



28th Annual Report 2012 - 2013



Driving the Future of Technical Textiles...



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

Mr. Sunil K. Trivedi	Chairman & Managing Director
Mr. Utkarsh S. 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

*Mr. Utkarsh S. Trivedi appointed on the Board w.e.f. 22.04.2013

**Mr. Sanjay K. Trivedi resigned from the Board w.e.f. 22.04.2013

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

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' (1st Floor)
71 Dhar Kothi
Indore - 452 001
Madhya Pradesh INDIA

BANKERS

State Bank of India
Export Import 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

WORKS & CORPORATE OFFICE

Plot No.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

PLANT LOCATIONS**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 # 90-90-A, 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



BOARD OF DIRECTORS



Mr. Sunil K. Trivedi
Chairman & Managing Director



Mr. Utkarsh S. 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



From the Chairman's Desk.....



Dear Shareholders

I am happy to present the 28th Annual Report of Neo Corp International Limited for the year 2012-13.

I am pleased to report that as compared to previous year, your Company has achieved satisfactory financial performance. The performance has to be viewed against the backdrop of high volatility in the prices of our key raw material that was witness during the year as well as increase in other costs such as wages, electricity power, fuel etc.

Your Company has recorded a turnover of ₹ 424.23 Crores, which is an increase of 49 % over the previous year. Profit before tax rose by 37 % to ₹ 30.08 Crores.

As one of the leading India-based manufacturers and marketers of technical textiles, which have a wide range of applications, Your Company has been continuously evolving to offer its customers and end-users innovative solutions.

With well-established processes for excelling in all operations, from design to delivery and after-sales service, Your Company has built a strong reputation for quality and reliability across the globe. The Fruits of this commitment and effort were reflected in the Company's performance in FY 2012-13.

Superior to conventional materials in terms of durability, reliability, ease of handling and cost-effectiveness, technical textiles have immense scope in the future. Your Company's strategy is to capitalize on this growing demand through user-focused R&D with emphasis on value addition to our customers.

The technical textiles industry has immense potential in the developing countries. India is now emerging as a powerhouse of both production as well as end-use consumption of technical textiles. The demand for technical textiles will be boosted by the changing economic scenario. Considering its highly skilled and scientific/technical manpower and abundant availability of raw materials, India can emerge as a key player in the technical textiles industry.

Acknowledgement

I take this opportunity to acknowledge the hard work and team effort put in by all employees and the support we have enjoyed from our stakeholders. Your continued goodwill greatly encourages us in all efforts to take your Company to a more rewarding future.

I sincerely thank our bankers, customers and suppliers for sharing our vision and supporting us and foresee a continued support in our future endeavors.







Sunil K. Trivedi

(Chairman & Managing Director)

3rd Sept. 2013



MAJOR PRODUCTS & BRANDS

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



NEO CORP INTERNATIONAL LIMITED
220 Mahavir Industrial Estate, Off. Mahakali Caves Road,
Andheri (E), Mumbai-400093

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON MONDAY THE 30TH SEPTEMBER, 2013 AT 4.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 220 MAHAVIR INDUSTRIAL ESTATE, OFF. MAHAKALI CAVES ROAD, ANDHERI(E), MUMBAI-400093 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 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 2012-13.
3. To appoint Director in place of Mr. Ladharam Patel, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Director in place of Mr. Shrawan Kumar Patodi, 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-DESIGNATION OF THE POST OF MANAGING DIRECTOR AS CHAIRMAN & MANAGING DIRECTOR

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

“RESOLVED THAT the approval of the Company be and is hereby accorded to the re-designation of Mr. Sunil K. Trivedi as Chairman in addition to his role of Managing Director of the Company, without any variation in the terms and conditions like remuneration, balance tenure and others relating to his appointment approved by the shareholders at their Annual General Meeting held on 30th September, 2011.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to re-designate Mr. Sunil K. Trivedi, from time to time, as may be decided by the Board of Directors of the Company.”

ITEM NO. 7

APPOINTMENT OF MR. UTKARSH S. TRIVEDI AS EXECUTIVE 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 Mr Utkarsh S. Trivedi, who was appointed as an additional Director by the Board of Directors and who holds office as such director up to the date of this meeting and is eligible for appointment as Director, and in respect of whom notice under section 257 of the Companies Act, 1956, has been received, be and is hereby appointed as Executive Director of the company.”

