



NEO CORP  
INTERNATIONAL  
LIMITED

## 27th Annual Report 2011-2012



**Driving the Future of Technical Textiles...**



# C O N T E N T S

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**COMPANY INFORMATION****BOARD OF DIRECTORS**

Mr. Kailashchandra S. Trivedi	Chairman cum Whole-time Director
Mr. Sunil Kumar Trivedi	Managing Director
Mr. Sanjay Trivedi	Executive Director
Mr. Pradhuman Sharma	Whole-time Director
Mr. Ladharam Patel	Independent Director
Ms. Shobha Dube*	Independent Director
Mr. Shrawan Kumar Patodi	Independent Director
Mr. Rolland Coderre	Independent Director

**BOARD COMMITTEES****Audit Committee**

Mr. Shrawan Kumar Patodi  
(Chairman)  
Ms. Swati Gangrade (Secretary)  
Mr. Ladhram Patel  
Ms. Shobha Dube\*

**Remuneration Committee**

Mr. Shrawan Kumar Patodi  
(Chairman)  
Ms. Swati Gangrade (Secretary)  
Mr. Ladhram Patel  
Ms. Shobha Dube\*

**Shareholders Grievance Committee**

Mr. Shrawan Kumar Patodi  
(Chairman)  
Ms. Swati Gangrade (Secretary)  
Mr. Ladhram Patel  
Ms. Shobha Dube\*

\* Appointed w.e.f. September 1, 2012

**SECRETARIAL**

Ms. Swati Gangrade  
Ms. Vaishali Jain

Company Secretary  
Asst. CS & Compliance Officer

**STATUTORY AUDITORS**

**M/s. A. P. Garg & Company**  
Chartered Accountants  
'Vastu Bhawan' (1<sup>st</sup> Floor)  
71 Dhar Kothi  
Indore - 452 001  
Madhya Pradesh INDIA

**BANKERS**

State Bank of India  
IDBI Bank Limited  
Punjab National Bank  
State Bank of Bikaner & Jaipur  
State Bank of Travancore

**REGISTERED OFFICE**

220 Mahavir Industrial Estate  
Off Mahakali Caves Road  
Andheri (E), Mumbai - 400 093  
Maharashtra INDIA  
P/F: +91 22 2687 9510  
E : investor\_relations@neocorp.co.in/bom@neocorp.co.in  
W: www.neocorp.co.in

**CORPORATE OFFICE**

'Trivedi Chambers'  
2, Maharani Road  
Indore - 452 007  
Madhya Pradesh INDIA  
P: +91 731 421 1900 (2 Lines)  
F: +91 731 421 1944  
E: indore@neocorp.co.in

**PLANT LOCATIONS****Works (DTA)**

Plot # 62-63, Industrial Area  
Sector 1, Pithampur  
Dist. Dhar - 454 775  
Madhya Pradesh INDIA  
P: +91 7292 410 400 (2 Lines)  
F: +91 7292 420 499  
E: contact@neocorp.co.in

**GEOTECH WORLDWIDE  
(A Division of NCIL)**

Plot # A12 & A13 SEZ II Sector 3,  
(Apparel & Pharma Park)  
Pithampur, Dist. Dhar - 454 775  
Madhya Pradesh INDIA

**TECHTEXTIL (100% EOU)  
(A Division of NCIL)**

Plot # 64-A, Industrial Area Sector 1,  
Pithampur, Dist. Dhar - 454 775  
Madhya Pradesh INDIA

**POLY LOGIC INTERNATIONAL (P) LIMITED  
(A wholly owned subsidiary of NCIL)**

Plot # 64-B, Industrial Area, Sector 1,  
Pithampur, Dist. Dhar - 454 775  
Madhya Pradesh INDIA

**SACOS INDIGO (P) LIMITED  
(A wholly owned subsidiary of NCIL)**

Plot # 90-90A, Industrial Area Sector 1,  
Pithampur, Dist. Dhar - 454 775  
Madhya Pradesh INDIA

**BRANCH OFFICES****Ahmedabad**

Plot # 108/2 GIDC Estate  
Opp. Ambica Nagar, Odhav  
Ahmedabad - 382 415  
Gujarat INDIA

**New Delhi**

LGF-74 Word Trade Centre  
Babar Road, Connaught Place  
New Delhi -110 001  
NCT INDIA

**Kolkata**

'Malancha' Apartment  
Block C Ground Floor  
251 Pulin Avenue, Kolkata - 700 081  
Paschim Bangal INDIA

**Patna**

'Rock 'n Roll'  
6 More Kankarbhag  
Patna - 800 020  
Bihar INDIA

**INTERNATIONAL OFFICES****China (SAR)**

**Polybase (H.K.) Limited**  
19/F Yat Chau Building  
262 Des Voeux Road Central  
Sheung Wan Hong Kong

**United States of America**

84-24 Unit 2A  
Lefferts Boulevard, Kew Gardens  
New York NY 11415 USA






**United Kingdom**

**Euro Plast Limited**  
24 Cygnet Avenue  
Feltham, Middlesex TW14 0DX  
London UNITED KINGDOM

**REGISTRAR AND TRANSFER AGENT****M/s. Ankit Consultancy (P) Limited**

Plot # 60, Electronics Complex  
Pardeshipura, Indore - 452 010  
Madhya Pradesh INDIA

## MAJOR PRODUCTS & BRANDS

Business/ Brand	Product	Brand Logo	End Uses
<b>Packtech</b>	Flexible Intermediate Bulk Containers (FIBCs)		Bags (Sacks) for transport and storage of material in bulk.
	PP Woven Sacks		Packaging material for cement, fertilizers and food grains like wheat, rice etc.
	Jumbo Bags		Temporary containment, Carriage, Storage and protection of Industrial, Agricultural and other goods.
<b>Agrotech</b>	Shade Nets (Warp Knit Fabric)	 	a) Crop production (cereals, cotton, tobacco, etc), through forestry and horticulture (fruits, vegetables, trees and flowers), to animal and poultry rearing and fishing. b) Green House c) Shading Net as to reduce temperature / control environments. D) Carpet Nets : used in Events & Functions in Flooring.
	Vermibed		Used for Vermiculture, and it is used in the Agriculture and Horticultures.
	Mulch Films		It is used in Agriculture / Horticulture, layed in the farms and it increases the productivity and reduces the Weeds etc
	Pond Liners		It is used in the ponds for retaining of the of water level and escape from seepage in the earth.
	Mulch Mats		
	HDPE / PP Ropes		Fishing, Ports, Material Handling, Electricity Boards, Construction, Industrial Application
	Leno Bags		Fruit Packing, Vegetables packing, etc.
<b>Geotech</b>	Geotextiles		Reinforcement fabric for road construction, canal lines, landfill.
	Carpet Backing		

**NEO CORP INTERNATIONAL LIMITED**220, MAHAVIR INDUSTRIAL ESTATE, OFF MAHAKALI CAVES ROAD,  
ANDHERI (E), MUMBAI - 400 093, MAHARASHTRA INDIA**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE TWENTY SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON SATURDAY THE 29<sup>TH</sup> SEPTEMBER, 2012 AT 4.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 220, MAHAVIR INDUSTRIAL ESTATE, OFF MAHAKALI CAVES ROAD, ANDHERI (E), MUMBAI - 400 093, MAHARASHTRA INDIA TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS**

1. To receive and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit & Loss Account for the year ended on that date, together with the report of the Board of Directors and Auditors thereon.
2. To declare dividend on the equity shares for the financial year 2011-12.
3. To appoint Director in place of Mr. Sanjay Trivedi, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Director in place of Mr. Rolland Codderre who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS****ITEM NO. 6****RE-APPOINTMENT OF MR. KAILASH CHANDRA TRIVEDI, WHOLE TIME DIRECTOR**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the limits specified in Schedule XIII to the said Act, Mr. Kailash Chandra Trivedi be and is hereby re-appointed as Whole-time Director of the Company w.e.f. 1st January, 2012 to 31st December, 2017.

**"RESOLVED FURTHER THAT** where in any financial year the Company has no profits, or its profits are inadequate during the term of office of Mr. Kailash Chandra Trivedi, the remuneration aforesaid shall be minimum remuneration."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to vary, alter, increase or enhance/change from time to time, the terms and conditions of reappointment and remuneration of Mr. Kailash Chandra Trivedi subject to the limit laid down under the applicable provisions of the Companies Act, 1956 and subject to the requisite approvals, if any, being obtained"

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

**ITEM NO. 7****INCREASE IN REMUNERATION OF MR. SUNIL TRIVEDI, MANAGING DIRECTOR**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Sections 198, 269, 309, 310 and all other applicable provisions, if any, and Schedule XIII to the Companies Act, 1956, approval be and is hereby given to increase the remuneration of Mr. Sunil Kumar Trivedi, Managing Director of the Company as set out in the Explanatory Statement with effect from 1<sup>st</sup> October, 2012."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to vary, alter, increase or enhance/change from time to time, the terms and conditions of remuneration of Mr. Sunil Kumar Trivedi subject to the limit laid down under the applicable provisions of the Companies Act, 1956 and subject to the requisite approvals, if any, being obtained"

**"RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

**ITEM NO. 8****INCREASE IN REMUNERATION OF MR. SANJAY TRIVEDI, EXECUTIVE DIRECTOR**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Sections 198, 269, 309, 310 and all other applicable provisions, if any, and Schedule XIII to the Companies Act, 1956, approval be and is hereby given to increase the remuneration of Mr. Sanjay Trivedi, Executive Director of the Company as set out in the Explanatory Statement with effect from 1<sup>st</sup> October, 2012."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to vary, alter, increase or enhance/change from time to time, the terms and conditions of remuneration of Mr. Sanjay Trivedi subject to the limit laid down under the applicable provisions of the Companies Act, 1956 and subject to the requisite approvals, if any, being obtained"

**"RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

**ITEM NO. 9****BORROWING POWER OF THE COMPANY U/S 293(1)(d) OF THE COMPANIES ACT, 1956**

To, consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT** in supercession of resolution passed at the



General Meeting of the Company held on 05<sup>th</sup> July, 2010 and pursuant to section 293 (1) (d) of Companies Act, 1956 and all other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies which together with the monies, already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹ 600.00 Crores and the Board be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary for giving effect to the aforesaid resolution"

#### **ITEM NO. 10**

#### **APPOINTMENT OF MRS. SHOBHA DUBEY AS INDEPENDENT DIRECTOR**

To consider and, if thought fit, to pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** Mrs. Shobha Dubey, who had been appointed as an Additional Director of the Company with effect from 01.09.2012 and who, in terms of Section 260 of the Companies Act, 1956 and Article 94 of Article of Association of the Company and holds office of directorship up to the date of this Annual General Meeting and in respect to whom the Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mrs. Shobha Dubey as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**For and on behalf of the Board**

**K. S. Trivedi  
(Chariman)**

**Place: Indore  
Date: 1st Sept., 2012**

### **NOTES**

- ❖ **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- ❖ The Register of Members of the Company will remain closed during the period from 24th September, 2012 to 29th September, 2012 (both days inclusive) for the purpose of payment of dividend to those members whose name stand on the Register of Members as on 24th September, 2012. The Dividend in respect of equity shares held in electronic form will be payable to the beneficial owner of the equity shares as at the end of business hours on 23<sup>rd</sup> September, 2012, as per the details furnished by the depositories for this purpose.
- ❖ **The relative Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business as set out above is annexed hereto.**
- ❖ Members are requested to send their queries, if any at least 10 days in advance so that the information can be made available at the meeting and to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
- ❖ Members are requested to contact the Registrar and Share Transfer Agent for all matter connected with Company's shares at Ankit Consultancy Private Limited, Plot No.60, Electronics Complex, Pardeshipura, Indore,(M.P.) -452 010, Madhya Pradesh, INDIA.
- ❖ In all correspondence with the Company, members are requested to quote their Account/Folio numbers and in case their shares are held in dematerialised form, they must quote their client ID and DP ID number.
- ❖ The Company has designated an exclusive email ID investor\_relations@neocorp.co.in which would enable the members to post their grievances and monitor its redressed. Any member having any grievance may post the same to the said Email address for its quick redressal.
- ❖ SEBI has notified for compulsory trading of shares of the Company in demat form so members, who have not dematerialized their shares are advised to contact Depository Participant in this regard.
- ❖ **ADDITIONAL INFORMATION FOR RE-APPOINTMENT OF DIRECTORS.**  
Pursuant to clause 49 (VI)(A) of the Listing Agreement relating to the code of Corporate Governance, the particulars of aforesaid Directors are given below:
  - a) **Mr. Sanjay Trivedi**, aged 46 years, has done his M.Com and post graduation in management from the university of Hartford U.S.A. He has extensive experience in International Marketing. He has been instrumental in developing many lucrative markets for the company.
  - b) **Mr. Rolland Coderre** aged 75 years, is an entrepreneur from Canada having experience in vast number of fields like packaging, construction etc.

**For and on behalf of the Board**

**K. S. Trivedi  
(Chairman)**

**Place: Indore  
Date: 1st Sept., 2012**



## EXPLANATORY STATEMENT

{Pursuant to Section 173(2) of the Companies Act, 1956}

### **ITEM NO. 6**

The Board was informed that tenure of appointment of Mr. Kailash Chandra Trivedi, Whole Time Director of the company has expired on 31st December, 2011. The Board discussed the matter at length and decided to re-appoint him for further period of five years from 1st January, 2012 to 31st December, 2017 subject to the approval of shareholders.

Mr. Kailash Chandra Trivedi is an arts graduate with a vast experience of over four decades in the promotion and administration of various companies. He is mainly involved in the strategic and corporate decision making process. He has experience in businesses involving diversified activities such as steel, plastic, timber, real estate, finance etc. He is director in M/s Vishwakarma Creations (P) Limited and M/s. Olympian Investors & Traders (P) Limited

Brief terms and conditions of his remuneration are as under:

1. **Salary:** ₹ 1,20,000/- (Rupees One Lacs Twenty Thousand only) per month w.e.f. 1<sup>st</sup> October 2012.
2. **Housing:** House rent allowance @ 40% of the salary w.e.f. 1<sup>st</sup> October 2012.
3. **Medical Reimbursement:** Medical expenses incurred by him and his family shall be reimbursed to him subject to maximum of Rs. 15000/- per annum.
4. **Earned Leave:** On full pay and allowances as per the rule of the company but not exceeding one month's leave of every eleven month of service. Encashment of leave will not be included in the computation of the ceiling of perquisites.
5. **Club Fees:** Fees of club subject to a maximum of two clubs. This will not include admission and life membership fees.
6. **Personal Accident Insurance:** Personal accident insurance as per the rules of the company.
7. **Provident Fund etc.:** Company's contribution to provident fund at the rate of 12% of the salary or at the rate as may be prescribed in Provident Fund Act and Rules from time to time.
8. **Gratuity:** Not exceeding half month's salary for every completed year of service.

The terms of remuneration given in the said resolution may be treated as an abstract of terms of remuneration of the said director under section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

None of the directors except Mr. Sunil Kumar Trivedi, Mr. Kailash Chandra Trivedi and Mr. Sanjay Trivedi are interested in the resolution.

### **ITEM NO. 7**

In view of the recommendation of the remuneration committee, the Board has approved in its meeting held on 1<sup>st</sup> September, 2012 to increase the remuneration of Mr. Sunil Kumar Trivedi, Managing Director, to ₹ 160000/- per month, payable to him subject to approval of the shareholders as contained in the Item no. 7.

Brief terms and conditions of his remuneration are as under:

1. **Salary:** ₹ 1,60,000/- (Rupees One Lacs Sixty Thousand only) per month w.e.f. 1<sup>st</sup> October, 2012.

2. **Housing:** House rent allowance @ 40% of the salary w.e.f. 1<sup>st</sup> October, 2012.
3. **Earned Leave** On full pay and allowances as per the rule of the company but not exceeding one month's leave of every eleven month of service. Encashment of leave will not be included in the computation of the ceiling of perquisites.
4. **Club Fees:** Fees of club subject to a maximum of two clubs. This will not include admission and life membership fees.
5. **Personal Accident Insurance:** Personal accident insurance as per the rules of the company.
6. **Provident Fund etc.:** Company's contribution to provident fund at the rate of 12% of the salary or at the rate as may be prescribed in Provident Fund Act and Rules from time to time.
7. **Gratuity:** Not exceeding half month's salary for every completed year of service.

The terms of remuneration given in the said resolution may be treated as an abstract of terms of remuneration of the said director under section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

None of the directors except Mr. Sunil Kumar Trivedi, Mr. Kailash Chandra Trivedi and Mr. Sanjay Trivedi are interested in the resolution.

### **ITEM NO. 8**

In view of the recommendation of the remuneration committee, the Board has approved in its meeting held on 1<sup>st</sup> September, 2012 to increase the remuneration of Mr. Sanjay Trivedi, Whole Time Director, to ₹ 45000/- per month, payable to him subject to approval of the shareholders as contained in the Item no. 8.

