108.12	45.58	7.35	-	52.93	55.19	49.31
Air Conditioner	41.37	1.81	-	43.18	11.61	2.02	-	13.63	29.55	29.76
Computer	102.44	15.91	-	118.34	81.67	5.69	-	87.36	30.98	20.77
Total (A)	15,223.53	10,959.72	34.10	26,149.14	4,193.69	1,196.71	20.87	5,369.53	20,779.61	11,029.84
INTANGIBLE ASSETS:										
Technical Knowhow	40.90	-	-	40.90	16.36	4.09	-	20.45	20.45	24.54
Computer Software	29.92	0.82	-	30.74	5.98	3.01	-	9.00	21.74	23.93
Total (B)	70.81	0.82	-	71.64	22.34	7.10	-	29.45	42.19	48.47
Total (A+B)	15,294.34	10,960.54	34.10	26,220.78	4,216.03	1,203.81	20.87	5,398.98	20,821.80	11,078.31
Previous Year	12,974.01	2,332.43	12.09	15,294.34	3,326.05	897.83	7.85	4,216.03	11,078.31	9,647.96
Capital Work-in-Progress									6,609.54	1,596.43

There was no impairment loss on Fixed Assets on the basis of review carried out by management in accordance with Accounting Standard issued by the Institute of Chartered Accountants of India.

Notes to the financial statements for the year ended 31st March, 2013

12. <u>NON-CURRENT INVESTMENTS</u>	Face Value Rs.	No. of Shares	Amount	No. of Shares	Amount
A) Trade investments					
i) Investments in Equity instruments of other entities					
Quoted					
Kalpena Plastiks Limited	10/-	2,002,920	200.29	2,002,920	200.29
B) Other Investments					
i) Investments in Equity instruments of other entities					
Quoted					
Dena Bank	10/-	14	0.00*	14	0.00
Nicco Corporation Ltd.*	2/-	826,194	50.65	826,194	50.65
Unquoted					
Sterling Resorts Ltd.		-	1.31	-	1.31
Panchawati Holiday Resorts Ltd.	10/-	9,400	0.94	9,400	0.94
ii) Investments in Government or trust securities					
7 Year National Saving Certificate		-	0.30	-	0.30
5.5 Year Kissan Vikash Patra		-	0.10	-	0.10
			<u>253.59</u>		<u>253.60</u>
Aggregate Book Value of Investments					
Quoted			250.94		250.95
Unquoted			2.65		2.65
			<u>253.59</u>		<u>253.60</u>
Aggregated Market Value of quoted Investments			<u>167.22</u>		<u>572.88</u>

*Amount is below the rounded off norms as adopted by the company.

- i) No provision has been made for the diminution of Rs.83.73 lacs in the valuation of investments determined on individual basis, held by the company as the same is considered temporary in nature as the investments have been made for a long term.
- ii) National Saving Certificates and Kishan Vikas Patra have been lodged with various authorities as margin deposit and security money.

13. LONG TERM LOANS AND ADVANCES

Unsecured, Considered Good

Capital advances	2,765.28	4,183.27
Security Deposits	172.30	123.43
	<u>2,937.58</u>	<u>4,306.70</u>

14. OTHER NON-CURRENT ASSETS

Balances with banks*	475.87	322.92
	<u>475.87</u>	<u>322.92</u>

*Represents bank deposits not due for realisation within 12 months of the balance sheet date.