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the Company be and is hereby accorded to the appointment of Mr. Utkarsh S. Trivedi as Executive Director of the Company (not liable to retire by rotation) for a period of five years with effect from 1st October 2013 to 30th September 2018 on the terms & conditions and remuneration as set out below:

(A) SALARY: ₹ 86000 per month

(B) Housing Rent Free Accommodation or House Rent Allowance of ₹34,400 per month.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above-stated remuneration as may be agreed to between the Board of Directors and Mr. Utkarsh S. Trivedi.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Utkarsh S. Trivedi, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.”

Place: Indore
Date: 03.09.2013

For and on behalf of the Board
Sunil K. Trivedi
(Chairman & Managing Director)

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 25th September, 2013 to 30th September, 2013 (both days inclusive) for the purpose of payment of dividend to those members whose name stand on the Register of Members as on 25th September, 2013. 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 24th September, 2013, 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 - 452010 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 dematerialised their shares are advised to contact Depository Participant in this regard.
- ❖ Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Members, who have not en-cashed the dividend warrant, are requested to make their claim to the Company. It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF (Investor Education and Protection Fund) or the Company in respect thereof and the Members would lose their right to claim such dividend.
- ❖ Copies of relevant documents can be inspected at the Registered office of the Company on all working days from Monday to Friday between 11.00 AM to 2.00 PM up to date of meeting
- ❖ In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- ❖ Corporate Members are requested to forward a Certified Copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting
- ❖ Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to fill and send form 2B (Copy of which will be made available on request)
- ❖ Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such folio and send relevant share certificates to companies Registrar and Share Transfer Agent for their doing needful
- ❖ The Ministry of Corporate Affairs ('MCA') has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies and has issued Circular No. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. The Company proposes to send the documents to its Members like notices, annual report, etc. in electronic form. Members are requested to provide their email ID to the depositories who are holding their shares in demat form and the members who are holding their shares in physical form may send the duly filed form to our Registrar Ankit Consultancy Private Limited, Plot No. 60, Electronics Complex, Pardeshipura, Indore - 452010 Madhya Pradesh, India for sending the document in electronic form.
- ❖ Members attending the meeting are requested to bring with them the Attendance slip attached to the Annual Report dully filled in and signed and handover the same at the entrance of the hall
- ❖ **ADDITIONAL INFORMATION FOR RE-APPOINTMENT OF DIRECTORS.**
- ❖ Pursuant to clause 49 of the Listing Agreement relating to the code of Corporate Governance, the particulars of aforesaid Directors are given below:-
 - a) **Mr. Ladharam Patel**, aged 67 years, has done B.Com and has around 40 years of experience in the business of manufacturing and trading of marbles and timber. Mr. Patel is neither holding Directorship in any other Company nor holding any shares of the Company.
 - b) **Mr. Shrawan Kumar Patodi**, aged 72 years, is B.Com., M.A., LLB, and D.H.B. He has experience of 10 years as Export Executive. He has experience over two decades in various fields. Mr. Patodi is also director in Company named 'Neoflex Infracon Limited'. He is not holding any shares of the Company.

For and on behalf of the Board

Sunil K. Trivedi
(Chairman & Managing Director)

Place: Indore
Date: 03.09.2013

EXPLANATORY STATEMENT

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

ITEM NO. 6

The Board was informed that Mr. Kailash Chandra Trivedi, Chairman of the Company passed away on 27th October 2012. The Board discussed and decided to re- designate Mr. Sunil K. Trivedi as Chairman-cum-Managing Director of the Company, subject to the approval of shareholders.

Mr. Sunil K. Trivedi, Managing Director of the Company, is the founder of the Company an associated with the company since

incorporation. Mr. Sunil K. Trivedi is a matured business personality. He has a rich experience in various business activities. He carries a vision of growth of the Company and has more valuable contribution to the success and performance of the Company over the years. Looking to his total devotion and resultant progress made by the Company under his dynamic leadership skills, Board of Directors feel that his contribution must be awarded therefore re-designating him as the Chairman & Managing Director of the Company.



The terms and conditions like remuneration, balance tenure and others relating to the appointment of Mr. Sunil K. Trivedi, as approved by the shareholders at their annual general meetings held on 30th September 2013 remain unchanged.

The Board recommends the resolutions set forth in item no. 6 for approval of the members.

None of the Directors other than Mr. Sunil K. Trivedi and Utkarsh S. Trivedi, is concerned or interested in the above resolutions. The contents of resolution along with explanatory statement and details contains therein shall be deemed to be abstract of the terms and conditions for appointment of Mr. Sunil K. Trivedi as a Chairman & Managing Director of the company under section 302 of the Companies Act, 1956 and memorandum of interest in that behalf.