Brief terms and conditions of his remuneration are as under:

1. **Salary:** ₹ 45,000/- (Rupees Forty Five Thousand only) per month w.e.f. 1<sup>st</sup> October, 2012.
2. **Housing:** House rent allowance @ 40% of the salary w.e.f. 1<sup>st</sup> October, 2012.
3. **Earned Leave** On full pay and allowances as per the rule of the company but not exceeding one month's leave of every eleven month of service. Encashment of leave will not be included in the computation of the ceiling of perquisites.
4. **Provident Fund etc.:** Company's contribution to provident fund at the rate of 12% of the salary or at the rate as may be prescribed in Provident Fund Act and Rules from time to time.
5. **Gratuity:** Not exceeding half month's salary for every completed year of service.

The terms of remuneration given in the said resolution may be treated as an abstract of terms of remuneration of the said director under section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

None of the directors except Mr. Sunil Kumar Trivedi, Mr. Kailash Chandra Trivedi and Mr. Sanjay Trivedi are interested in the resolution.



**ITEM NO. 9**

In terms of provisions of section 293 (1) (d) of the Companies Act, 1956 the Board of Directors of the Company cannot, except with the consent of the Company in general meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in ordinary course of business, in excess of aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose).

Keeping in view the Company's business requirement and its growth plans, it is considered desirable to increase borrowing limits from ₹ 300 crores to ₹ 600 crores.

The Directors commend the resolution at Item No. 9 of the accompanying notice for approval of members. None of Directors of the Company is in anyway concerned or interested in the said Resolution.

**ITEM NO. 10**

Ms. Shobha Dube had been appointed as an Additional Director on the Board of Directors of the Company with effect from 1<sup>st</sup> September, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 94 of Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing her candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Ms. Shobha Dube on the Board is desirable and would be beneficial to the company and hence recommend Item No. 10 for adoption.

None of the Directors, except Ms. Shobha Dube is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 10 to be passed as ordinary resolution.

**For and on behalf of the Board**  
**K. S. Trivedi**

**Place: Indore**  
**Date: 1st Sept., 2012**

**(Chairman)**

**Regd. Office:**  
**220 Mahavir Industrial Estate,**  
**Off Mahakali Caves Road, Andheri (E),**  
**Mumbai - 400 093**  
**Maharashtra INDIA**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### FORWARD - LOOKING STATEMENTS

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

### OVERVIEW

In India, the value-added textiles industry is collectively grouped into a single sector commonly referred to as technical textiles. This sector encompasses a range of products from fibre to finished products. Government of India sponsored a nation-wide market survey to estimate the size, need and growth potential of this industry. ICRA, a management consultancy undertook the government sponsored study and has estimated growth of 11% for next few years.

The close linkage of the textile industry to agriculture and the ancient culture and traditions of the country make the sector unique in comparison with the textiles industry of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country. Thus, the growth and all around development of this industry has a direct bearing on the improvement of the economy of the nation.

### SYNOPSIS ON GROWTH OF NCIL

Neo Corp International Limited was incorporated in Year 15<sup>th</sup> February 1985.

NCIL, since its inception in 1985, is dedicated in making tailor designed products under Packtech. NCIL reached the status of a fore-runner internationally as a reliable supplier of Packtech products.

With its current growth initiative, NCIL has entered into other technical textile segments like Geotech and Agrotech.

NCIL is a listed Public Limited Company with an equity base of ₹ 38.02 Crores. It is listed on the Bombay Stock Exchange, Madhya Pradesh Stock exchange and Luxembourg Stock Exchange. It approached public for subscription in 1992 and went through Rights issue in 1996. NCIL acquired one U.K. based company, Euro Plast Limited in 2008-09, acquired shares of Sacos Indigo Private Limited in 2009-10 and of Neoflex Infracon Limited & Polybase (H.K.) Limited in 2010-11 and made it as its subsidiary company. Promoters of NCIL has incorporated a Part IX Company 'M/s Poly Logic International Private Limited' and by virtue of this Poly Logic International Private Ltd. becomes the wholly owned subsidiary of Neo Corp International Ltd.

NCIL also enjoys a Star Export House status recognized by the Government of India continuously from 1994 in view of the Company's excellent Export performance.

### COMPANY'S OUTLOOK

The technical textile business is one of the most promising and faster growing areas for global and Indian textile industry. NCIL has planned for systematic and continuous addition of several products under various technical textile segments. The object behind the same is to provide holistic solution to customer. For example geogrids, geonet and geomembrane shall make basket of geosynthetics complete. With consistent modernization and expansion with machinery of latest technology, it is expected that the Company will be able to improve efficiency and successfully face global competition and will be one of the leading players in the domestic as well as international markets.

As a strategy, we always wanted to be one-stop shop for all woven packaging needs of our customers. To this end, we have developed ourselves as a multi-product, multi-location and multi-market company serving to the needs of our customers. We also propose to further invest in forward and backward integration.

The company's growth graph with respect to the financials showed a steep upward trend on account of diversification into the value added Packtech products likes FIBC's for packaging of food products; leno bags and additions of Agrotech products

### STRENGTH & OPPORTUNITIES

- Growing Domestic Market.
- In house Research & Development and product development centre.
- Developing new FIBC models which provide innovation in bag design and utility.
- Improvements in infrastructure and regulations.
- ISO quality standards, systems and environments.
- Increased requirement of Industrial Packaging in India.
- World wide ever increasing high demand.

### WEAKNESS & THREATS

- Rupee appreciation in last few months.
- Pricing pressure, as the market is price sensitive.
- Enhanced competition from other countries.

### INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company is fully committed to ensuring an effective internal control environment. The Company has a sound system of internal control in place, which assures the Board of Directors and the management that there is a structured system to closely monitor and evaluate the efficiency and adequacy of business planning, compliance with operating systems and accounting procedures and policies, ensuring legal and regulatory compliances, protecting company's assets and prevention and detection of fraud and error. The company has adequate qualified and experienced executives to monitor the internal control systems. In order to achieve operational excellence and to strengthen internal control system, Company has hired world class people from Price water house Coopers (PWC) for complete transformation of operational system.



PWC has helped our company to meet its HR measurement and benchmarking strategies to improve productivity, discretionary efforts and return on investment in human capital. Proper measurement and assessment will also provide clarity on operational/HR cost drivers to more effectively manage our organization's assets, which is consistent with today's business priorities.

#### **INFORMATION TECHNOLOGY**

Company is going to implement Systematic Application Procedure (SAP) in the Company which shall enable alignment of Strategies and Operations, better supply chain, control at operational level and access to consolidated data. SAP is a world class system enforces best practices. SAP has also been implemented to assimilate data from Subsidiary Companies. Among other benefits, SAP provides real-time data, supports in strategy formulation, leads to adoption of uniform and transparent business practices render cost optimisation and value enhancement.

#### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Management put utmost efforts to strengthen the meritocracy in the organisation by acquiring new & young

talents, grooming them as well as retaining them to enhance the Human Resource Capabilities in the Company. Key focus has been made on campus recruitment, inter unit transfer, job enlargement and training & development at different levels of the organisation to nurture young talents and evolve future business leaders. The company has structured performance management system to monitor the key performance indices of the senior executives through performance tracker.

The Company took major initiative in improving operational efficiencies and bringing in cultural change. M/s Price Waterhouse Coopers (PWC) has been engaged to promote this initiative. The project '**Sanrachana**' was launched in July 2011 under their guidance to implement lean manufacturing practices and values HR practices to bring about cultural change.

The company is adequately manned with professionals in the field of Engineering, Finance and Administration etc. In order to meet the challenge of growth and new product line, the company has organized in-house training of its staff and workmen to improve soft skills, technical knowledge, work culture and efficient manufacturing practices.

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY**

Neo Corp operates on certain strong values intended to take care of interests of its associates, stake holders and the society at large.

Our values resonate of our ethical responsibilities and we are committed to ethical practices across the organization. The Company understands the significance of ethical conduct of all its affiliates in order to preserve the glory and values the Company stands for. Our relentless pursuit of excellence, high standards of performance, professionalism, and ethical conduct have even led our associates to set an example for each other - as well as other professionals.

The NCIL family consciously takes responsibility for the activities of each of its member for the impact it has on the society. NCIL voluntarily takes steps to improve the quality of life of the employees, their families as well as of the local community and society at large. The Company resolves to move beyond business and enrich quality of life of its employees, associates and customers. Even while pursuing our economic objectives we pay close attention to the social and environmental factors around us. It is our endeavor to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives.

**HEALTH & SAFETY:**

Yoga Centre - As a part of healthcare initiatives, periodical clinics, counseling sessions, health camps are held to promote general health and well being of the underprivileged community.



Polio Campaign was organized in village Dhannad as a step for fighting against the crippling disease and a step in the direction of eradicating polio from the country.



Blood Donation Campaign was organized in the factory premises and about 450 employees come forward to donate blood.



RMO facility & In house Clinic- for medical and routine checkup of factory staff.



**INDUSTRIAL VISITS**

Neo Corp has become an important hub for professionals, graduate and post graduate students, institutes & colleges to bring about the best in each individual through exposure to the excellent human resource strategies and engineering achievements of NCIL and interactions with the experienced Head of Departments and an insight into our vision.

- Practice School for BITS Pilani
- Industrial Training Program for Indore Institute of Management (IIM-Indore)

**EMPLOYEES AND NEIGHBOUR WELFARE**



IDBI ATM opened for the employees.



Police base established for safety of employees.

**EQUAL EMPLOYMENT & ANTI-HARASSMENT POLICY**

Neo Corp respects human rights and values the diverse backgrounds of its employees and work to create an open atmosphere of trust, honesty and respect. Harassment or discrimination of any kind is unacceptable. This principle applies to all aspects of employment, including recruitment, hiring, placement, transfer, promotion, layoff, recall, termination and other terms and conditions of employment. We are committed to providing equal employment opportunities based on merits, and without regard to race, color, religion, gender, age, national origin, citizenship, disabilities, sexual orientation, veteran status or any other similarly protected status.

## DIRECTORS' REPORT

To  
The Members  
M/s Neo Corp International Limited

Dear Shareholders

Your Directors are delighted to present the 27<sup>th</sup> Annual Report of your Company along with the audited accounts for the year ended on 31<sup>st</sup> March, 2012.

### PERFORMANCE HIGHLIGHTS

The financial results for the year ended on 31<sup>st</sup> March, 2012 are as under:

( ₹ In Lacs)

PARTICULARS	2011-12	2010-11
Gross Income	28998.90	23949.70
Profit before Interest, Depreciation and Tax	4426.80	3287.96
<u>Less :</u>		
1) Interest	1855.30	1368.85
2) Depreciation	373.78	252.26
3) Provision for Tax		
- Current Tax	82.50	134.19
- Deferred Tax	<b>457.28</b>	<b>114.06</b>
4) Prior Period adjustments	(-)	(-)
Profit after Tax	1657.94	1418.61
<b>Appropriation</b>		
Transfer to General Reserve	25.00	25.00
Proposed dividend and tax on prop. dividend	225.28	82.03
Earning per equity share	7.44	12.04

### YEAR IN RETROSPECT

During the year under review, your Company has recorded a turnover of ₹ 283.99 Crores as against ₹ 231.07 Crores in the previous year. The Net profit (after tax and extra ordinary items) for the financial year ended 31<sup>st</sup> March, 2012 increased to ₹ 16.58 Crores from ₹ 14.19 Crores in the previous year representing an increase of 16.84% profit after tax.

### DIVIDEND

Yours Directors are pleased to recommend a dividend of ₹ 0.50/- per equity share at the rate of 5% for the financial year ended on 31<sup>st</sup> March, 2012 on 38022198 fully paid equity shares of ₹ 10/- each.

The Directors recommend that after making provision for taxation and proposed dividend the amount of ₹ 0.25 Crores be transferred to General Reserve. With this the company's reserve and surplus stands at ₹ 181.33 Crores.

### BUSINESS OVERVIEW

Technical Textiles offers a huge opportunity in India for both local consumption as well for exports. Based on current usage patterns the Domestic Consumption market alone is expected to exceed US \$ 13 billion by 2012/13.

To facilitate the growth of this industry in India- the office of TEXTILE COMMISSIONER MINISTRY OF TEXTILES, Government of India -recognized the need to have the industry's active participation to bring out the issues, concerns and suggest policy framework that would lay the foundation for this sector.

Given the fact that Government policy have played a critical role in the advancement of Technical textiles INDIAN TECHNICAL TEXTILE ASSOCIATION is expected to maintain close interaction with Government of India in formulating a National Technical Textiles Policy focusing on removing the ambiguities in the system which are hampering the growth of the sector, helping bring in legislation which will help spur usage in India and recommending fiscal and non fiscal norms which would aid the industry to achieve its true potential.

### Global Scenario:

The global market for technical textiles was estimated to have a volume of 16.7 mn ton with a value of US\$ 92.88 billions in the year 2008 and is expected to grow to a volume of 27.77 mn ton with a value of US\$ 140 billion by the year 2012. In developed nations technical textiles holds a share of more than 40% of the total textile manufacturing activity. While the US and EU continues to be the main manufacturers and consumers of functional textiles, China has emerged as a large manufacturer of the same. India and Russia are the other important markets for technical textiles, where consumption is increasing at a fast pace.

### The Indian Scenario:

In the present scenario, technical textiles have been identified as a great potential area for upgrading the Indian textile industry. Since the conventional textiles industry has reached a level of saturation in terms of development, innovation and value-addition, technical textiles offer a great opportunity to succeed in the post WTO scenario.

As per Mr. A. B. Joshi, Textile Commissioner, Ministry of Textiles, the technical textiles industry is forecast to grow at ₹ 1,58,000 crore by 2016-17, with a projected growth of 20 per cent. the technical textiles industry in India namely, Medical (Medtech), Geo-Textiles (Geotech), Protective Textiles (Protech) & Agricultural Textiles (Agrotech).

Secondly as the country is transforming into a developed nation, huge emphasis is being laid down in adopting





latest technologies and procedures in various fields. Therefore the market for technical textiles is very positive and poised for a stupendous growth. Attractive statistics for market potential seem inviting for global intervention.

Considering that India has a large pool of skilled and scientific/technical manpower, it can play a major role in shaping the future of this industry. Development of new fibers and technologies has led to the creation of new applications of technical textiles, which is bound to enlarge the market size and offer opportunities for high growth.

The growth of technical textiles will also lead to steep rise in the demand for highly skilled manpower for both production & R&D. This should throw open a new area that has tremendous opportunities of employment, which is a major focus of the national government today.

Since the growth of technical textiles industry serves the interests of the government and the nation, hence it is inevitable to see a major thrust on the development of this industry by giving impetus on product and local consumption. This offers a compelling reason for the buyers and sellers of technical textiles to keep their focus on India and develop a rational strategy to seize the emerging opportunities. (Source - Economic Times)

#### **INCORPORATION OF SUBSIDIARY COMPANY**

The promoters of NCIL had incorporated a company in the name and style of 'M/s Poly Logic International Private Limited'. The company falls under Part IX by virtue of which PLIPL became a 'wholly owned subsidiary of Neo Corp International Limited'. The company will be engaged in manufacturing of Technical Textiles under the Agrotech segment. This projects falls under the Technical Textiles segment of the TUFs scheme, and is financed by EXIM Bank Limited, Mumbai.

#### **SUBSIDIARY COMPANY**

Information and Documents Pursuant to the provisions of the Section 212 of the Companies Act 1956 relating to Europlast Limited, Sacos Indigo Private limited, Neoflex Infracon Limited, Poly Logic International (P) Limited and Polybase (H.K.) Limited subsidiary Companies are annexed forming Part of this Report.

#### **CONSOLIDATION OF ACCOUNTS**

The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies approved in accordance with Accounting Standards and as per revised Schedule VI of the Companies Act, 1956. The Ministry of Corporate Affairs, Government of India vide its circular No. 5/12/2007-CL-III dated 8<sup>th</sup> February, 2011 has granted exemption under 212(8) of the Companies Act, 1956 from attaching Balance Sheet, Profit and Loss account and other documents of the subsidiary companies to the balance sheet of the Company, provided certain conditions are fulfilled.

Accordingly, the Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The company will furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

#### **COMPANY'S GDR ISSUE**

A blanket approval in shareholder's meeting held on 11.04.2011 has been taken for the issue of US \$100 million GDR. In first tranche Company issued and allotted in its Board meeting held on 5<sup>th</sup> August, 2011, 24,000,000 equity shares of ₹ 10 each representing 1,200,000 Global Depositary Receipts (GDRs). Each GDR is representing 20 underlying Equity Shares. The Company has utilized the proceeds from the issue of the GDRs towards expansion of the present business activities of the Company and the group and augmenting the long term working capital.