Notes to the financial statements for the year ended 31st March, 2013

(₹ in Lacs)

	As at March 31st, 2013	As at March 31st, 2012
15. INVENTORIES		
(As taken, valued and certified by the management) At cost or net realisable value, whichever is lower		
Raw Materials	7,441.18	5,599.45
Raw Materials in Transit	2,402.90	1,426.22
Finished Goods	2,199.13	1,616.24
Stores & Spares	195.91	90.03
	<u>12,239.12</u>	<u>8,731.94</u>
(i) Details of closing finished goods inventories		
PE Compound	1,703.93	980.07
PVC Compound	341.02	569.46
Agglomerates	94.68	20.21
Reprocessed Granules	7.35	2.60
Others	52.15	43.91
	<u>2,199.13</u>	<u>1,616.24</u>
16. TRADE RECEIVABLES		
(Unsecured-considered good)		
Outstanding for a period exceeding 6 months from the date they are due for payment	1,210.54	796.40
Others	20,983.34	20,778.66
	<u>22,193.88</u>	<u>21,575.06</u>
17. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand (As certified by the management)	47.09	34.55
Balances with banks		
In Current Accounts	693.46	372.47
In EEFC Accounts	164.42	279.95
In Margin & Guarantee Deposits	808.66	953.01
In Unpaid Dividend Account	55.86	54.21
	<u>1,769.49</u>	<u>1,694.19</u>
18. SHORT TERM LOANS AND ADVANCES		
(Unsecured -Considered good)		
(Recoverable in cash or kind or for value to be received)		
Prepaid Expenses	63.61	46.34
Balance with Government Authorities	3,179.42	2,841.59
Tax payments (Net of provisions)	-	27.64
Inter-corporate deposits	296.02	154.20
Advance to Suppliers	823.99	491.35
Other Loans and Advances*	973.25	666.78
	<u>5,336.29</u>	<u>4,227.90</u>

*Includes loans to employees

Notes to the financial statements for the year ended 31st March, 2013

(₹ in Lacs)

	As at March 31st, 2013	As at March 31st, 2012
19. OTHER CURRENT ASSETS		
Interest accrued on deposits	44.86	31.63
	<u>44.86</u>	<u>31.63</u>
20. REVENUE FROM OPERATIONS		
Sale of products (Refer Note (i) below);	126,328.24	97,473.85
Other operating revenues (Refer Note (ii) below);	189.12	254.75
	<u>126,517.36</u>	<u>97,728.60</u>
Less : Excise Duty	9,831.29	6,689.57
	<u>116,686.07</u>	<u>91,039.03</u>
(i) Particulars of sale of products:		
Particulars		
PE Compound	64,229.46	56,510.11
PVC Compound	33,819.20	26,524.93
Others	28,279.58	14,438.81
	<u>126,328.24</u>	<u>97,473.85</u>
(ii) Other operating revenues comprise:		
Sale of scrap	187.58	120.97
Job Work Charges	1.54	133.78
	<u>189.12</u>	<u>254.75</u>
21. OTHER INCOME		
Interest Income		
From bank deposits	118.74	94.60
From others	269.07	75.10
Net profit on sale of fixed assets	-	0.24
Net gain/ (loss) on foreign currency transaction and translation	(95.36)	81.04
Export Incentive realised	162.53	-
Insurance Claim received	19.31	14.86
Liabilities written back to the extent no longer required	-	11.03
Other non-operating income	753.60	7.32
	<u>1,227.89</u>	<u>284.19</u>
22. COST OF MATERIALS CONSUMED		
Raw materials consumed		
LLDPE/ LDPE	44,283.86	37,437.27
PVC Resin	11,049.16	9,815.12
Plastic Scrap	3,299.55	2,306.40
Other items	43,256.52	28,273.60
	<u>101,889.09</u>	<u>77,832.39</u>

Notes to the financial statements for the year ended 31st March, 2013

(₹ in Lacs)