ITEM NO. 7

Mr. Utkarsh S. Trivedi had been appointed as an Additional Director on the Board of Directors of the Company with effect from 22nd April 2013 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 his candidature for appointment as Executive Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The appointment and remuneration including perquisites payable to Mr. Utkarsh S. Trivedi as Executive Director are being placed before the members in General Meeting for their approval as required under Sec 269, 309 read with Schedule XIII to the Companies Act, 1956.

The Board feels that presence of Mr. Utkarsh S. Trivedi on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 7 to be passed as ordinary resolution.

None of the Directors, except Mr. Utkarsh S. Trivedi and Mr. Sunil K. Trivedi is concerned or interested in this resolution. The contents of resolution along with explanatory statement and details contains therein shall be deemed to be abstract of the terms and conditions for appointment of Mr. Utkarsh S. Trivedi as an Executive Director of the company under section 302 of the Companies Act, 1956 and memorandum of interest in that behalf.

For and on behalf of the Board

**Sunil K. Trivedi
(Chairman & Managing Director)**

**Place: Indore
Date: 03.09.2013**

**Regd. Office:
220 Mahavir Industrial Estate,
Off. Mahakali Caves Road, Andheri (E),
Mumbai-400093 (M.H.)**



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

Technical textiles are high performance textiles that require special functionality. The market of technical textiles is significant and expanding as the products are being put to an ever-increasing number of end uses in various industries such as agriculture, clothing, construction, health care, transportation, packaging, sports, environmental protection, protective wear, and many more.

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.

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.

SYNOPSIS ON GROWTH OF NCIL

Neo Corp International Limited was incorporated in Year 15th 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 has 6 subsidiary companies namely Euro Plast Limited, Sacos Indigo Private Limited, Neoflex Infracon Limited, Polybase (H.K.), Poly Logic International Private Limited and added a new subsidiary 'Prism Flexible Solutions Private Limited' in year 2012-13 by virtue of controlling the composition of Board of Directors.

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

Technical Textiles has often been referred to as the sunshine sector in India. The success of technical textiles is primarily due to the creativity, innovation and versatility in fibres, yarns and woven/knitted/non-woven fabrics with applications spanning an enormous range of uses in a very diverse range of economic activities. The ability of technical textiles to combine different technologies to create new functional products offer unlimited opportunity for growth.

NCIL is making all efforts to embark on a suitable opportunity in the Technical Textile space. The Company's management is keeping all its options open to pursue a profitable business opportunity.

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

- ♦ Continuous raw material availability that helps Company to control costs and reduce the lead times across the operation.
- ♦ Availability of Low Cost and Skilled Manpower provides competitive advantage.
- ♦ Large domestic market, enabling to spread out risks.
- ♦ 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

- ♦ Fragmented Industry restricts the scope of enlarging base and emergence as global leaders.
- ♦ Lack of desirable levels of Technological Development affect the productivity and other activities in whole value chain.
- ♦ Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.
- ♦ Pricing pressure, as the market is price sensitive.
- ♦ Enhanced competition from other countries.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified and cover all offices, factories and key areas of business.

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 has implemented Systematic Application Procedure (SAP) in the Company which has enabled 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. 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.

The Company continuously invests in upgrading the SAP platform to leverage the latest functionality and technology enhancements to deliver business efficiencies.

As the IT systems and related processes get embedded into the ways of working of the organisation, there is a continuous focus on IT security and reliable disaster recovery management processes to ensure all critical systems are always available. These are periodically reviewed, upgraded and tested for efficacy, adequacy, security and reliability.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

NCIL recognizes human resources as a key component for facilitating organization growth as they are drivers for operational efficiencies, competitive advantage, profitability and growth of the Company. The Company is bringing in new HR initiatives in line with the business strategy at group level.

NCIL's Human Resource agenda for the year was focused on strengthening four key areas: building a robust and diverse talent pipeline, enhancing individual and organisational capabilities for future readiness, driving greater employee engagement and strengthening employee relations further through progressive people practices. The Company has been investing in progressive employee relations practices to ensure that it invests in capability at the grass root level.

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 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.

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.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility (CSR), is at the forefront of business initiatives for us at Neo Corp. The importance of incorporating responsible business operations into a company's core values is growing daily and we are taking a lead role in pioneering CSR efforts across the organisation. We define CSR as the management of business operations in an economically, environmentally and socially sustainable manner that takes into account the diverse interests of stakeholders.