#### **GOVERNMENT RECOGNIZED R & D CENTER**

NCIL has set its own R & D Centre which is recognized by Department of Science and Industrial Research under Ministry of Science and Technology. R & D Centre is equipped with all necessary testing equipments and competent scientists to conduct R&D activities. R & D Centre is having a library where all national and international standards, magazines, newsletters and technical literature necessary for R & D activities available. R & D envisions in assisting NCIL, to raise its profile to the zenith of top most manufactures of technical textile through relentless R & D activities. Mission of R & D center is to discover new materials, process and technologies to deliver products, services and solutions to the complete satisfaction of end users.

#### **INSURANCE CLAIM**

A fire broke out in TECHTEXTIL, the EOU division of NCIL situated at Pithampur, on 27<sup>th</sup> February at midnight, 2010 bringing a loss to plant, machinery, stock in process and finished stock. The inferno which caused damaged was insured under various policies taken from United India Insurance Company Limited and Oriental Insurance Company Limited. The total claim launched was to the tune of INR 52.05 crores. The company has received the interim claim of INR 7.50 Crores each, from both the insurance companies. The final survey report has been received and the final claim amount as assessed by the surveyors stands to INR 39.43 crore, including the scrap sale. The process for final payment of the balance amount of claim is at an advance stage and is expected to be received by end of September 2012.

**WINDMILL PROJECT**

NCIL has ventured into the business stream of power generation with the help of Wind Turbine Generators (WTGs). The company has setup a windmill of the capacity 1.5 mega watt at Bhavdikhedha Mahuriya, Dist. Shajapur in Madhya Pradesh.

The motive behind this venture is to gain advantage of the attractive ROI generated on the sale of wind mill power (electricity) to the state electricity board. The company is now looking at increasing installed capacities with more windmills, also to contribute the bit towards a 'greener planet', and in the infrastructural growth of the country.

**LISTING**

The shares of the Company continue to be listed on the Bombay Stock Exchange Limited (BSE) and Madhya Pradesh Stock Exchange Limited (MPSE). The annual listing fee for the year 2012-2013 has been paid to the Exchange(s).

Pursuant to MoU of Madhya Pradesh Stock Exchange Limited with National Stock Exchange Limited under Section 13 of SCRA, securities of Neo Corp International Ltd are eligible to trade and admitted to dealings on National Stock Exchange of India Ltd. (Capital Market Segment) under permitted category with effect from 2<sup>nd</sup> March, 2012 vide their Circular dated 29<sup>th</sup> February, 2012.

**CORPORATE GOVERNANCE**

A detailed report on the status of implementation of the corporate governance guidelines has been furnished as an annexure to this report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Sec 217(2AA) of Companies Act, 1956, the directors state that:

- that in preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures if any,
- that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give 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
- that the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- that the directors have prepared the annual accounts on a going concern basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION & FOREIGN EXCHANGE EARNING AND OUTGO****A. CONSERVATION OF ENERGY**

The rules relating to the disclosure of particulars with respect to the conservation of energy is not applicable to the company. However the company continued its conscious efforts to minimize energy consumption and more and more innovations and improvements were introduced to further reduce the energy consumption.

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION****RESEARCH AND DEVELOPMENT (R&D):**

The Company has set up a separate R&D department with a mandate to take care of Continuous enhancement in process, efficiency, product range and protection of intellectual property rights

Filing of patents for several products developed in past years is in advance stage.

**Specific areas in which R & D carried out by the company**

The company continued its efforts towards the extension of the product range, lowering costs, process improvements & upgradation, installation of energy efficient equipments.

**Benefits derived**

- Performance improvement
- Development of in-house skills to manufacture high value added products
- Improving supply chain efficiency
- Cost reduction
- Environment sustainability

**Future Plan of action**

- Development of Geotextile fabrics for various re-enforcement, filtration and separation applications.
- Piggy backing of other products with products of demand.
- Ensuring perennial business with the network.
- Reduced cost of network management.
- OEE analysis & Productivity improvement of Blown film plant and knitting machines
- Differentiating ourselves on technical excellence across all faculties.

**Expenditure on R & D: ₹ 567.19 Lacs**

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

The company also continued to use the latest technologies for improving the productivity and quality of the products manufactured. The company is employing indigenous technology for its operations.



## FOREIGN EXCHANGE EARNING AND OUTGO

The company has earned foreign exchange of ₹ 9137.10 lacs during the year.

The details of foreign exchange outgo are as follows:

Material import	: ₹ 165.20 lacs
Stores & spares	: ₹ 5.46 lacs
Capital goods	: ₹ 1645.96 lacs
Expenditure in foreign currency	: ₹ 102.04 lacs

## PARTICULARS OF EMPLOYEES

The information required under Sec 217(2A) of the Companies Act 1956 is not given as there was no employee in receipt of remuneration during the year, exceeding the limits prescribed by the Companies (Particulars of Employees) Rules, 1975 as revised.

## DEPOSITS

The company has not accepted any deposit from the public attracting the provisions of Sec 58A of the Companies Act 1956.

## DIRECTORS

Mr. Sanjay Trivedi and Mr. Rolland Coderre retire by rotation and being eligible offer themselves for reappointment.

## AUDITORS

M/s. A.P. Garg & Co., Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a certificate to the effect that their appointment if made, would be within the prescribed limits under Sec 224(1B) of the Companies Act 1956.

## AUDITORS' REPORT

Report of the auditors and their observations and notes to the accounts of the company for the year under review are attached herewith which are self-explanatory and do not require further explanation.

## ACKNOWLEDGEMENT

Your Directors provide their gratitude to the various Government Agencies, Banks and financial institutions, investors, Company's business associates, customers, suppliers and other service providers for their continued support.

Your Directors place on record their sincere appreciation of the contributions made by the employees of the Company and its subsidiaries at all level through their hard work, dedication and support in ensuring an excellent all around operational performance.

The Board appreciate and value the contributions made by every member of the "NCIL" family globally. The Board is also deeply grateful to the shareholders for the confidence and faith that has been reposed in them. Driven by values and powered by internal vitality, the entire "NCIL Group" stands committed to create an even brighter future for all the stakeholders.

**Date: 30<sup>th</sup> May, 2012**

**Place: Indore**

**For and on behalf of  
the Board of Directors**

**(K.S.TRIVEDI)  
Chairman**

## REPORT ON CORPORATE GOVERNANCE

The primary objective of running an organization is that it should create long-term and sustainable wealth for its stakeholders. Corporate Governance is a systematic process by which conduct of maximizing value creation of an organisation is directed, controlled and monitored. At NCIL, we consider Corporate Governance as intrinsic part of way of conduct and have reinforced its principles in all levels within the Company.

The Board of Directors of the Company is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a critical role in overseeing how the company serves the long term interests of shareholders and other stakeholders. This is achieved through adherence to the core values of corporate governance viz. independence, integrity, transparency, fairness etc.

### **Company's Philosophy on Corporate Governance**

Neo Corp International Limited has been practicing the principles of good Corporate Governance over the last few decades. The Company's policy on Corporate Governance is to make it a way of life by, inter alia, adopting standard Corporate Governance practices through continual improvement of internal systems and satisfaction of customers and shareholders.

Corporate Governance aims at fairness, transparency, accountability and responsibility in the functioning of the Company with the ultimate objective of realizing and enhancing shareholders' values. The Company's philosophy on the code of Corporate Governance is tuned to these aspects and to the philosophy of NCIL Group, which is:

- ◆ to ensure that adequate control systems exist to enable the Board in effectively discharging its responsibilities to all the stakeholders of the Company;
- ◆ to ensure that the decision making process is fair and transparent;
- ◆ to ensure the fullest commitment of the Management and the Board for the maximization of shareholder value;
- ◆ to ensure that the employees of the Company subscribe to the corporate values and apply them in their conduct and
- ◆ to ensure that the Company follows globally recognized corporate governance practices.

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the Report on the matters mentioned in the said Clause and practice followed by the Company.

### **1. BOARD OF DIRECTORS:**

#### **a) Composition of the Board**

The Board of Directors are the main organ of the Company which provides a vision and strategic direction to the operations of the Company and enhances the value of the stakeholders. The Board at NCIL represents an optimum mix of professionalism, knowledge and experience, the Board comprises of 8 Directors with a Chairman cum Whole Time Director, a Managing Director, a Whole Time Director, an Executive Director and 4 Non-executive Independent Directors. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49 of the Listing Agreement), across all the Companies in which he is a Director.

#### **b) Number of Board meetings, attendance of Director at Board Meeting and at the Annual General Meeting, outside directorship and Board Committee membership:**

During the financial year 2011-12, the Board of Directors of the Company met 9 times on the following dates:

25.04.2011	14.05.2011	08.06.2011
04.08.2011	05.08.2011	12.08.2011
02.09.2011	14.11.2011	14.02.2012

The interval between any two successive meetings did not exceed four calendar months.

The last Annual General meeting was held on 30<sup>th</sup> September, 2011.

Name of Directors and Designations	Attendance		No. of Directorships/ Committee Membership held in other Companies	
	Board	Last AGM	Directorships / Chairman-ship	Committee Membership
Mr. K. S. Trivedi* (Chairman cum Whole-time Director)	9	Absent	2	--
Mr. Sunil K. Trivedi* (Managing Director)	8	Present	2	--
Mr. Sanjay Trivedi (Executive Director)	--	Absent	--	--
Mr. P. Sharma (Whole time Director)	7	Present	1	--
Mr. Shrawan Kumar Patodi (Non Executive Independent Director)	8	Present	1	--
Mr. Ladharam Patel (Non Executive Independent Director)	5	Present	--	--
Mr. D. Trivedi (Non Executive Independent Director)	5	Absent	--	--
Mr. Rolland Coderre (Non Executive Independent Director)	--	Absent	--	--

\* Mr. Kailash Chandra Trivedi, Chairman cum Whole Time Director, Mr. Sunil Kumar Trivedi, Managing Director and Mr. Sanjay Trivedi, Director, are father and son consecutively and are related to each other within the meaning of Section 6 of the Companies Act, 1956.

#### **a) Code of Conduct**

The Board of Directors have adopted a code of conduct for the Board members and senior management of the company. The said code has been circulated to the Directors and members of the Senior Management. The code has also been posted on the Company's website. The declaration by Mr. Sunil Kumar Trivedi, Managing Director of the company, regarding compliance by the Board members and Senior Management personnel with the said code of conduct is attached to this report.

### **2. COMMITTEE OF THE BOARD**

#### **A. AUDIT COMMITTEE**

##### **I. Composition :**

The Audit Committee comprises 3 member all of them being Non-executive Independent Directors. The members of the Committee including its Chairman are as follows:

Mr. Shrawan Kumar Patodi	Chairman
Mr. L. Patel	Member
Mr. D. Trivedi	Member

Company Secretary acts as the Secretary to the Committee.

## II. Term of Reference:

The powers role and terms of reference of the audit committee covers the area as mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors. The terms of reference of the Audit Committee, broadly are as under:

1. Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
4. Reviewing, with the Management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
  - a) Changes, if any, in accounting policies and practices and reasons for the same.
  - b) Major accounting entries involving estimates based on the exercise of judgement by Management.
  - c) Significant adjustments made in the financial statements arising out of audit findings.
  - d) Compliance with listing and other legal requirements relating to financial statements.
  - e) Disclosure of any related party transactions.
  - f) Qualifications in the draft audit report.
5. Reviewing with the Management, the quarterly Financial Statements before submission to the Board for approval.

Apart from the above, the Committee also reviews Management discussion and analysis, statement of related party transactions and the management letters and the response thereto by the management.

## II. Meetings and attendance:

During the year 2011-12 the Audit Committee met 5 times on 14.05.11, 12.08.11, 02.09.11, 14.11.11 and 14.02.12. The attendance of members at the meetings was as follows:

Name of Member	No of Meetings Attended
Mr. Shrawan Kumar Patodi	5
Mr. D. Trivedi	4
Mr. L. Patel	3

## A. REMUNERATION COMMITTEE:

### I. Composition :

The Remuneration Committee comprises 3 director all of them being Non-executive Independent Directors. The members of the Committee including its Chairman are as follows:

Mr. Shrawan Kumar Patodi	Chairman
Mr. L. Patel	Member
Mr. D. Trivedi	Member

Company Secretary acts as the Secretary to the Committee.

### I. Terms of Reference:

Review the performance of the Managing, Whole-time and Executive Directors and Recommend to the Board remuneration including salary and perquisites compensation payable to Managing and Executive Director.

### II. Meetings and attendance:

During the year 2011-12 there was only one meeting of the Remuneration Committee held on 14.11.2011. The attendance of members at the meeting was as follows:

Name of Member	No of Meetings Attended
Mr. Shrawan Kumar Patodi	1
Mr. D. Trivedi	1
Mr. L. Patel	1

## DETAILS OF REMUNERATION TO DIRECTORS:

### Remuneration to Executive Directors

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/Whole Time Director, based on performance and defined criteria.

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

The particulars of remuneration of Executive Directors during the financial year 2011-12 are as under:

Name	Designation	Salary, Bonus Allowances	Gratuity, Provident Fund & Others	Total
Mr. Sunil K. Trivedi	Managing Director	1848000	157735	2005735
Mr. K. S. Trivedi	Whole-time Director	1344000	33119	1377119
Mr. P. Sharma	Whole-time Director	1091628	125231	1216859
Mr. Sanjay Trivedi	Executive Director	410273	20317	430590

### Remuneration to Non-Executive Directors

The non-executive directors of the company are paid ₹ 500/- for every board meeting attended by them, which is in accordance with the approval by the Board of Directors pursuant to the Articles of Association of the Company. No commission was paid or payable to the Non-Executive Directors during the financial year 2011-12.

During the financial year 2011-12 the following sitting fees were paid to Non-Executive Directors.

Name of Director	Amount (₹)
Mr. Ladharam Patel	6000
Mr. D. Trivedi	7000
Mr. Shrawan Kumar Patodi	9500

## C. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE :

### I. Composition :

The shareholders' grievance committee comprises 3 director all of them being Non-executive Independent Directors. The members of the Committee including its Chairman are as follows:

Mr. Shrawan Kumar Patodi	Chairman
Mr. L. Patel	Member
Mr. D. Trivedi	Member

Company Secretary acts as the Secretary to the Committee.

## II. Terms of Reference:

The investors Grievance Committee focuses on shareholders grievances and strengthening of investor's relation, specifically looking into redressal of grievances pertaining to:

1. Transfer of shares
2. Dematerialisation/Rematerialisation of shares
3. Replacement of lost/stolen/mutilated share certificates
4. Non-receipt of dividend/notices/annual report, etc.
5. Complaint letters received from Stock Exchanges, RoC, SEBI etc.

During the financial year 15 number of investor complaints received. All the complaints were resolved to the satisfaction of the shareholders.

Number of share transfers/ transmission/issue of Duplicate share certificate pending as on 31<sup>st</sup> March, 2012 was NIL.

Ms. Swati Gangrade, Company Secretary, is the Compliance Officer of the Company.

## 3. DETAILS OF GENERAL BODY MEETING:

I. The last three Annual General Meetings of the Company were held as under:

Financial Year	Location	Date	Time	No. of Special resolutions passed
2010 -11	Industrial Area, Plot no 62 - 63-64A, Sector 1, Pithampur, Dist. Dhar Madhya Pradesh INDIA	30.09.2011	4.00 PM	1
2009 -10	Industrial Area, Plot no 62 - 63, Sector 1, Pithampur, Dist. Dhar Madhya Pradesh INDIA	22.12.2010	4.00 PM	2
2008 '09	Industrial Area, Plot no 62-63, Sector 1, Pithampur, Dist. Dhar Madhya Pradesh INDIA	30'09'2009	3.00 PM	Nil

II. No special resolution was passed through postal ballot during the year ended on 31.03.2012 and no such resolution is proposed to be passed by postal ballot at the ensuing Annual General Meeting as well.

III. 2 Extra-ordinary General Meeting were held during the year. Special Resolution passed were as under:

Date	Matter
04.07.2011	1. Preferential allotment of 1575000 equity shares of ₹ 10 each at a premium of ₹ 43 pursuant to conversion of warrants to promoters and other strategic investors.
11.04.2011	1. Increase in Authorised Capital of the company, 2. Amendment in Articles of Association, 3. Issue of Securities/ Securities convertible into Equity Shares / GDRs / FCCBs / Equity Shares / Convertible Bonds to QIBs or Overseas Investors / to raise the funds through Rights and / or Public Issue or QIB Route 4. Increase in limits for FIIs.