	As at March 31st, 2013	As at March 31st, 2012
23. CHANGES IN INVENTORIES OF FINISHED GOODS		
Opening inventories of Finished Goods	1,616.24	1,023.30
Less: Closing inventories of Finished Goods	2,199.13	1,616.24
Increase/ (Decrease)	<u>(582.89)</u>	<u>(592.94)</u>
24. EMPLOYEE BENEFITS EXPENSE		
Salaries Wages & Bonus	1,295.04	994.27
Contribution to Provident and other Funds	27.95	26.65
Gratuity	11.65	3.30
Staff Welfare Expenses	76.21	61.12
	<u>1,410.85</u>	<u>1,085.34</u>
25. FINANCE COSTS		
Interest expense on		
Borrowings	2,349.85	1,628.26
Others	4.43	2.47
Other borrowing costs	184.16	54.89
	<u>2,538.44</u>	<u>1,685.62</u>
26. OTHER EXPENSES		
Consumption of stores and spares	299.57	241.22
Power & Fuel	1,980.73	1,663.98
Clearing and Forwarding charges	1,250.45	936.09
Rent	261.36	195.87
Repair & Maintenance - Building	21.38	37.14
Repair & Maintenance - Machinery	278.34	189.85
Repair & Maintenance - Others	49.87	44.31
Insurance Charges	91.01	74.49
Rates & Taxes	20.71	12.39
Carriage and freight	2,667.04	2,442.19
Payments to auditors (Refer Note (i) below)	4.18	4.38
Directors' Fees	1.05	1.57
Bad debts / Advances Written off	2.86	-
Preliminary Expenses W/Off	-	0.03
Loss on sale of fixed assets	6.08	-
Miscellaneous expenses	1,472.66	1,366.65
	<u>8,407.29</u>	<u>7,210.16</u>
(i) Auditors' remuneration and expenses		
Audit fees	2.95	2.95
Tax audit fees	0.55	0.55
Fees for other services	0.62	0.84
Reimbursement of out-of-pocket expenses	0.06	0.04
	<u>4.18</u>	<u>4.38</u>
Expenses includes:		
Net Prior Period Items	26.71	13.27

Notes to the financial statements for the year ended 31st March, 2013

(₹ in Lacs)

	March 31, 2013	March 31, 2012
27. CONTINGENT LIABILITIES		
Bank Guarantee	411.32	370.07
Claims against the company not acknowledged as debts. (Refer Note No.(i) below)		
Sales tax matters	1,240.18	1,240.18
Excise and Customs duty matters	29.35	29.35
Total	1,680.85	1,639.60
(i) Future cash outflows in respect of the above are determinable only on receipt of judgements / decisions pending with various forums/ authorities		
28. CAPITAL AND OTHER COMMITMENTS		
Capital Commitments		
Estimated value of contracts in capital account remaining to be executed and not provided for (Net of advances)	3,718.17	2,711.32
Other commitments		
Letter of Credit	3,971.49	5,202.00
Total	7,689.66	7,913.32
29. EARNINGS PER SHARE		
a) Net Profit after Tax for basic earnings per Share		
(Fully Attributable to Equity Share Holders)	1,997.06	2,424.36
Adjustments for the purpose of Diluted earnings per Share	-	-
Net Profit after Tax for Diluted earnings per Share.	1,997.06	2,424.36
b) Weighted average number of equity Shares		
for Earning per Share Computation		
i Number of equity Shares at the beginning of the Year	18,814,586	18,494,586
ii a) Number of equity Shares allotted during the Year	-	320,000
b) Number of Equity Shares to be allotted on amalgamation.	-	-
iii weighted average Number of Equity Shares allotted during the year.	-	162,192
iv Number of Potential Equity Shares	-	-
v Weighted average for:		
a) Basic Earning per Share	18,814,586	18,656,778
b) Diluted Earning per Share	18,814,586	18,656,778
c) Earning Per Share		
i Basic	10.61	12.99
ii Diluted	10.61	12.99
d) Face Value Per Share	Rs.10	Rs.10

Notes to the financial statements for the year ended 31st March, 2013

30. VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

(₹ in Lacs)

Particulars	March 31, 2013		March 31, 2012	
	Value	% of Total Consumption	Value	% of Total Consumption
Raw Materials				
i Imported	41,146.12	40%	27,318.91	35%
ii Indegenious	60,742.97	60%	50,513.48	65%
	101,889.09	100%	77,832.39	100%
Stores, spare parts and components				
i Imported	65.75	22%	28.49	12%
ii Indegenious	233.82	78%	212.73	88%
	299.57	100%	241.22	100%