While corporate social responsibility (CSR) means different things to different companies, it can be broadly defined as the concept that corporations should voluntarily commit to ethical and responsible business practices, reflecting the interests of all stakeholders in the company's policies and actions. Key areas of concern include employee relations, environmental stewardship, community outreach and corporate governance.

POLICE ASSISTANCE BOOTH:

The **Police Assistance Booth** as made and offered by Neo Corp was inaugurated on 9th April, 2013 at the hands of CSP Vikram Singh. The Managing Director Mr. Sunil K. Trivedi graced the occasion as the Chief Guest, who expressed that the working community of Pithampur and surroundings would be benefited to safe commuting during late hours or week hours, apart from other assistance. The Booth also offers round-the-clock police assistance and 108 ambulance availability.



EYE CHECK-UP CAMP:

Free eye check-up camp was organised in July, 2013, in batches. A team from Centre for Sight, Indore, came to the site and residents of Pithampur & surrounding areas got their eyes checked. People in large numbers availed this free camp. They also gained necessary medical advice.



AADHAR CARD CAMP:

Company had requested the department to camp at its premises so that the employees and residents of Pithampur can get their Aadhar Cards made without any hassles of visiting the department office and waiting in long queue.

The concerned staff of the department along with their necessary equipment had camped at Neo Corp for a month. Employees as also Pithampur residents in big number got their Aadhar Cards made quickly and conveniently. Approximately, 3000 Aadhar cards were made in this camp.

The company staff acted as a link between the Aadhar Card issuing department and people, making the complete affair easy and quick.



**DIRECTORS' REPORT**

To
The Members
M/s Neo Corp International Limited

Dear Shareholders

Your Directors are delighted to present the 28th Annual Report of your Company along with the audited accounts for the year ended on 31st March 2013.

PERFORMANCE HIGHLIGHTS

The financial results for the year ended on 31.03.2013 are as under:

(₹ In Lacs)

PARTICULARS	2012-13	2011-12
Gross Income	43010.98	28998.90
Profit before Interest, Depreciation and Tax	4930.37	4426.80
<u>Less:</u>		
1) Interest	2225.35	1855.30
2) Depreciation	479.70	373.78
3) Provision for Tax		
- Current Tax	541.00	82.50
- Deferred Tax	101.27	457.28
4) Prior Period adjustments	(-)	(-)
Profit after tax	1583.05	1657.94
Appropriation		
Transfer to General Reserve	25.00	25.00
Proposed dividend and tax on prop. Dividend	220.95	225.28
Earning per equity share	4.16	7.44

YEAR IN RETROSPECT

Your Company has maintained its excellent pace of growth reflected by the significant rise in Turnover. During the year under review, your Company has recorded a turnover of ₹ 424.23 Crores as against ₹ 283.99 Crores in the previous year registering an increase of 49.38%. The Net profit (before tax and extra ordinary items) for the financial year ended 31st March 2013 increased to ₹ 30.07 Crores from ₹21.97 Crores in the previous year representing an increase of 36.86 %.

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 31st March 2013 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 Cr. be transferred to General Reserve. With this the company's reserve and surplus stands at ₹ 197.42 Cr.

BUSINESS OVERVIEW

Technical Textile sector is one of the most innovative branch of the industry in the world, ranking as one the five high tech sectors with the greatest potential for development. The success of technical textiles is primarily due to the creativity, innovation and versatility in fibres, yarns and woven/knitted/nonwoven fabrics with applications spanning an enormous range of uses. The ability of technical textiles to combine with each other and with others to create a new functional products offer unlimited opportunity to growth.

The growth of the industry has been primarily due to the entrepreneurial ingenuity of the Indian industry supplemented by the scheme of the government of the Indian incentivizing the investment in the sector. The government of India also 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.

The production of different items of technical textile industry has been slowly but steadily increasing in the country which is further contributing in the growth of the industry as a whole.

Global Scenario:

Technical Textile is the sunrise segment of the global Textile industry. With increasing competition and diminishing margins in the production of conventional textiles, textile manufacturers in industrialized countries have switched over to production of value-added technical textiles. As the use of technical textiles is dictated by need, its pricing normally offers good margins. The Technical Textile industry is estimated to account for over 50% of the total textile activity in certain industrialized countries.

The US is the largest consumer of technical textiles, followed by Western Europe and Japan. However, Technical Textile industry in the developed world is maturing in a significant way resulting in moderate growth in these economies. In contrast, China, India and other countries in Asia, America and Eastern Europe are expected to experience healthy growth in the near future. Asia is emerging as a powerhouse of both production as well as consumption of technical textiles. China, Japan, Korea, Taiwan and India have great potential to make an impact in this industry in the coming decade.