## 4. MANAGEMENT

### A. The Management discussion and analysis report

The Management Discussion and Analysis report has been attached to the Directors Report and forms part of the Annual Report

## B. Disclosure by Management to the Board

All details relating to the financial and commercial transactions where directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

## 5. DISCLOSURES

- A. There were material transactions of the Company with its promoters, directors, and management or their relatives and those are not having any conflict with the interest of the Company at large.
- B. The particulars of transactions between the Company and its related parties in accordance with the Accounting Standard 18 are set out in annual report. These transactions are in the ordinary course of business and are not likely to have any conflict with the interest of the Company.
- C. There has been no non-compliance by the company or penalty or strictures imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets during last three years.
- D. During the year Company has issued 15,75,000 equity shares of ₹ 10 each at a premium of ₹ 43 per share pursuant to conversion of warrants to promoters and person other than promoters.
- E. During the year 12 lacs GDRs representing 2.4 crores equity shares of ₹ 10 each were issued and allotted by the Company.

## 6. MEANS OF COMMUNICATION:

The quarterly and yearly financial results of the Company are published in the prominent daily newspapers having circulation in the region where the registered office of the company is situated. The quarterly/yearly financial results are also regularly sent to the Stock Exchanges.

**Company's Corporate Website:** All the data related to the financial results, press releases and other general information about the company is available on the company's website [www.neocorp.co.in](http://www.neocorp.co.in).

## 7. GENERAL SHAREHOLDERS INFORMATION:

A.	AGM: Date, Time and Venue	29th September 2012, . Saturday at 4.00 p.m., 220 Mahavir Industrial Estate Off Mahakali Caves Road Andheri (E), Mumbai - 400 093 Maharashtra INDIA
B.	Registered Office	220 Mahavir Industrial Estate Off Mahakali Caves Road Andheri (E), Mumbai - 400 093 Maharashtra INDIA
C.	Corporate Office	'Trivedi Chambers' 2, Maharani Road, Indore - 452 007 Madhya Pradesh INDIA
D.	Plant Location	Plot # 62-63-64A, Industrial Area Sector 1, Pithampur, Dist. Dhar - 454 775 Madhya Pradesh INDIA
E.	Date of Book Closure	Commencement – 24 <sup>th</sup> September, 2012 Ending – 29 <sup>th</sup> September, 2012 (both days inclusive)





F	Listing on Stock Exchanges	1. The Bombay Stock Exchange Limited Stock code: 523820 2. The M.P. Stock Exchange Limited Stock code: N80 3. Luxembourg Stock Exchange
G	ISIN Number o NSDL & CDSL	NE851C01014
H	Registrar and Transfer Agents	M/s. Ankit Consultancy Pvt. Ltd. Plot No.60, Electronics Complex, Pardeshipura, Indore - 452 010 Madhya Pradesh, INDIA Phone No. (07310 3198601, Fax No.: 0731-4065798 Email: ankit_4321@yahoo.com
I.	Share Transfer System	All the transfer received are processed by the Registrar and transfer Agent
J	Share Holding pattern as on 31.03.2012	Please see Annexure 'A'
K	Market Rate	Please see Annexure "B"

**K. Dividend Payment:**

Dividend, if any, declared in the forthcoming Annual general Meeting will be paid within 30 days from the date of declaration.

**L. Shares held in Physical and Dematerialization form:**

As on 31<sup>st</sup> March 2012, 97.44% of shares were held in dematerialised form and rest 2.56% in physical form.

**M. Reconciliation of Share Capital Audit.**

As stipulated by SEBI a qualified practicing Company Secretary carries out secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the listed stock exchanges. The audit confirms that the total listed and paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL/CDSL) and total number of shares in physical form.

**N. Auditor Certificate on Corporate Governance**

The Company has obtained the certificate from the Auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the Listing Agreement with the stock exchanges. This report is annexed to the Director's Report for the year 2011-2012.

**O. Address for Correspondence**

<b>Corporate Office:</b> Company Secretary Neo Corp International Limited 'Trivedi Chambers' 2, Maharani Road, Indore - 452 007 Madhya Pradesh INDIA Tel: 0731-4211900,01 Fax No. : 0731-4211944 Email: investor_relations@neocorp.co.in	<b>Registrar &amp; Share Transfer Agents</b> M/s. Ankit Consultancy Pvt. Ltd. Plot No.60, Electronics Complex, Pardeshipura, Indore - 452 010 Madhya Pradesh, INDIA Phone No. (07310 3198601, Fax No.: 0731-4065798 Email: ankit_4321@yahoo.com
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**DISTRIBUTION SCHEDULE AS ON 31<sup>ST</sup> MARCH 2012  
(Annexure A)**

Share Holding of Nominal value ₹	Shares Holders		Shares Amount	
	Number	% To Total	₹	% of Total Amount.
Upto-5000	7427	90.15	12151550	3.20
5001-10000	354	4.30	2944860	0.77
10001-20000	164	1.99	2573840	0.68
20001-30000	54	0.66	1424040	0.37
30001-40000	35	0.42	1268880	0.33
40001-50000	31	0.38	1473840	0.39
50001-100000	64	0.78	4725360	1.24
100001 and above	110	1.34	353659610	93.01
<b>Total</b>	<b>8239</b>	<b>100.00</b>	<b>380221980</b>	<b>100.00</b>

**SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2012**

	Category	No. Of Share held	Percentage of Share-holding
A	<b>Promoters Holding</b>		
1.	Promoters		
	Indian Promoters	4633982	12.19
2.	Foreign Promoters:	--	--
	<b>Sub-Total (A)</b>	<b>4633982</b>	<b>12.19</b>
B.	<b>Non-Promoters Holding</b>		
1	<b>Institutional Investors</b>		
	a. Mutual Funds and UTI	5600	0.01
	b. Banks, Financial Institutions, Insurance Companies [Central/State Govt. Institutions, Non- Government Institutions]	200	0
	c. Flls	713129	1.88
	<b>Sub Total (B1)</b>	<b>718929</b>	<b>1.89</b>
2.	<b>Others</b>		
	Private Corporate Bodies	4825849	12.69
	Indian Public	4501534	11.84
	NRIs/OCBs	317809	0.84
	Any other [clearing member]	24095	0.06
	<b>Sub-Total (B2)</b>	<b>9669287</b>	<b>25.43</b>
	<b>Sub-Total (B)</b>	<b>10388216</b>	<b>27.32</b>
C	Share held by Custodians against which Depository receipts have been issued:		
	1. Promoter and Promoter group	--	--
	2. Public	23000000	60.49
	<b>Grand Total [A+B+C]</b>	<b>38022198</b>	<b>100.00</b>

**Market Price Data**

(Annexure - B)

The monthly High & Low Share prices of the company traded at the Stock Exchange, Mumbai from 1st April 2011 to 31st March, 2012 are given below:

Bombay Stock Exchange		
Months	Months High Price ₹	Months Low Price ₹
April, 2011	59.20	50.00
May, 2011	56.70	41.15
June, 2011	55.90	41.10
July' 2011	57.00	50.00
Aug 2011	62.45	35.00
Sept,2011	49.90	40.05
Oct 2011	43.15	39.10
Nov 2011	44.60	37.00
Dec 2011	49.40	38.00
Jan, 2012	48.50	38.00
Feb' 2012	49.85	29.85
Mar 2012	34.50	27.55

**DECLARATION ON COMPLIANCE OF THE  
COMPANY'S CODE OF CONDUCT**

To  
The Members  
M/s. Neo Corp International Limited.

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the senior management personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said code of conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2012.

**Place: Indore**  
**Date: 30<sup>th</sup> May, 2012**

**SUNIL KUMAR TRIVEDI**  
**Managing Director**

**CEO CERTIFICATION**

I Sunil Kumar Trivedi, Managing Director, to the best of my knowledge and belief hereby certify to the Board of Directors of M/s **NEO CORP INTERNATIONAL LIMITED** that:

- a. I have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2012 and that to the best of my knowledge and belief.
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - (ii) 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.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors:
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Place: Indore**  
**Date: 30<sup>th</sup> May, 2012**

**For Neo Corp International Limited**  
**Managing Director**

**AUDITORS' CERTIFICATE ON CORPORATE  
GOVERNANCE**

To  
The Members  
Neo Corp International Limited

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of corporate governance by Neo Corp International limited ('the Company'), for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned 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.

**Place: Indore**  
**Date: 30<sup>th</sup> May, 2012**

**For A.P. GARG & CO.**  
**Chartered Accounts**  
**F.R.No. 002143C**

**(Anup P. Garg)**  
**Partner**  
**M. No. 071283**

**AUDITORS' REPORT**

TO  
THE MEMBERS  
M/s. NEO CORP INTERNATIONAL LIMITED

1. We have audited the attached Balance Sheet of **M/s. NEO CORP INTERNATIONAL LIMITED** as at 31st March 2012, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227(4A) of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 the above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books;
  - (c) The Balance Sheet, Profit and Loss Account 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, Profit & Loss account and the Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956;
- (e) On the basis of the written representations received from all the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors of Company is disqualified as on 31st March, 2012 from being appointed as a director, in term of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (i) In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March 2012;
  - (ii) In the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
  - (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Place: Indore**  
**Date: 30th May, 2012**

**For, A. P. GARG & Co.**  
**Chartered Accountants**  
**F.R. No. 002143C**

**(Anup P. Garg)**  
**Partner**  
**M. No 071283**





## ANNEXURE TO THE AUDITORS' REPORT

**Annexure referred to in paragraph 3 of Auditor's Report of even date on the accounts for the year ended on 31st March, 2012 of Neo Corp International Limited.**

- 1) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. We have been informed that the fixed assets of the company are physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. There was a major fire accident in the factory premises of the unit named M/s. Techtextil (A 100% EOU Division of the Company) during year 2009-10 on 27th & 28th February, 2010. The total loss of assets has been valued to ₹ 5205.16 Lacs consist of two divisions of the Company. The said assets were covered by insurance policies with two Insurance Companies. The Company had received an interim claim amounting ₹ 1500.00 Lacs during Financial Year 2010-11 but the final approval/settlement of the claim by the said Insurance Companies is still pending. Apart from this issue, the Company has not disposed off any substantial part of fixed assets during the year and in our opinion the going concern status of the Company is not affected.
  - d. The Capital Subsidy of ₹ 124.52 Lacs received during financial year 2010-11 on various assets which was carried in Capital Reserve because of assets purchased pertaining to subsidy was kept in CWP is being capitalised during the year and charged depreciation accordingly. Hence proportionate subsidy amount has been written back to Profit & Loss Accounts as per AS 12 "Government Grants" and AS 10 Fixed Assets.
- 2) a. As explained to us, inventories (except stocks in transit and stock lying with third parties, confirmation for which has been obtained) have been physically verified by the management at reasonable intervals during the year.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of were not material and these have been properly dealt with in the books of account.
- 3) a. In our opinion and according to the information and explanations given to us, the company has taken loans from two parties during the year covered in the register maintained under Sec 301 of the Companies Act and the outstanding year end balance of such parties was ₹ 2.89 lacs and the maximum outstanding balance during the year was ₹ 20.00 lacs.
  - b. The company has granted loan to one party covered u/s 301 of the Companies Act 1956 and the outstanding year end balance of such parties was ₹ 24.92 lacs and the maximum outstanding balance during the year was ₹ 24.92 lacs.
- c. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loan are not prima-facie prejudicial to the interest of the company.
  - d. The principal amounts are repayable on demand and there is no repayment schedule.
  - e. In our opinion and according to the information and explanations given to us, there is no overdue amount of loan taken from Companies, Firms or other parties listed in the register maintained under Sec. 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business with regards to purchase of inventory, fixed assets and sale of goods and services and we have not observed any continuing failure to correct the major weakness in such internal controls.
- 5) a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of ₹ Five Lacs have been entered into during the financial year, at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) The Company has not accepted any deposit during the year from the public within the meaning of the provision of Section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rule made there under.
- 7) In our opinion, the Company's internal Audit System is commensurate with the size and nature of business.
- 8) a. According to the books and records as produced and examined by us in accordance with the generally accepted auditing practice in India and also based on management representation, undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, VAT/Sales Tax, Wealth Tax, Customs duty, Excise duty, Service Tax, cess and other material statutory dues have generally been regularly deposited by the Company with appropriate authorities in India except delay in few cases. According to information and explanations given to us, there are no undisputed arrears of statutory dues which have remained outstanding as at 31st March 2012 for a period of more than six months from the date they became payable except **₹ 587.14 Lacs payable for the preceding two years and interest there on.**
  - b. According to the information and explanation given to us, the statutory dues disputed on account of matters pending before appropriate authorities are reported as under:



Name of Statute	Nature of the Disputed Dues	Amt (₹in Lacs)	Period to which Amt relates	Forum where pending	Remarks
Central Excise Act 1944	CENVAT Credit on Inputs	1.86	1995-1996	Asst. Commissioner of Central Excise, Pithampur	Provided in the Books
Central Excise Act 1944	CENVAT Credit on Thread	0.22	1996-1997	Asst. Commissioner of Central Excise, Pithampur	Provided in the Books
Customs Act 1962	Customs Duty on Capital Goods Imported Under EPCG Scheme	18.11	1996-1997	High Court of M.P. Bench Indore	Provided in the Books
Central Excise Act 1944	Excise Duty	1.27	2000-2001	Additional Commissioner of Central Excise & Customs (Appeal), Indore	(Part of DBK case)
Central Excise Act 1944	Excise duty on removal of goods	38.76	2002-2003	Customs, Excise & Service Tax Appellate Tribunal, New Delhi	(Inv. Case)
Central Excise Act 1944	Duty free input under annexure 45	53.77	2006-2007	Customs, Excise & Service Tax Appellate Tribunal, New Delhi	WP with H.C. Annex 45 case
Income Tax Act, 1961	Income Tax	21.16	2001-2002	ITAT, Indore	Provided in the Books
Custom Act, 1962	Custom Duty	3.20	1997-1998	High Court of M. P. Bench, Indore	Drawback on sacks with Liner

- 9) The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and the preceding financial year.
- 10) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of its dues to the financial institutions and banks.
- 11) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 12) In our opinion the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- 13) In our opinion the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause (xiv) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- 14) According to the information and explanations given to us, the company has given guarantee for loans taken by its subsidiaries from bank or financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- 15) Based on the information and explanations given to us by the management, the term loans availed by the Company during the year were applied for the purposes for which the loans were obtained.
- 16) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company for the year under report, we are of the opinion that no funds raised on short term basis have been used for long term investment.
- 17) The company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Sec. 301 of the Companies Act, 1956.
- 18) The company has not issued any debentures during the year.
- 19) The company has not raised any money by way of public issue during the year.
- 20) According to the information and explanations given to us and on the basis of examination of records, no fraud by or on the Company has been noticed or reported during the year.