31. VALUE OF IMPORTS ON CIF BASIS

<u>Particulars</u>	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Raw Materials	42,715.54	26,338.10
Stores, spare parts and components	65.75	28.49
Capital Goods	7,681.21	66.42
	<u>50,462.51</u>	<u>26,433.01</u>

32. EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

Exports at F.O.B. Value	16,687.95	12,089.87
Exchange Fluctuation	(95.36)	81.04
Total	<u>16,592.59</u>	<u>12,170.91</u>

33. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Travelling	53.70	68.50
Exhibition	13.48	27.46
Interest	711.46	202.29
Other matters	1.09	8.24
Total	<u>779.73</u>	<u>306.49</u>

Notes to the financial statements for the year ended 31st March, 2013

34. EMPLOYEE BENEFITS

- i Provision for defined contribution plan viz. Provident and Other Fund amounting to ₹ 27.95 lacs (Previous Year ₹ 26.65 lacs) has been charged to the Profit and Loss Account during the year.
- ii Description of type of employee benefits: The Company offers to its employees defined benefits plans in the form of Gratuity and leave encashment. Fund is created for payment of gratuity. However, no fund is created for payment of leave wages, the Company would pay the same out of its own funds as and when the same becomes payable.

(₹ in Lacs)

Particulars	March 31, 2013	March 31, 2012
Changes in present value of obligation		
Present value of obligation as at beginning of the year	81.52	80.69
Add: Present obligation of transferor company	-	-
Interest cost	7.89	6.49
Current service cost	14.29	12.14
Past Service Cost	-	-
Benefits paid	(1.78)	(6.17)
Actuarial (gain) / loss on obligation	(8.04)	(11.62)
Present value of obligation as at end of the year	93.90	81.52
Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the year	60.46	54.51
Expected return on plan assets	5.85	4.60
Contributions	4.98	7.68
Benefits paid	(1.78)	(6.17)
Actuarial (loss) / gain	0.02	(0.16)
Fair value of plan assets at the end of the year	69.53	60.46
Present value of the Defined Benefit Obligation and the fair value of Plan Assets		
Present value of obligation at the end of the year	93.90	81.52
Fair value of plan assets at the end of the year	69.53	60.46
Liabilities/ (Assets) recognised in the Balance Sheet	24.37	21.06

- iii Para 132 of AS-15 (Revised 2005) does not require any specific disclosure except where expenses resulting from compensated absence is of such size, nature or incidence that disclosure is relevant under Accounting Standard 5 or Accounting Standard 18 and accordingly the expenses resulting from compensated absence is not significant and hence no disclosures are given under various paragraphs of AS-15.

iv Expenses recognised in the profit and loss account (₹ in Lacs)

Particulars	March 31, 2013	March 31, 2012
Current service cost	14.29	12.14
Past Service Cost	-	-
Interest cost on benefit obligation	7.89	6.49
Expected Return on Plan Assets	(5.85)	(4.60)
Net actuarial (gain) / loss recognised in the year	(8.06)	(11.46)
Expenses recognised in the profit and loss account	8.28	2.57

Notes to the financial statements for the year ended 31st March, 2013

- v The principal assumptions used in determining gratuity and leave encashment for the Company's plans are shown below: (₹ in Lacs)

Particulars	March 31, 2013	March 31, 2012
Discount Rate	8.25%	8.00%
Expected Rate of return on Asset	9.00%	8.00%
Future Salary Escalation Rate	5.00%	5.00%
Mortality Rate	22.70	22.93

*The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

35. PARTICULARS OF FORWARD CONTRACT OUTSTANDING AND UN-HEDGED FOREIGN CURRENCIES EXPOSURE:

(₹ in Lacs)