Place: Indore  
Date: 30th May, 2012

For, A. P. GARG & Co.  
Chartered Accountants  
F.R. No. 002143C

(Anup P. Garg)  
Partner  
M. No 071283

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2012**

(Amount in ₹)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
<b>1 SHARE HOLDERS'S FUND</b>			
(a) Share Capital	1	380221980	140221980
(b) Reserve & Surplus	2	1813270305	800541703
(c) Money Received against Share Warrants		-	-
<b>2 SHARE APPLICATION MONEY PENDING FOR ALLOTMENT</b>		-	-
<b>3 NON - CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	3	608727114	328666917
(b) Deferred Tax Liabilities (Net)	4	82819870	37091570
(c) Other Long Term Liabilities		-	-
(d) Long Term provisions	5	5385180	4920040
<b>4 CURRENT LIABILITIES</b>			
(a) Short Term Borrowing	6	929955442	692647465
(b) Trade Payables	7	596028130	457090210
(c) Other Current Liabilities	8	412753521	238057350
(d) Short Term Provisions	9	73190975	45982504
<b>TOTAL</b>		<b>4902352518</b>	<b>2745219739</b>
<b>II. ASSETS</b>			
<b>1 NON - CURRENT ASSETS</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		773586781	482878372
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		331658687	172996098
(iii) Intangible Assets under development		9165130	-
(b) Non-current Investments	11	468495380	185777200
(c) Long Term Loans & Advances	12	787784262	102725760
(d) Other Non-current Assets	13	35044814	304507
<b>2 CURRENT ASSETS</b>			
(a) Current Investments		-	-
(b) Inventories	14	878389015	573996998
(c) Trade Receivables	15	640134566	647168775
(d) Cash & Bank Balances	16	107713558	46972938
(e) Short Term Loans & Advances	17	212047662	31378516
(f) Other Current Assets	18	658332664	501020576
<b>TOTAL</b>		<b>4902352518</b>	<b>2745219739</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**
**"AS PER OUR REPORT OF EVEN DATE ATTACHED"**
**For A .P. GARG & CO.**  
 CHARTERED ACCOUNTANTS  
 F.R. No.002143C

**"FOR AND ON BEHALF OF THE BOARD"**
**K. S. TRIVEDI**      **SUNIL KUMAR TRIVEDI**      **P. SHARMA**  
 (Chairman)                      (Mg. Director)                      (Director)

**(ANUP P. GARG)**  
**PARTNER**  
**M.No.071283**
**SHARWAN KUMAR PATODI**  
 (Director)

**SWATI GANGRADE**  
 (Company Secretary)

 Place : Indore  
 Date : 30<sup>th</sup> May 2012

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2012**

(Amount in ₹)

Particulars	Note No.	31.03.2012	31.03.2011
I. Revenue From Operations	19	2839883555	2310665750
II. Other Income	20	60006923	84304500
<b>III. Total Revenue ( I + II )</b>		<b>2899890478</b>	<b>2394970250</b>
IV. Expenses:			
Cost of Material Consumed	21	2284107386	1952441290
Purchase of Stock in Trade	22	18109416	42497432
Change in Inventories of Finished Goods, Work in Process and Stock in Trade	23	(148631944)	(203842986)
Employee Benefits Expenses	24	75226726	73805685
Finance Costs	25	185529765	136885091
Depreciation & Amortization Expenses	10	37378352	25225628
Other Expenses	26	228398596	201272823
<b>TOTAL</b>		<b>2680118297</b>	<b>2228284962</b>
<b>V. Profit before exceptional and extraordinary item and tax (III-IV)</b>		<b>219772181</b>	<b>166685288</b>
VI. Exceptional and Extraordinary Items		-	-
<b>VII. Profit before tax (V-VI)</b>		<b>219772181</b>	<b>166685288</b>
VIII. Tax Expenses:			
(a) Current Tax		8250000	13419103
(b) Deferred Tax		45728300	11405563
<b>IX. Profit (Loss) for the period (VII - VIII)</b>		<b>165793881</b>	<b>141860622</b>
X. Earning per equity share:			
(a) Basic		7.44	12.04
(a) Diluted		7.44	12.04

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**
**"AS PER OUR REPORT OF EVEN DATE ATTACHED"**
**For A .P. GARG & CO.**  
 CHARTERED ACCOUNTANTS  
 F.R. No.002143C

**"FOR AND ON BEHALF OF THE BOARD"**
**K. S. TRIVEDI**      **SUNIL KUMAR TRIVEDI**      **P. SHARMA**  
 (Chairman)                      (Mg. Director)                      (Director)

**(ANUP P. GARG)**  
**PARTNER**  
**M.No.071283**
**SHARWAN KUMAR PATODI**  
 (Director)

**SWATI GANGRADE**  
 (Company Secretary)

 Place : Indore  
 Date : 30<sup>th</sup> May 2012

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2012

(Amount in ₹ Lacs)

### (A) CASH FLOW FROM OPERATING ACTIVITIES

Particulars	As at 31st March 2012	As at 31st March 2011
<b>(A) Net Profit before Tax and Extraordinary items</b>	1657.94	1418.61
<b>Adjusted for:</b>		
Depreciation	373.78	252.26
Preliminary Expenses Written Off	38.90	0.39
Propotionate Written off of Capital Subsidy	(6.57)	-
Interest & Finacial Charges(Net)	1855.30	1368.85
(Profit)/ Loss on shares	0.00	(0.66)
(Profit)/ Loss on sale of Fixed Assets	2.64	4.36
Provision for Income Tax	82.50	134.19
Provision for Deffered Tax	457.28	114.06
Prior Period Items shown saperately	(30.36)	(1.82)
Interest Income	(128.22)	(59.47)
<b>Operating Profit before working</b>		
<b>Capital Changes</b>	<b>4303.19</b>	<b>3230.77</b>
<b>Adjustments for changes in Current Assets:</b>		
(Increase )/ Decrease in Inventories	(3043.92)	(2783.71)
(Increase )/ Decrease in Trade Receivables and Other Current Assets	(3309.47)	(498.27)
<b>Adjustments for changes in Current Liabilities:</b>		
(Increase )/ Decrease in Trade Payables & Current Liability	3346.58	(72.31)
<b>Cash Generated from Operation</b>		
<b>(Before Extraordinary Items and Prior Period Adjustment)</b>	<b>1296.39</b>	<b>(123.52)</b>
Prior Period Adjustment (Income)	30.36	(1.82)
Extra Ordinary Items	-	-
<b>Cash Generated from Operation</b>	<b>1326.75</b>	<b>(125.34)</b>
Income Tax Paid	198.78	(174.06)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>1127.97</b>	<b>48.72</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITY</b>		
Purchase of Fixed Assets	(4977.62)	(3389.19)
Sale of Fixed Assets	15.84	22.71
Purchase of Long Term Non Current Investments	(1639.24)	(1275.00)
Investment in Share application Money	(1187.94)	-
Proceed from Loans and Advanes	(6825.59)	(180.87)
Proceed from Sale of Long Term Investment	-	0.08
Interest Received	128.22	59.47
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(14486.33)</b>	<b>(4762.80)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	2800.60	1824.12
Proceed from Short Term Borrowing	2373.08	1923.24
Proceeds from Share Application Money	2400.00	0.00
Proceeds from Premium on Shares Issued	8203.74	2282.13
Repayment of Excess Share Application Money	-	(8.90)
Proceeds from gain on Foreign Currency Fluctuation on issue of GDR	497.46	-
Expenses Incurred in Increase authorised Capital and Others	(386.31)	-
Interest & Finacial Charges Paid	(1855.30)	(1368.85)
Dividend Paid	(67.51)	(43.27)
<b>NET CASH INFLOW IN FINANCING ACTIVITIES (C)</b>	<b>13965.77</b>	<b>4608.47</b>
<b>Net Increase/decrease in Cash &amp; Cash</b>		
<b>Equivalents [A+B+C]</b>	<b>607.41</b>	<b>(105.61)</b>
Add : Cash and Cash Equivalents as at 1st April 2011	469.73	575.34
[Opening Balance]		
Cash and Cash Equivalents as at 31st March 2012	<b>1077.14</b>	<b>469.73</b>
[Closing Balance]		

"AS PER OUR REPORT OF EVEN DATE ATTACHED"

**For A .P. GARG & CO.**  
**CHARTERED ACCOUNTNATS**  
**F.R. No.002143C**

**(ANUP P. GARG)**  
**PARTNER**  
**M.No.071283**

Place : Indore  
Date : 30<sup>th</sup> May 2012

"FOR AND ON BEHALF OF THE BOARD"

**K. S. TRIVEDI**      **SUNIL KUMAR TRIVEDI**      **P. SHARMA**  
(Chairman)                      (Mg. Director)                      (Director)

**SHARWAN KUMAR PATODI**  
(Director)

**SWATI GANGRADE**  
(Company Secretary)



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Basis of Preparation**

The financial statements have been prepared under historical cost convention on accrual basis to comply in all material respects with the notified Accounting Standards referred by the Companies (Accounting standards) Rule 2006 (as amended) and the relevant provision of the Companies Act, 1956. The accounting policies have been consistently applied by the company unless otherwise stated.

#### **B. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### **C. Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies, if any. The cost comprises of purchase price/cost of construction, freight, duties (net of CENVAT), taxes and any directly attributable expenses of bringing the assets to working condition for its intended use. Financial costs relating to acquisition of fixed assets which take substantial period of time to get ready for use are included to the extent they are relate to the period till such assets are ready for intended use. Expenditure for additions, modifications, improvements and renewals are capitalized and expenditure for maintenance and repairs are charged to the Profit & Loss Account. When assets are sold, destroy or discarded, the respective cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is charged to the Profit & Loss Account.

#### **D. Revenue Recognition**

Revenue from sale of goods (other than export sales) is recognised on dispatch which coincides with transfer of significant risks & rewards to customer and is inclusive of excise duty and net of trade discounts, sales returns and commercial tax where applicable. Revenue from export sales is recognised on the date of the bill of lading or air way bill.

Sale of services, Government grants/subsidies, interest and other income are recognized on accrual basis but the capital subsidy and dividend is recognized in the year of receipt.

#### **E. Depreciation**

Depreciation is provided on the straight Line Method basis, at the rate and in the manner prescribed in schedule XIV of the Companies Act, 1956 except on the plant and machinery acquired during the period 31st March 1995 to 31st March

2008 is provided on written down value method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956. The Assets purchased and put to use during the year has been charged depreciation on pro-rata basis on prescribed rate.

#### **F. Inventories**

Cost of Inventory comprises all cost of purchase, cost of conversion, and other cost incurred for bringing the inventory to their present condition and location.

Items of Inventories are valued as under:-

- i] Raw Materials, Stores & Spares & Consumable are valued at Cost.
- ii] Process Stocks are valued at direct raw material cost plus average cost of processing for various operation performed up to estimated stage of process.
- iii] Finished Goods are valued at cost or market value whichever is lower.

#### **G. Preliminary / Public Issue Expenses**

Preliminary/public issue/ right issue expenses are written off to the extent of 1/10th of the total expenses every year on pro rata basis.

#### **H. Capital Work in Progress**

Assets under erection & installation and advances given for capital expenditure are shown as "Capital work in progress".

#### **I. Investment**

Investments that are readily realizable 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. Long term investments are carried at cost less provision made to recognise a decline, other than temporary, in value of such investment. Current investments are carried at lower of cost and fair value determined on individual investment basis. Cost of acquisition is inclusive of expenditure incidental to acquisition.

#### **J. Foreign Currency**

Foreign Currency transactions are recorded at the exchange rate prevailing at the time of the transaction. The current assets and current liabilities other than the transactions covered are translated at the rate prevailing on the Balance Sheet date and the resultant gain/loss is recognised in the financial statements. The transactions covered are recorded at the rate at which the forward contract was entered into.

Investment in subsidiary company is expressed in Indian Rupees at the rate of exchange prevailing at the date investment.

#### **K. Borrowing Costs**

Borrowing cost that is attributable to the acquisition or construction of qualifying/eligible assets is capitalized as part of the cost of such assets. A qualifying/eligible asset is



an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing cost is recognized as an expense in the period in which they are incurred.

#### **L. Employee Benefits**

##### **a) Defined Contribution Plans**

Contribution paid/payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc, in accordance with the applicable laws and regulations are recognized as expenses during the period in which the employees perform the services that the payments cover.

The Company makes monthly contributions and has no further obligation under plans beyond its contributions.

##### **b) Defined Benefit Plan**

The liability as at the Balance Sheet date is provided for based on the actuarial valuation, based on Projected Unit Credit Method at the Balance Sheet date, carried out by an independent actuary. Actuarial Gains and Losses comprise experience adjustment and the effect of charges in the actuarial assumptions and are recognised immediately in the Profit and Loss account as an income or expense.

##### **c) Other Long Terms employee Benefits**

Employee benefits including compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the Balance Sheet date based on actuarial valuation method of Projected Unit Credit carried out at each Balance Sheet date. Actuarial Gains and Losses are recognized immediately in the Profit and Loss account as an income or expense.

##### **d) Short Term Employee Benefits**

Short term employee benefits including compensated absences as at the Balance Sheet date are recognized as an expense as per the Group's schemes based on the expected obligation on an undiscounted basis.

#### **M. Earning 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) 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. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (Consolidation of shares).

For the purpose of calculating diluted earning 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.

#### **N. Taxation**

Tax expenses comprises of current tax & deferred tax. Current tax is determined as per the provisions of the Income tax Act in respect of Taxable Income for the year. Deferred Tax Liability is computed as per Accounting Standard [AS-22]. Deferred Tax Assets and Deferred Tax Liability are recognized for all timing differences subject to consideration of prudence, applying the tax rates that have been substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) credit is recognized 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. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountant of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

#### **O. Impairment of Assets**

All the fixed assets including intangible assets are assessed for any indication of impairment at the end financial year. On such indication, the impairment (being the excess of carrying value over the asset) is charged to the Profit and Loss account in the respective financial year. Recoverable amount is higher of the net selling price of an asset and its 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.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

#### **P. Provisions, Contingent Liabilities and Contingent Assets**

The company recognises a provision when there is present obligation as a result of a past event that probably requires an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. A disclosure for a contingent liability made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2012

### 1. SHARE CAPITAL

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number	Amount	Number	Amount
<b>Authorised</b>				
A) Equity Shares of ₹10/- each	69000000	690000000	17000000	170000000
B) Cum. Compulsorily Convertible Pref. Shares of ₹ 10/- each	1000000	10000000	1000000	10000000
<b>Total</b>	<b>70000000</b>	<b>700000000</b>	<b>18000000</b>	<b>180000000</b>
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of ₹10 each fully paid up	38022198	380221980	14022198	140221980
<b>Total</b>	<b>38022198</b>	<b>380221980</b>	<b>14022198</b>	<b>140221980</b>

- 1.1 70000000 (18000000) Authorised Capital has been increased by 52000000 equity shares of ₹ 10 each in order to raise equity by way of Issue of Global Depository Receipts(GDRs)/ American Depository Receipts (ADR's) / Foreign Currency Convertible Bonds/ Equity Shares/warrants or any other similar instruments.
- 1.2 24000000 (NIL) Equity Shares representing 12,00,000 GDRs at US \$ 19.25 were allotted out of the issued, subscribed and paid up share capital. Underlying equity shares being 20 per GDR.
- 1.3 --NIL-- (3500000) Equity shares of ₹ 10/- each at a premium of ₹ 50/- per share were allotted on preferential basis out of the issued, subscribed and paid up share capital.
- 1.4 --NIL-- (292898) Equity Shares of ₹ 10/- each at a premium of ₹ 58/- per share were allotted on conversion of 292898 Cumulative Compulsory Convertible Preference Shares ('CCCPs' ) out of the issued, subscribed and paid up share capital.
- 1.5 --NIL-- (1575000) Equity Shares of ₹ 10/- each at a premium of ₹ 43/- per share were allotted pursuant to conversion of warrants out of the issued, subscribed and paid up share capital.
- The Company had allotted 15,75,000 warrants of ₹ 33/- each at the meeting of the Board of Directors held on 5th June 2010. However, as per SEBI(ICDR) Regulations, 2009 the allotment is to be made within 15 days from the date of approval. Since there has been delay in allotment of the same, a fresh approval in this regard has obtained from the Members of the Company. As per the SEBI (ICDR) Regulations, 2009 the current price comes to ₹ 53/-. The differential amount of ₹ 20/- brought in by the respective allottees as share premium in F.Y 2011-12.
- 1.6 799984 (799984) The 799984 shares out of the issued, subscribed and paid up share capital of the company, 178034 shares are held by subsidiary company M/s Neoflex Infracon Ltd and 621950 shares are held by associate companies M/s Panam Packers Pvt. Ltd having voting rights and eligible for dividend.
- 1.7 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2012 No. of shares	As at 31st March, 2011 No. of shares
Equity Shares at the beginning of the year	14022198	8654300
Add : Shares issued pursuant to preferential allotment	-	3500000
Add : Shares issued pursuant to conversion of CCCPs into shares	-	292898
Add : Shares issued pursuant to conversion of warrants into shares	-	1575000
Add : Shares issued pursuant to GDR issue	24000000	-
<b>Equity Shares at the end of the year</b>	<b>38022198</b>	<b>14022198</b>

**2. RESERVE & SURPLUS**

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
<b><u>a. Capital Reserves</u></b>		
Opening Balance	25930777	13479777
Add : Current Year Transfer	-	12451000
Less : Written Back in Current Year (Refer note 2.1)	657413	-
Closing Balance	<b>25273364</b>	<b>25930777</b>
<b><u>b. Securities Premium Account</u></b>		
Opening Balance	280066584	51853500
Add : Securities Premium credited on Share issue	820374000	228213084
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	<b>1100440584</b>	<b>280066584</b>
<b><u>c. General Reserves</u></b>		
Opening Balance	91369768	88869768
Add :Current Year Transfer	2500000	2500000
Less : Written Back in Current Year	-	-
Closing Balance	<b>93869768</b>	<b>91369768</b>
<b><u>d. Foreign Currency Fluctuation Reserve (Refer Note 2.2)</u></b>		
Opening Balance	-	-
Add :Current Year Transfer	49746286	-
Less : Written Back in Current Year	-	-
Closing Balance	<b>49746286</b>	<b>-</b>
<b><u>e. Profit &amp; Loss Account</u></b>		
Opening balance	403174574	272016587
Add :Net Profit/(Net Loss) for the current year	165793881	141860622
Add :Transfer from Reserves	-	-
Less : Proposed Dividends and Dividend Tax	22528152	8202635
Less : Transfer to Reserves	2500000	2500000
Closing Balance	<b>543940303</b>	<b>403174574</b>
<b>TOTAL</b>	<b>1813270305</b>	<b>800541703</b>

2.1 The Capital Subsidy of ₹ 124.52 Lacs carried from last year is adjusted as per AS-12 "Government Grants" and AS-10 "Fixed Assets" and proportionate subsidy amounting to ₹ 657413/- has been written back to Profit & Loss Accounts during the year.

2.2 Company has gained profit on capital transaction in foreign currency which has been credited in Foreign Currency Fluctuation Reserve as defined in AS - 11 "Accounting for changes in the effect of Foreign Exchange Rate".

**3. LONG TERM BORROWINGS**

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
<b><u>Secured</u></b>		
Term loans from Bank *	596822597	319284995
	<b>596822597</b>	<b>319284995</b>
<b><u>Unsecured</u></b>		
Term loans from Banks (Secured by first charge on Hypothecations of Vehicles)	11904517	9381922
	<b>11904517</b>	<b>9381922</b>
<b>Total</b>	<b>608727114</b>	<b>328666917</b>

- \* 3.1 (a) Secured by first pari passu charge on the entire fixed assets of the company located at plot No.62-63-64 A, Sector 1, Industrial Area Pithampur Distt. Dhar and second pari pasu charge on the entire current assets of the company and pledge of Equity Shares of Promoter and Others.
- \* 3.1 (b) Term Loan of ₹ 5.81 Crore is secured by Machine and Equipments of Wind Mill at Bavdikheada (Mahuriya), District Sajapur M.P.exclusivly with State Bank of India and pledge of Equity Shares of Promoter and Others.

\*3.2 (a) Maturity Profile of Secured Term Loan

	Due within 12 Months
Term Loans from Banks	₹ 126135000
	₹ (94797000)

\*3.2 (b) Maturity Profile of Un-Secured Term Loan

	Due within 12 Months
Term Loans	₹ 4947500
	₹ (5357500)

#### 4. DEFERRED TAX LIABILITY (NET)

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
Opening Balance	37091570	25686008
Add : Addition during year		
- Related to Fixed Assets	46351182	13129591
- Related to Disallowance of Expenses in Income Tax Act	(622882)	(1724029)
Closing Balance	<b>82819870</b>	<b>37091570</b>
<b>TOTAL</b>	<b>82819870</b>	<b>37091570</b>

#### 5. LONG TERM PROVISION

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
Provision for Employee Benefits		
Provision for Gratuity	3369598	2846493
Provision for Leave Encashment	2015582	2073547
<b>TOTAL</b>	<b>5385180</b>	<b>4920040</b>

#### 6. SHORT TERM BORROWINGS

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
<b>Secured</b>		
i. Working Capital Loan From Bank (Secured By first pari passu charge by way of hypothecation of stock of Raw Material, Finished Goods, Spares Parts, Work in Progress Book Debts, & Second Pari Passu charge on the entire Fixed Assets of the Company)	808433162	571708263
<b>Unsecured</b>		
i. From Directors	288911	175285
ii. From Bodies Corporates *	121233369	120763917
<b>TOTAL</b>	<b>929955442</b>	<b>692647465</b>

- \* Unsecured loan from Body Corporates includes amount of ₹ 1000 lacs availed from M/s Tata Capital Ltd. The same is secured by way of pledge of shares of the company in the name of promoters and personal guarantee of the directors Mr. Sunil Kumar Trivedi and Mr. Kailash Chandra Trivedi.

**7. TRADE PAYABLES**

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
Trade Payables		
(a) Micro, Small and Medium Enterprises #	-	-
(b) Others	596028130	457090210
<b>Total</b>	<b>596028130</b>	<b>457090210</b>

# As per the information provided by the management that none of the suppliers of the company are registered under the Micro, Small & Medium Enterprises Development Act 2006. The company has not received any claims in respect of interest from any such undertaking during the year.

**8. OTHER CURRENT LIABILITIES**

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
(a) Current maturities of long-term debt (Refer Note No. 3.2 (a))	126135000	94797000
(b) Current maturities of finance lease obligations (Refer Note No. 3.2 (b))	4947500	5357500
(c) Unpaid dividends *	1657774	1252553
(d) Advance from Customer	5962170	3422814
(e) Other Payable #	274051077	133227483
<b>TOTAL</b>	<b>412753521</b>	<b>238057350</b>

#8(e)(i) Other payables include creditors for Capital Expenditure of ₹ 12,47,77,184/- and amount payable to M/s Fukam International Ltd. (the share holders of Euro Plast Ltd. U. K.) ₹ 3,88,91,500/- towards takeover of the company in previous years and also include amount payable of ₹ 57,180/- to Allshores Fiduciary Services Pte Ltd for acquiring 100% shares of company M/s Polybase (H.K.) Ltd.

\* 8(e)(ii) As information and explanation given by the management there are no amounts due and outstanding to be credited to Investor Education & Protection Fund as on 31<sup>st</sup> March, 2012.

**9. SHORT TERM PROVISIONS**

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
a Proposed Dividend	19011099	7011099
b Tax on Dividend	3517053	1191536
c Income Tax and MAT Tax Payable (2011-12)	44796007	33993798
d Interest on Statutory dues	5866816	3786071
<b>TOTAL</b>	<b>73190975</b>	<b>45982504</b>

**NOTE - 10 (A) Fixed Assets**

Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii); Note no. J and Note no. L of Part I of Schedule VI to the Companies Act, 1956

	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2011	Additions during the year	Disposals/ Deduction during the year	Balance as at 31 March 2012	Depreciation charge for the year	On disposals	Balance as at 31 March 2012	Balance as at 31 March 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A</b>								
<b>Tangible Assets</b>								
Land & Site Development	29120208	24145549	-	53265757	-	-	53265757	29120208
Plant & Machinery (WDV)	169069715	-	3672832	165396883	6532622	2900614	35667295	42972135
Plant & Machinery (SLM)	254588898	119492013	-	374080911	16207476	-	343015233	239730696
Plant & Machinery (WDV) (used for R & D) #	643248	-	-	643248	38577	-	590434	629011
Plant & Machinery (SLM) (used for R & D) #	26269823	26372314	-	52642137	1879645	-	47228943	22736274
Building	112385557	45411281	-	157796838	3831788	-	141937674	100358181
Electric Installation (Fac.)	14016994	6433603	-	20450597	923937	-	17012567	11502901
Electric Installation (Off.)	15964	-	-	15964	-	-	443	443
Office Equipments	3479716	497888	-	3977604	181008	-	3425207	3108327
Vehicles	18511726	11936305	1793185	28654846	2153419	719640	23321812	14612471
Fire Extinguisher	158251	5594	-	163845	7576	-	39905	41887
Furniture & Fixture	9246470	3532220	-	12778690	612027	-	10613356	7693163
Weighing Scales	378306	7910	-	386216	18052	-	255237	265379
Computer	14422591	52450	-	14475041	2340963	-	4794032	7082545
Wind Mill	-	92047347	-	92047347	2424545	-	89622802	-
<b>Total</b>	<b>652307467</b>	<b>329934474</b>	<b>5466017</b>	<b>976775924</b>	<b>37151635</b>	<b>3620254</b>	<b>770790697</b>	<b>479853621</b>
<b>B</b>								
<b>Intangible Assets</b>								
<b>Total</b>	-	-	-	-	-	-	-	-
<b>C</b>								
<b>Capital Work In Progress</b>	172996098	464747129	306084540	331658687	-	-	331658687	172996098
<b>Total</b>	<b>172996098</b>	<b>464747129</b>	<b>306084540</b>	<b>331658687</b>	-	-	<b>331658687</b>	<b>172996098</b>
<b>D</b>								
<b>Intangible assets under Development</b>	-	9165130	-	9165130	-	-	9165130	-
<b>Total</b>	<b>825303565</b>	<b>803846733</b>	<b>311550557</b>	<b>1317599740</b>	<b>37151635</b>	<b>3620254</b>	<b>1111614513</b>	<b>652849719</b>

10(A)(1) Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 except depreciation on the plant & machinery on which depreciation provided as follows:

Period	Method
Acquired up to 30th March 1995	Straight Line Method
31st March 1995 to 31st March 2008	Written Down Value Method
1st April 2008 onward	Straight Line Method

10(A)(2) The company has used/capitalised assets for research and development for its certified R & D center. This assets includes old assets amounting to ₹ 23365285/- (WDV as on date of transfer as per Companies Act, 1956) during the year.



**NOTE - 10 (B) Fixed Assets**

Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii); Note no. J and Note no. L of Part I of Schedule VI to the Companies Act, 1956

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1 April 2011	Additions during the year	Disposals/ Deductions during the year	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	On disposals	Balance as at 31 March 2012	Balance as at 31 March 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A									
Tangible Assets									
Land & Site Development	130931	-	-	130931	-	-	-	130931	130931
Plant & Machinery From 01.04.1986 to till date	23107512	-	-	23107512	22215665	-	-	891847	891847
Plant & Machinery (SLM) up to 31.03.1985	8125634	-	-	8125634	7719352	-	-	406282	406282
up to 31.03.1985									
Building	4870366	-	-	4870366	3663078	162670	-	1044618	1207288
Electric Installation (Fac.)	752521	-	-	752521	714895	-	-	37626	37626
Electric Installation (Off.)	42092	-	-	42092	40572	-	-	1520	1520
Office Equipments	1255109	-	-	1255109	1028481	59618	-	167010	226628
Vehicles	93447	-	90172	3275	91496	-	88221	-	1951
Fire Extinguisher	19298	-	-	19298	17128	917	-	1253	2170
Furniture & Fixture	2258107	-	-	2258107	2245191	-	-	12916	12916
Weighing Scales	73943	-	-	73943	44023	3512	-	26408	29920
Computer	1513455	-	-	1513455	1437782	-	-	75673	75673
<b>Total</b>	<b>42242415</b>	<b>-</b>	<b>90172</b>	<b>42152243</b>	<b>39217663</b>	<b>226717</b>	<b>88221</b>	<b>2796084</b>	<b>3024752</b>
B									
Intangible Assets									
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
C									
Capital Work In Progress									
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
D									
Intangible assets under Development									
<b>Total</b>	<b>42242415</b>	<b>-</b>	<b>90172</b>	<b>42152243</b>	<b>39217663</b>	<b>226717</b>	<b>88221</b>	<b>2796084</b>	<b>3024752</b>

**Note 1** Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 except depreciation on the plant & machinery on which depreciation provided as follows:

Period	Method
Acquired up to 30th March 1995	Straight Line Method
31st March 1995 to 31st March 2008	Written Down Value Method
1st April 2008 onward	Straight Line Method

### 11. NON-CURRENT INVESTMENTS

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
<b>A Trade Investments</b>		
Share of Gujrat Mercantile Credit Co- Operative Society Ltd. (100 quoted shares)	1000	1000
<b>Total (A)</b>	<b>1000</b>	<b>1000</b>
<b>B Other Investments (Refer Note 11(i))</b>		
<b>Total</b>	<b>468494380</b>	<b>185776200</b>
<b>Grand Total (A + B)</b>	<b>468495380</b>	<b>185777200</b>

#### 11. (i) Detailed as under:

Particulars	No. of shares (Previous yr.)	No. of shares	As at 31.03.2012 Amount	As at 31.03.2011 Amount
<b>In equity shares of Subsidiary Companies</b>				
M/s. Sacos Indigo Pvt. Ltd of ₹ 100 each fully paid up	(1275000)	1275000	127728200	127728200
M/s. Euro Plast Limited of 1 GBP each fully paid up	(100000)	100000	58048000	58048000
M/s. Poly Logic International Pvt Ltd of ₹ 10 each fully paid up	(Nil)	16334000	163340000	-
M/s. Poly Base (H.K.) Ltd of 1 Hong Kong Dollar	(Nil)	10000	57180	-
M/s. Neoflex Infracon Ltd of ₹ 10 each fully paid up	(Nil)	52716	527160	-
Share application money in M/s Sacos Indigo Pvt. Ltd.			72000000	-
Share application money in M/s Poly Logic International Pvt. Ltd.			38600000	-
Share application money in M/s Neoflex Infracon Ltd.			8193840	-
<b>TOTAL</b>			<b>468494380</b>	<b>185776200</b>

### 12. LONG TERM LOANS AND ADVANCES

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
<b>(Unsecured and considered good)</b>		
a. Capital Advances	767526195	60823585
b. Security Deposits	9345396	6954701
c. Other loans and advances	10912672	34947475
<b>TOTAL</b>	<b>787784262</b>	<b>102725760</b>

### 13. OTHER NON-CURRENT ASSETS

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
<b>Others (specify nature)</b>		
<u>Preliminary Expenses</u>		
Opening Balance	304507	343565
Add : Addition During The Year	38630720	-
Less: Write Off During The Year	3890413	39058
<b>TOTAL</b>	<b>35044814</b>	<b>304507</b>

### 14. INVENTORIES

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
a. Raw Materials and components	305473585	150660963
b. Work-in-progress	174723174	96683495
c. Finished goods	387872955	317723453
d. Stores and spares	4414935	4214935
e. Packing Material	5904365	4714152
<b>TOTAL</b>	<b>878389015</b>	<b>573996998</b>

The valuation of closing stock of finished goods include excise duty payable of ₹ 46,98,578/- as on 31.3.2012 ( ₹ 51,41,341/- as on 31.3.2011).

### 15. TRADE RECEIVABLES

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
Trade Receivables (Unsecured and considered good)		
Others	610786257	603409433
More than six months	29348309	43759342
<b>TOTAL</b>	<b>640134566</b>	<b>647168775</b>



**16. CASH AND BANK BALANCE**

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
a. Balance with Scheduled Bank #	15562721	459631
b. Deposits with Bank*	61243346	45276408
c. Security against borrowings	26800000	-
d. Cash in Hand	4107491	1236899
<b>TOTAL</b>	<b>107713558</b>	<b>46972938</b>

# Balance with Scheduled Bank includes Unclaimed dividend of ₹ 16,57,774/- as on 31.03.2012.

\*Fixed deposit with Banks include deposits of ₹ 84,56,507/- with maturity of more than 12 months.

**17. SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
<b>Loans and Advances</b>		
Unsecured, considered good*	212047662	31378516
<b>TOTAL</b>	<b>212047662</b>	<b>31378516</b>

\*The above amount of Loan and Advances include advance given to employees of the company amounting to ₹ 40,36,032/-.

**18 OTHER CURRENT ASSETS (SPECIFY NATURE)**

Particulars	As at 31.03.2012 Amount	As at 31.03.2011 Amount
Sundry Receivables	300172057	142859968
Insurance Claim Receivables #	358160607	358160607
<b>TOTAL</b>	<b>658332664</b>	<b>501020576</b>

# There was a major fire accident in the factory premises of the unit named M/s. Techtextil (A 100% EOU Division of the Company) on 27th & 28th February, 2010. The total loss of assets has been valued to ₹ 5205.16 Lacs consist of two divisions of the Company. The said assets were covered by insurance policies with two Insurance Companies. The Company had received an interim claim amounting to ₹ 15.00 crore during Financial Year 2010-11. The final approval/settlement of the claim by the said Insurance Companies is still pending. In our opinion the going concern status of the Company is not affected due to this issue.

**19. REVENUE FROM OPERATION**

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
<u>Sale of products</u>		
Demestic Sales	2024967303	1476757927
Export Sales	896400290	902453814
Sale of services #	3700129	769142
Trading Sales	21218382	32668878
Export Incentive	71629214	36985401
Less : Excise duty	178031763	138969412
<b>TOTAL</b>	<b>2839883555</b>	<b>2310665750</b>

# The company is having consignment stockist and Del Cedder agency of Indian Oil Corporation Ltd run in separate Polymer Division.

**20. OTHER INCOME**

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
Processing Charges	6519240	49997664
Interest Income	12822136	5947166
Miscellaneous Account Written Off	(290054)	5805583
Profit on Sale of Shares	-	65777
Exchange Difference (NET)	37231014	17488310
Miscllaneous Income	-	5000000
Other non-operating income (net of expenses) #	3067173	-
Propotionate Capital Reserve Written Back *	657413	-
<b>TOTAL</b>	<b>60006923</b>	<b>84304500</b>

- # The company has also setup a Wind Mill at Bavdikheada (Mahuriya), District Sajapur M.P during the year and earned an income of ₹ 3067173/- by way of sale of power to MPPKV.V.Co. Ltd
- \* The Captial Subsidy of ₹ 124.52 Lacs carried from last year is adjusted as per AS-12 "Government Grants" and AS-10 "Fixed Assets" and proportionate subsidy amounting to ₹ 657413/- has been written back to Profit & Loss Accounts during the year.