Particulars		2012-13	2011-12
i) Forward Contract outstanding			
Foreign Currency Loan	USD	25,250,000	8,750,000
	₹	13,448	4,091
ii) The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on its capital account. Such transactions are governed by the strategy approved by the Board of Directors which provides principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.			
Outstanding derivative contract for Interest Rate and Currency Swaps	USD	25,250,000	8,750,000
	₹	13,448	4,091
iii) Un-hedged Foreign Currency Exposure	USD	1,855,807	1,763,426
a) Trade payables	₹	1,017	902
	EURO	-	82,083
	₹	-	56
	AED	3,033,532	2,661,516
	₹	463	376
	CHF	-	29,115
	₹	-	17
b) Trade receivables	USD	5,296,030	3,694,145
	₹	2,852	1,890
	EURO	302,805	288,187
	₹	212	197

Notes to the financial statements for the year ended 31st March, 2013

36. SEGMENT REPORTING

i **Primary Segment (Business Segment):** The Company operates in a single reportable segment (i.e. Manufacturing and sale of PVC and XLPE compund, which have similar risk and returns for the purpose of AS 17 on 'Segment Reporting' issued by ICAI.

ii **Secondary segment (by Geographical demarcation):** (₹ in Lacs)

Particulars	March 31, 2013	March 31, 2012
Segment Revenue		
Domestic	99,998.12	78,949.15
Overseas	16,687.95	12,089.87
Segment Assets		
Trade Receivables		
Domestic	18,959.25	19,667.02
Overseas	3,234.63	1,908.04

Note: The Company has common assets for producing goods for domestic market and overseas markets. Hence, separate figures for other assets / additions to other assets has not been furnished.

37. RELATED PARTY DISCLOSURES

As per Accounting Standard 18 on related party disclosure issued by the Institute of Chartered Accountants of India, the transaction with related parties of the company are as follows.

i Related Parties with whom the company had transactions during the year

Key Management Personnel : Mr. Narrindra Suranna, Mr. Rajesh Kumar Kothari

Relatives of Key Management Personnel : Mrs. Tara Devi Surana, Mrs. Sarla Devi Surana, Mr. Surendra Kumar Surana, Mr. Dev Krishna Surana

A Shareholder holding more than 20% of Equity Shares of the Company : Shriram Financial Consultants Pvt. Ltd

ii Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2013 (₹ in Lacs)

		March 31, 2013	March 31, 2012
(A) Key Management Personnel			
Remuneration Paid	Mr. Narrindra Suranna	24.00	18.00
	Mr. Rajesh Kumar Kothari	15.19	7.65
Dividend Paid	Mr. Narrindra Suranna	0.00*	0.01
Outstanding as at the year end	-		
(B) Relatives of Key Management Personnel			
Dividend Paid	Mrs. Tara Devi Surana	0.00*	0.00
	Mrs. Sarla Devi Surana	0.00*	0.00
	Mr. Dalam Chand Surana	0.18	0.33
	Mr. Surendra Kumar Surana	0.01	0.02
	Mr. Dev Krishna Surana	1.64	3.01
(C) A Shareholder holding more than 20% of Equity Shares of the Company			
Dividend Paid	Shriram Financial Consultants Pvt. Ltd	107.48	197.05

* The amount is below the roundoff norms as adopted by the Company.

Notes to the financial statements for the year ended 31st March, 2013

38. The provision for Income Tax has been made U/s 115JB of Income Tax Act.

39. Previous years figures have been reclassified to confirm to current years classifications.

For **B. Mukherjee & Co.**
Chartered Accountants
Firm Registration No:302096E

B. Mukherjee
Partner
Membership No.002941
Date : 14th August, 2013
Place : Kolkata

For and on behalf of Board of Directors
Narrindra Suranna
Chairman and Managing Director

Rajesh Kumar Kothari
Whole Time Director

A. B. Chakrabartty
Company Secretary