### 21. COST OF MATERIAL CONSUMED

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
Raw Material Consumed	2262053674	1927180634
Stores & Spares Part Consumed	18081720	21281754
Packing Material Consumed	3971991	3978902
<b>TOTAL</b>	<b>2284107386</b>	<b>1952441290</b>

### 22. PURCHASE OF STOCK IN TRADE

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
Purchase of Material	18109416	42497432
<b>TOTAL</b>	<b>18109416</b>	<b>42497432</b>

### 23. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
<u>Opening Stock</u>		
- Finished Goods	312723453	135647707
- Work In Progress	96683495	64774914
<u>Closing Stock</u>		
- Finished Goods	387872955	312723453
- Work In Progress	174723174	96683495
Change in Excise duty on closing stock	4557237	5141341
<b>TOTAL</b>	<b>(148631944)</b>	<b>(203842986)</b>

### 24. EMPLOYEE BENEFITS EXPENSES #

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
(a) Salaries and incentives	67611310	68116297
<u>(b) Contributions to -</u>		
(i) Provident fund	2448732	2340876
(ii) Contribution to ESIC	1119201	1161567
(c) Gratuity fund contributions	980598	119971
(d) Staff welfare expenses	3066885	2066975
<b>TOTAL</b>	<b>75226726</b>	<b>73805685</b>

- # Includes an amount of ₹ 4,427,052/- pertaining to the employee expenses incurred on its certified R&D Center.
- 24.1 The company has adopted revised accounting standard – 15 "Employees Benefits" issued by the Institute of Chartered Accountants of India with effect from 1.4.2007 and consequently the transitional excess provisions of gratuity as per the actuary report has been taken in provision. As per accounting standard 15 "Employee benefits" the disclosures as defined in the Accounting Standard are given as under ;
- (i) Provident Fund : Defined Distribution Plan  
All Employees are entitled to Provident Fund Benefits. The amount debited to Profit and Loss Account is ₹ 2438785/- during the year
- (ii) Gratuity and Leave Encashment: Definite Benefits Plans  
Provisions made as per actuarial valuation.



Particulars	Non Funded		Non Funded	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Expenses recognized in the statement of Profit and loss account in the year ended on 31.03.2012</b>	<b>31.03.12</b>	<b>31.03.12</b>	<b>31.03.11</b>	<b>31.03.11</b>
1. Current Service cost	858668/-	853007/-	698868/-	865110/-
2. Interest Cost	242709/-	177800/-	323965/-	66004/-
3. Employee contribution			--	--
4. Actuarial (Gains)/Losses	(539803/-)	(825933/-)	(2093389/-)	382189/-
5. Past Service Cost			--	--
6. Settlement cost			--	--
7. Expenses recognized in the profit & loss account	561574/-	204874/-	(1070556/-)	1313303/-
<b>Net Assets/(Liability) recognized in the Balance sheet as at 31.03.2012</b>	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
1. Present value of Defined Benefit Obligation	3369598/-	2015582/-	2855399/-	2091770/-
2. Fair Value of Plan assets			--	--
3. Funded Status (Surplus/Deficit)	(3369598/-)	(2015582/-)	2855399/-	(2091770/-)
4. Net asset/(Liability) as at 31st March 2012.	(3369598/-)	(2015582/-)	(2855399/-)	(2091770/-)
<b>Change in Obligation during the year ended on 31st March 2012</b>				
1. Present value of Defined Benefit Obligation at the beginning of the year	2855399/-	2091770/-	4049566/-	825048/-
2. Current Service Cost	858668/-	853007/-	698868/-	865110/-
3. Interest Cost	242709/-	177800/-	323965/-	66004/-
4. Settlement Cost			--	--
5. Past services cost			--	--
6. Employee contributions			--	--
7. Actuarial (gains)/Losses	(539803/-)	(825933/-)	(2093389/-)	382189/-
8. Benefit Payments	(47375/-)	(281062/-)	(123611/-)	(46581/-)
9. Present value of Defined Benefit of Obligation at the end of the year	3369598/-	2015582/-	2855399/-	2091770/-
<b>Change in assets during the year ended on 31st March 2012 (not separately invested)</b>				
1. Plan assets at the beginning of the year	--	--	--	--
2. Assets acquired on amalgamation in previous year	--	--	--	--
3. Settlements	--	--	--	--
4. Expected return on plan assets	--	--	--	--
5. Contribution by employer	--	--	--	--
6. Actual Benefit paid	--	--	--	--
7. Actuarial gains/(Losses)	--	--	--	--
8. Plan assets at the end of the year	--	--	--	--
9. Actual Return on plan assets	--	--	--	--
Actuarial assumptions: (For year 2011-12)				
i. Discount rate	8%			
ii. Mortality	As per LIC(1994-96) duly modified			
iii. Turnover rate	Up to 30 Years - 3%			
	Up to 44 Years - 2%			
	Above 44 Years - 1%			

**25. FINANCE COSTS**

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
Interest expense *	153402933	128233871
Other borrowing costs	32126833	8651220
<b>TOTAL</b>	<b>185529765</b>	<b>136885091</b>

\* ( Net of Tuff Subsidy Receivable)

**26. OTHER EXPENSES #**

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
Power and Fuel Expenses	49955809	41619760
Rent	3564258	4411047
Repairs to Buildings	308826	543192
Repairs to Machinery	8197338	6765190
Insurance	3253092	2224759
Rates and Taxes, excluding, taxes on income	1142394	808233
Auditors' Remunerations	330000	250000
Profit/Loss on Sale/Discard of Fixed Assets	263988	437379
Managerial Remuneration	3212750	3507714
Selling Expenses	3003929	425771
Commission on Sale	5216474	-
Prior Period Items	(3035730)	(182491)
Freight and Handling	46413031	45838889
Processing and Job work Charges	65576978	72284071
Donation Expenses	4367000	2247973
Security Services Expenses	72762	261026
Misc. Expenses	36555697	19830309
<b>TOTAL</b>	<b>228398596</b>	<b>201272823</b>

# Includes an amount of ₹ 9,00,302/- pertaining to the administrative expenses and ₹ 16,54,500/- pertaining to consultancy incurred on its certified R&D Center.

**26.1 Value Of Stores, Chemicals and Packing Material Consumed**

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended Ended 31.03.2011 Amount
<b>Raw material</b>		
Imported	17685094	61826220
Indigenous	2244368580	1865354414
<b>Stores and Spares</b>		
Imported	545878	-
Indigenous	17535842	21281754

**26.2 C.I.F Value Of Imports during the Year**

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
Raw material	16519623	77266748
Capital Goods	164595857	86547348
Stores	545879	-

**26.3 Expenditure and Earnings in Foreign Exchange**

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
Expenditure in Foreign Currency	10203587	303266
FOB Value of Exports	913710158	873026604

**27. EARNINGS PER SHARE (EPS)**

Particulars	For the year	For the year
	Ended 31.03.2012 Amount	Ended 31.03.2011 Amount
Net Profit after tax as per Statement Of Profit and Loss	165793881	141860622
Weighted average number of shares(Basic)	22284493	11780415
Weighted average number of shares(Diluted)	22284493	11780415
Nominal Value of Equity Share	10/-	10/-
Earning per share (Basic)	7.44	12.04
Earning per share (Diluted)	7.44	12.04

**28. RELATED PARTY DISCLOSURE**

The Management has identified the following Companies and individuals as related parties of the Company for the year ended 31st March 2012 for the purposes of reporting as per AS-18 (Related Party Transaction)

**(i) Related party relationships**

<b>Subsidiaries</b>	M/s Euro Plast Limited, U.K. M/s Neoflex Infracon Limited M/s Polybase (H.K.) Limited, H.K. M/s Poly Logic International Private Limited M/s Sacos Indigo Private Limited
<b>Associates</b>	M/s Olympian Investors & Traders Private Limited M/s.Panam Packers Private Limited M/s Synergy Education International Private Limited M/s Vishwkarma Creations Private Limited
<b>Key Management Personnel:</b>	Mr.Sunil Kumar Trivedi Mr.Kailash Chandra S. Trivedi Mr.Pradhuman Sharma Mr. Shrawan Kumar Patodi Mr. Ladharam Patel Mr. Dashrath Bhai Trivedi Mr. Sanjay Trivedi Mr. Rolland Coderre
<b>Relatives of Key Management Personnel:</b>	Mrs.Nandita S. Trivedi Mr. Utkarsh S. Trivedi Ms. Rupal Trivedi

**(ii) Transactions with related parties**

	Year ended 31.03.2012 (Amount in ₹)	Year ended 31.03.2011 (Amount in ₹)
<b>Key Management Personnel:</b>		
Remuneration:	5030303/-	5943780/-
Interest on unsecured loan:	41176/-	36984/-
Rent	419440/-	1382800/-
<b>Relatives of key management personnel:</b>		
Remuneration	--	1502884/-
<b>Other related parties:</b>		
Purchase of materials	38216886/-	8198739/-
Sale of goods	1118751/-	--
Other services availed	--	71280/-
Other services rendered	1546611/-	--
<b>Amount due to related parties:</b>		
Included in unsecured loan:	288911/-	178983/-
Included in other current liabilities	1993982/-	2206881/-
Included in Creditors	33947/-	8338615/-
Amount due from related parties:	2501859/-	--
Included in Debtors	6858098/-	--

## 29. SEGMENT REPORTING

The group operating business is organised and managed separately according to the nature of the product and services provided, with each segment representing a strategic business unit that offers different products and serves different market. The analysis of geographical segment is based on the areas in which major operating division of the group operate.

- a. The company is generally in the business of manufacture of technical textiles. The company also has a division namely Polymer Division in which consignment stockist and Del Cedder agency of Indian Oil Corporation Ltd is operated. During the year the company has also set-up Wind Mill at Bavdikheada (Mahuriya), District Sajapur M.P for power generation. There are no other business segment reportable other than this, as per Accounting Standard AS – 17. The details are as under:

In respect of Business Segments the details are as under ;

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
Manufacturing and Trading Segment	2836183426	2309896608
Consignment Stockist and Del Cedder Agency Segment	3700129	769142
Wind Power Generation Segment	3067173	-

- b) The company has two reportable segment on basis of geographical segment, one is domestic sales and another is overseas sales. There is no other separate reportable geographical segment other than this, as per Accounting Standard AS – 17.

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
Domestic Sales	2024967303	1476757927
Overseas Sales	896400290	902453814

## 30. CONTINGENT LIABILITY AND COMMITMEN

Particulars	For the year Ended 31.03.2012 Amount	For the year Ended 31.03.2011 Amount
Letters of Credit opened	-	-
Bank Guarantee issued by banks	36893000	39000000
Corporate Guarantee ( Issued for subsidiary M/s. Sacos Indigo Pvt. Ltd.)	877400000	345000000
Income Tax demands to the extent disputed in appeals	2116000	-
Excise & Customs due under various show cause notices issued by the authorities is disputed by the company. The company is hopeful of getting the matter settled in its favour.	11719000	10197000

## 31. FINANCIAL AND DERIVATIVE INSTRUMENTS

The company has entered into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than Indian Rupees. The counter party to such forward contract is bank. Details of Forward Contracts outstanding at the year end:

CURRENCY	EXPOSURE TO BUY/SELL	As at the year end	
		₹ in Lacs	Foreign Currency
GBP	Sell	591.56	725000
US \$	Sell	492.26	966274
Euro	Sell	386.39	567872

Net exchange difference in respect of forward contract is recognized in the current year.

Foreign Currency exposure at the year end not hedged by derivative instruments:

Particulars (Foreign Currency)	For the year Ended 31.03.2012 Amount in foreign currency	For the year Ended 31.03.2012 Amount in ₹ in Lacs	For the year Ended 31.03.2011 Amount in foreign currency	For the year Ended 31.03.2011 Amount in ₹ in Lacs
GBP	--	--	72570.55	52.02
EURO	--	--	192515.35	121.94
US DOLLAR	327792	166.99	71217.15	31.75





32. The Company has a SEZ Division namely M/s. Geotech Worldwide in which company has exemption of Income Tax however provision of MAT is applicable on this division. Other divisions i.e DTA Division, 100% EOU Division and Polymer Division are covered under normal provision of the I.T. Act . The higher of Normal Tax Liability and MAT Tax Liability is provided in the Books of Accounts.
33. In respect to the Accounting Standard AS-19 pertaining to "Lease", issued by the ICAI which is mandatory with effect from 1st Apr 2001 and as applicable to all the leased assets for which the lease commences on or after 1st Apr 2001, the company did not have any operating lease during the year 2011-12. However, yearly lease rentals are charged directly to the profit & loss account with reference to the term of lease.
34. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 58,040,914/- (Previous Year ₹ 19,306,672/-).
35. In the opinion of the management and to the best of their knowledge and belief the value of realization of current assets, Loans and advances in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.
36. In the opinion of the management and to the best of their knowledge and belief the value of realization of current assets, Loans and advances in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.
37. Debit and Credit balances are subject to confirmation.
38. Figure has been rounded off to the nearest rupees.
39. Figures of the previous year have been re-grouped/re-arranged/re-classified wherever necessary to the facilitate comparision.

"AS PER OUR REPORT OF EVEN DATE "

**For A .P. GARG & CO.**  
CHARTERED ACCOUNTNATS  
F.R. No.002143C

**(ANUP P. GARG)**  
PARTNER  
M.No.071283

"FOR AND ON BEHALF OF THE BOARD"

**K. S. TRIVEDI**  
(Chairman)

**SUNIL KUMAR TRIVEDI**  
(Mg. Director)

**P. SHARMA**  
(Director)

**SHARWAN KUMAR PATODI**  
(Director)

**SWATI GANGRADE**  
(Company Secretary)

Place : Indore

Date : 30<sup>th</sup> May 2012



## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1. Name of the Subsidiary Company	Europlast Limited	Sacos Indigo Private Limited	Poly Logic International Pvt. Limited	Neoflex Infracon Limited	Polybase (H.K.) Limited
2. Financial year of the Company ended on	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
3. Shares held in the Subsidiary Company on the above date:					
i) Number of Shares	1,00,000 equity shares of 1 GBP each	1277282 equity shares of ₹100/-each	16334000 equity shares of ₹10/-each	52710 equity shares of ₹10/-each	10000 equity shares of 1 HKD each
ii) Percentage of holding	100%	100%	99.96%	99.98%	100%
4. The net aggregate amount of the Profits/(losses) of the Subsidiary Company as far as it concerns the members of the Holding Company:					
i) Not dealt with in the Holding Company's Accounts:					
a) For the Financial year of the subsidiary	₹ 14236674/-	₹ 32640953/-	Nil	₹(608728)	Nil
b) For the previous Financial years since it became the Holding Company's Subsidiary	₹ 8695158/-	₹ 4025482/-	Nil	Nil	Nil
ii) Dealt with in the Holding Company's Accounts					
a) For the Financial year of the subsidiary	Nil	Nil	Nil	Nil	Nil
b) For the previous Financial years since it became the Holding Company's Subsidiary	Nil	Nil	Nil	Nil	Nil
Additional Information u/s 212 (5)	N.A.	N.A.	N.A.	N.A.	N.A.

Place: Indore  
Date: 30<sup>th</sup> May, 2012

## ON BEHALF OF THE BOARD

K.S. Trivedi - Chairman  
Sunil Kumar Trivedi - Managing Director  
P. Sharma - Director  
S. K. Patodi - Director

Swati Gangrade - Company Secretary

## AUDITORS' REPORT CONSOLIDATED FINANCIAL STATEMENTS

To,  
The Board of Directors  
M/s. Neo Corp International Limited

- We have audited the attached Consolidated Balance Sheet of **M/s. NEO CORP INTERNATIONAL LIMITED** ("the company") and its subsidiaries **M/s. Euro Plast Limited, M/s. Sacos Indigo Private Limited, M/s. Poly Logic International Private Limited, M/s. Neoflex Infracon Limited and M/s. Polybase (H.K.) Limited** as at 31<sup>st</sup> March, 2012 and the consolidated profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- In respect of the financial statements of subsidiary namely **M/s. Sacos Indigo Private Limited, M/s. Poly Logic International Private Ltd., and M/s. Neoflex Infracon Limited**, we did not carry out the audit. These financial statements have been audited / reviewed by other auditor whose report have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the reports of the other auditor. The details of the assets and revenue in respect of this subsidiary to the extent to which they are reflected in the consolidated financial statements are given below:

	Total Assets	Total Revenue
Indian Subsidiary (M/s. Sacos Indigo Private Limited)	₹ 77,87,58,874/-	₹ 97,87,03,073/-
(M/s. Poly Logic International Pvt. Ltd.)	₹ 31,94,88,815/-	--
(M/s Neoflex Infracon Limited)	₹ 1,37,76,884/-	₹ 2,40,899/-

- We further report that financial statements of another subsidiary namely **M/s. Europlast Limited and M/s. Polybase (H.K) Limited**, we did not carry out the audit. These financial statements have not been audited and only certified by the management and have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on these certified financial statement. Since these financial statements for the financial year ended 31<sup>st</sup> March 2012, which were compiled by management of these companies, were not audited, any adjustment to their balances could have consequential effects on the attached consolidated financial statements. The details of the assets and revenue in respect of these subsidiaries to the extent to which they are reflected in the consolidated financial statements are given below :

	Total Assets	Total Revenue
Foreign Subsidiary 1. M/s. Europlast Limited (Subject to point no.3 of notes to the account)	₹ 172,511,400/-	₹ 742,511,165/-
2. M/s Polybase (H.K.) Limited	₹ 57,180/-	--

- We report that the consolidated financial statement have been prepared by the company's management in accordance with the requirements of the accounting standards(AS) 21, consolidated financial statement and Accounting standards(AS) 23 Accounting for investments in Associates in consolidated financial statement prescribed by the Central Government under section 211 (3C) of the companies Act 1956 and other recognized accounting practices and policies on the basis of the separate audited/certified financial statement of the subsidiaries included in the consolidated financial statement.
- Based on our audit and on consideration of reports of the management of that company, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, read together with principal of consolidation and notes appearing there on, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - in the case of the consolidated balance sheet of the state of affairs of the company & its subsidiary as at March 31, 2012
  - in the case of the consolidated profit and loss Account, of the profit for the year ended on that date.

**Place: Indore**  
**Date: 30th May, 2012**

**For, A. P. GARG & Co.**  
**Chartered Accountants**  
**F.R. No. 002143C**

**(Anup P. Garg)**  
**Partner**  
**M. No 071283**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2012**

(Amount in ₹)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
<b>1 SHARE HOLDERS'S FUND</b>			
(a) Share Capital	1	378441700	155221980
(b) Reserve & Surplus	2	1901882161	830369791
(c) Money Received against Share Warrants			
<b>2 SHARE APPLICATION MONTH PENDING FOR ALLOTMENT</b>		-	-
<b>3 NON - CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	3	916047068	541295739
(b) Deferred Tax Liabilities (Net)	4	105722380	40879909
(c) Other Long Term Liabilities		465000	-
(d) Long Term provisions	5	5385180	4920040
<b>4 CURRENT LIABILITIES</b>			
(a) Short Term Borrowing	6	1140658149	868379937
(b) Trade Payables	7	715073323	552916123
(c) Other Current Liabilites	8	489663469	261778251
(d) Short Trem Provisions	9	94276690	54365029
<b>TOTAL</b>		<b>5747615119</b>	<b>3310126799</b>
<b>II. ASSETS</b>			
<b>1 NON - CURRENT ASSETS</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		1101896050	571015284
(ii) Intangible Assets		31610667	31610667
(iii) Capital Work in Progress		649685413	194150456
(iii) Intangible Assets under development		9165130	-
(b) Non-current Investments	11	2000	1000
(c) Long Term Loans & Advacnes	12	791319606	231748083
(d) Other Non-current Assets	13	42307679	4662554
<b>2 CURRENT ASSETS</b>			
(a) Current Investments		-	-
(b) Inventories	14	1103211730	692553296
(c) Trade Receivables	15	945911503	874166554
(d) Cash & Bank Balance	16	127434301	121890382
(e) Short Term Loans & Advacnes	17	231531164	71841359
(f) Other Current Assets	18	713539875	516487165
<b>TOTAL</b>		<b>5747615119</b>	<b>3310126799</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**
**"AS PER OUR REPORT OF EVEN DATE ATTACHED"**
**For A .P. GARG & CO.**  
 CHARTERED ACCOUNTNATS  
 F.R. No.002143C

**(ANUP P. GARG)**  
**PARTNER**  
**M.No.071283**

 Place : Indore  
 Date : 30<sup>th</sup> May 2012

**"FOR AND ON BEHALF OF THE BOARD"**
**K. S. TRIVEDI**      **SUNIL KUMAR TRIVEDI**      **P. SHARMA**  
 (Chairman)                      (Mg. Director)                      (Director)

**SHARWAN KUMAR PATODI**  
 (Director)

**SWATI GANGRADE**  
 (Company Secretary)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2012**

(Amount in ₹)

Particulars		Note No.	31.03.2012	31.03.2011
I.	Revenue From Operations	19	4310538462	3152963968
II.	Other Income	20	67441332	85293967
<b>III.</b>	<b>Total Revenue ( I + II )</b>		<b>4377979794</b>	<b>3238257935</b>
IV.	Expenses:			
	Cost of Material Consumed	21	2956695404	2745331659
	Purchase of Stock in Trade	22	772863063	70581862
	Change in Inventories of Finished Goods, Work in Process and Stock in Trade	23	(295974863)	(250330268)
	Employee Benefits Expenses	24	92181619	85467763
	Finance Costs	25	222272146	147672235
	Depreciation & Amortization Expenses	10	44472309	27173531
	Other Expenses	26	295016218	226927191
	<b>Total</b>		<b>4087525895</b>	<b>3052823973</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary item and tax (III-IV)</b>		<b>290453899</b>	<b>185433962</b>
VI.	Exceptional Items		-	-
<b>VII.</b>	<b>Profit before extraordinary item and tax (V-VI)</b>		<b>290453899</b>	<b>185433962</b>
VIII.	Extraordinary Items		-	-
<b>IX.</b>	<b>Profit before tax (VII-VIII)</b>		<b>290453899</b>	<b>185433962</b>
X.	Tax Expenses:			
	(a) Current Tax		13573861	11128933
	(b) Deferred Tax		64817379	15079997
<b>XI.</b>	<b>Profit (Loss) for the period from continuing operations (IX-X)</b>		<b>212062659</b>	<b>159225032</b>
XII.	Profit (Loss) for discontinuing operations		-	-
XIII.	Tax Expenses of discontinuing operations		-	-
<b>XIV.</b>	<b>Profit (Loss) for discontinuing operations after tax (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>Profit (Loss) for the preiod (XI+XIV)</b>		<b>212062659</b>	<b>159225032</b>
<b>XVI.</b>	<b>Earning per equity share:</b>			
	(a) Basic			
	(a) Diluted			
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS</b>				

**"AS PER OUR REPORT OF EVEN DATE ATTACHED"**
**For A .P. GARG & CO.**  
 CHARTERED ACCOUNTNATS  
 F.R. No.002143C

**(ANUP P. GARG)**  
**PARTNER**  
**M.No.071283**

 Place : Indore  
 Date : 30<sup>th</sup> May 2012

**"FOR AND ON BEHALF OF THE BOARD"**
**K. S. TRIVEDI**      **SUNIL KUMAR TRIVEDI**      **P. SHARMA**  
 (Chairman)                      (Mg. Director)                      (Director)

**SHARWAN KUMAR PATODI**  
 (Director)

**SWATI GANGRADE**  
 (Company Secretary)

## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

### A. Basis of Preparation

The consolidated financial statements of **M/s Neo Corp International Limited** and its subsidiaries **M/s. Euro Plast Limited, M/s. Sacos Indigo Private Limited, M/s Poly Logic International Private Limited, M/s Neoflex Infracon Limited and M/s Polybase (H.K.) Limited** are prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1956.

The Consolidated financial statement (CFS) are prepared in accordance with accounting standard (AS) 21 "Consolidated Financial Statements" as specified in companies accounting standard rules 2006. The Consolidated financial statement comprises the financial statement of company and its subsidiaries as above.

### B. Principles of consolidation

The consolidated financial statements relate to **M/s. NEO CORP INTERNATIONAL LIMITED** (the Company) and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:-

- a) The financial statements of the Company and its subsidiary companies are combine on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements".
- b) In the case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets

and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidated is recognised in the Foreign Exchange Translation Reserve.

- c) The difference between cost of investment in the subsidiaries, over the net assets at the time of acquisition of share in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
- d) Minority interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately under head other current liabilities.
- f) As far as possible, the consolidated financial statement are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statement.

### C. Investment other than in Subsidiary

Investment other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investment".

### D. Other significant accounting policies

These are set out under "significant Accounting Policies" as given in the Company's separate financial statement.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

- The notes and significant policies of the CFS are intended to serve as guide for better understanding of the group's position. In this respect, the company has disclosed such notes and policies which represent the required disclosure.
- The List of subsidiaries included in the consolidated financial statement are as under :-

S. No.	Name of Subsidiary Company	Country of Incorporation	As at 31.03.2012		As at 31.03.2011	
			Proportion of Ownership (%)	Proportion of Voting Power (%)	Proportion of Ownership (%)	Proportion of Voting Power (%)
1	M/s. Euro Plast Limited (See Note No. 3)	England	100.00	100.00	100.00	100.00
2	M/s. Sacos Indigo Private Limited	India	100.00	100.00	100.00	100.00
3	M/s Poly Logic International Private Limited	India	99.96	99.96	--	--
4	M/s Neoflex Infracon Limited	India	99.98	99.98	--	--
5	M/s Polybase (H.K.) Limited	Hong Kong	100.00	100.00	--	--

- M/s Neo Corp International Limited (the holding company) has entered into takeover agreement on 29.03.2008 with M/s Europlast Limited, a U.K. based company for purchase of their entire shareholding on deferred payment basis for a consideration of 800,000 GBP (₹ 5,80,48,000/-). Company has paid 1,90,663 GBP (₹ 1,46,90,500/-) during the year 2009-10 and 65686 GBP (₹ 44,66,000/-) during the year 2010-11 to M/s. Fukam International Ltd., Hong Kong and the balance amount of 5,43,651 GBP (₹ 3,88,91,500/-) payable is reflected in other liability. M/s. Fukam International Ltd., Hong Kong has transferred the shares in favour of Neo Corp International Limited. The payable amount to M/s. Fukam International Ltd at current rate as on 31.03.2012 in Indian Rupees is ₹ 3,88,91,500/-
- Minority interest has been shown under head other current liabilities.
- Figure of the previous year have been re-grouped/re-arranged/re-classified wherever necessary to the facilitate comparison.



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I Registration Details**Registration No. 

2	2	3	2	2	0
---	---	---	---	---	---

 State Code 

1	1
---	---

Balance sheet date 

3	1	0	3	1	2
---	---	---	---	---	---

**II Capital Raised During the Year(Amount in ₹ Lacs)**Public Issue 

N	I	L
---	---	---

 Right Issue 

N	I	L
---	---	---

Bonus Issue 

N	I	L
---	---	---

 Private Placement 

N	I	L
---	---	---

Govt. Contribution 

N	I	L
---	---	---

 Preferential allotment 

2	4	0
---	---	---

**III Position of mobilisation & Deployment of fund (Amount in ₹ Lacs)**Total Liabilities 

4	9	0	2	3	.	5	3
---	---	---	---	---	---	---	---

 Total Assets 

4	9	0	2	3	.	5	3
---	---	---	---	---	---	---	---

**Source of Funds**Paid up capital 

3	8	0	2	.	2	2
---	---	---	---	---	---	---

 Reserve & Surplus 

1	8	1	3	2	.	7	0
---	---	---	---	---	---	---	---

Secured Loans 

1	5	3	6	3	.	3	8
---	---	---	---	---	---	---	---

 Unsecured Loans 

1	3	3	4	.	2	7
---	---	---	---	---	---	---

Deferred Tax Liability 

8	2	8	.	2	0
---	---	---	---	---	---

**Application of Funds**Net Fixed Assets 

7	7	3	5	.	8	7
---	---	---	---	---	---	---

 Investment 

4	6	8	4	.	9	5
---	---	---	---	---	---	---

Capital WIP 

3	3	1	6	.	5	9
---	---	---	---	---	---	---

 Net Current Assets 

4	8	4	6	.	8	9
---	---	---	---	---	---	---

Accumulated Losses 

N	I	L
---	---	---

 Miscellaneous Exp. 

3	5	0	.	4	5
---	---	---	---	---	---

**IV Performance of the Company (Amount in ₹ Lacs)**Total Income 

2	8	9	9	8	.	9	0
---	---	---	---	---	---	---	---

 Total Expenditure 

2	6	8	0	1	.	1	8
---	---	---	---	---	---	---	---

Profit Before Tax 

2	1	9	7	.	7	2
---	---	---	---	---	---	---

 Profit After Tax 

1	6	5	7	.	9	4
---	---	---	---	---	---	---

Earnings per share - 

0	7	.	4	4
---	---	---	---	---

 Dividend rate % 

5	%
---	---

**V Generic Names of Three Principal Product/ Services Of the Company (as per monetary Terms)**

Item code No.(ITC Code)

3	9	2	3	2	9	9	0
3	9	2	6	9	0	9	9
6	0	0	5	9	0	0	0

Product Description

FIBC/SACK
FABRICS
SHADE NET

**ON BEHALF OF THE BOARD**

K. S. TRIVEDI : Chairman  
 SUNIL KUMAR TRIVEDI : Managing Director  
 P. SHARMA : Director  
 S. K. PATODI : Director

SWATI GANGRADE  
 Company Secretary



**NEO CORP INTERNATIONAL LIMITED**

220, Mahavir Industrial Estate, Off Mahakali Caves Road Andheri (E), Mumbai-400 093 Maharashtra, INDIA

Dear Shareholder,

The Ministry of Corporate Affairs ("MCA"), has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies vide circular dated April 21, 2011 bearing circular no.17/2011 and circular dated April 29, 2011 bearing circular no.18/2011 issued by the MCA,. In such a case, the company has to obtain email addresses of its members for sending e-notices / documents electronically by giving an advance opportunity to the members to register their email addresses and changes therein, if any, from time to time with the company.

Shareholders holding share in the physical form and wishing to receive the annual report and other documents in the electronic mode, are requested to fill the form below and send the same to our Corporate Office i.e. 'Trivedi Chambers', 2 Maharani Road, Indore -452 007 Madhya Pradesh INDIA or send there consent via e-mail at investor\_relations@neocorp.co.in

We are sure that you would welcome the "Green Initiative" taken by the MCA and your company's desire to participate in the same.

Thanking you,

Yours faithfully

For **Neo Corp International Limited**

**Company Secretary**

**NEO CORP INTERNATIONAL LIMITED**

220, Mahavir Industrial Estate, Off Mahakali Caves Road Andheri (E), Mumbai-400 093 Maharashtra INDIA

**CONSENT FOR RECIEVING DOCUMENTS IN ELECTRONIC MODE**

To,  
Neo Corp International Limited  
'Trivedi Chambers', 2 Maharani Road  
Indore -452 007, Madhya Pradesh, India

Dear Sir,

With Reference to your circular dated \_\_\_\_\_.I/We shareholder(s) of Neo Corp International Limited, Agree to receive all notices and documents including the annual report, notice for general meetings and other shareholder communication in electronic mode.

I/We request you to kindly register my/our e-mail id in the company's records for sending such communication through e-mail.

Folio No./Client ID No. : \_\_\_\_\_

Name of the Sole/First Shareholder : \_\_\_\_\_

Name of the Joint Shareholders : \_\_\_\_\_

No. of Shares : \_\_\_\_\_

E-mail ID for receipt of document in electronic mode : \_\_\_\_\_

Date :

Place:

Signature:\_\_\_\_\_

(Sole/First Shareholder)



**NEO CORP INTERNATIONAL LIMITED**

220, Mahavir Industrial Estate, Off Mahakali Caves Road Andheri (E), Mumbai-400 093, Maharashtra INDIA

**ATTENDANCE SLIP**

**PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

I hereby record my presence at the Annual General Meeting of the company held at 220, Mahavir Industrial Estate, Off Mahakali Caves Road Andheri (E), Mumbai - 400 093 Maharashtra INDIA, at 4.00 p.m. Saturday, 29<sup>th</sup> September 2012.

Signature of the Member/Proxy \_\_\_\_\_ Folio No./Client ID \_\_\_\_\_

----- **TEAR OFF** -----

**NEO CORP INTERNATIONAL LIMITED**

220, Mahavir Industrial Estate, Off Mahakali Caves Road Andheri (E), Mumbai-400 093, Maharashtra INDIA

**PROXY FORM**

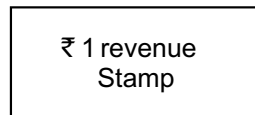
Folio No/Client ID \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being member/shareholder of NEO CORP INTERNATIONAL LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_

As my proxy in my/our absence to attend and vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on Saturday, 29<sup>th</sup> September, 2012 and at any adjournment thereof.

As Witness my/our hand/hands this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Signature \_\_\_\_\_



Notes: The proxy must be deposited at the registered office of the company 48 hours before the time fixed for holding the meeting. The Proxy need not be a member of the company.



#### NEO Corp Worldwide

- Argentina
- Austria
- Bangladesh
- Belgium
- Brazil
- Canada
- Chile
- Denmark
- Djibouti
- France
- Germany
- Greece
- Italy
- Muscat
- Netherlands
- New Zealand
- Pakistan
- Paraguay
- Russia
- Spain
- Sri Lanka
- Sweden
- United Arab Emirates
- United Kingdom
- United States of America
- Uruguay

BOOK POST

*If undelivered please return to:*

Neo Corp International Limited  
"Trivedi Chambers"  
2 Maharani Road  
Indore - 452 007  
Madhya Pradesh INDIA

neocorp.co.in