The Indian Scenario:

India is emerging as a significant player in technical textiles. The fast-paced economic growth leading to infrastructure creation as well as higher disposable income has made India a key market for the technical textile products. Moreover, the country has developed a foothold in the production of technical textiles owing to its skilled and technical manpower as well as abundant availability of raw-material.

Technical Textiles is one of the fastest growing segment of the Indian economy. It has registered compounded annual rate of growth of 11% during 11th five year plan and the working group report for the 12th five year plan has projected growth of 20% for technical textiles. This translates into market size increasing from USD 13 billion to USD 36 billion by 2016-17.

Indian technical textile market is nascent and is quite honestly depending on government's push and mandatory regulations to penetrate into different sectors. The market for technical textiles is expected to cross ₹1.5 lakh crore by 2016-17. The strong interest in the segment is driven by better profit margins and less competition.



INCORPORATION OF SUBSIDIARY COMPANY

The promoters of NCIL have incorporated a company in the name and style of 'M/s Prism Flexible Solutions Private Limited'. By virtue of controlling the composition of Board of Directors of Prism Flexible Solutions Private Limited, the said company becomes the subsidiary Company of Neo Corp International Limited with effect from 18.07.2012. The Company is engaged in the business of trading and manufacturing of flexible packaging material and other allied products.

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 Private Limited, Prism Flexible Solutions Private 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 8th 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.

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.

UNIT IN DAHEJ SEZ LTD. AT DAHEJ

Looking into better future prospects, NCIL made an application to Dahej SEZ Ltd for allotment of land for setting up of a manufacturing unit in Dahej SEZ Ltd at Dahej. The land has been allotted to the company and the Company has entered into an MOU with 'Vibrant Gujarat 2013' for investment in Gujarat. This expansion program shall take the company towards more value added products in the upcoming technical textile sector.

INSURANCE CLAIM

A fire broke out in TECHTEXTIL, the EOU division of NCIL situated at Pithampur, on 27th 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 lodged was to the tune of ₹ 52.05 crores. The company has received the claim of ₹ 39.43 Crores (including of ₹ 1.30 crores realized from scrap sale). The Company has also written off R 782.38 Lacs during the year. The balance claim of R488.68 Lacs in respect of fixed assets not considered by the insurance companies is still receivable as per management and the matter is pending with appointed arbitrator.

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

**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 sacking 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: ₹ 402.89 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 ₹10084.75 lacs during the year.

The details of foreign exchange outgo are as follows:

Material import	: ₹ 1072.04 lacs
Stores & spares	: ₹ 5.92 lacs
Capital goods	: ₹ 543.65 lacs
Expenditure in foreign currency	: ₹ 30.72 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 K. Trivedi has resigned from the Directorship on 22nd April 2013 and Mr. Utkarsh S. Trivedi was appointed as additional Director w.e.f. 22nd April 2013.

At the ensuing Annual General Meeting, Mr. Ladharam Patel and Mr. Shrawan Kumar Patodi, Directors of the Company, retires by rotation and being eligible offers himself for re-appointment. Mr. Ladharam Patel and Mr. Shrawan Kumar Patodi are the independent Directors of the Company having vast experience in industry and administration.

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 appreciates 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: 30th May, 2013
Place: Indore

For and on behalf of
the Board of Directors

SUNIL K. TRIVEDI
Chairman & Managing Director



REPORT ON CORPORATE GOVERNANCE

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We, at Neo Corp, are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legislation. Our Code of Business Principles is an extension of our values and reflects our continued commitment to ethical business practices and regulatory compliances. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code of Business Principles inspires us to set standards which not only meets the applicable legislation but also exceeds them in many areas of our business operations.

To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to responsible, sustainable and profitable growth and creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

Company's Philosophy on Corporate of Governance

Neo Corp's philosophy is to constantly endeavour to achieve business excellence and optimize long term value for future growth and ensure that the ambitious plans are achieved in sustainable perspective through ethical business conduct.

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. Our Corporate Governance Philosophy is based on the following principles:

- Corporate governance standards should go beyond the law and satisfy the spirit of the law, not just the letter of the law.
- When in doubt, disclose. Ensure transparency and maintain the high level of disclosure.
- Clearly distinguish between personal conveniences and corporate resources.
- Communicate externally and truthfully about how the Company is run internally.
- Comply with the laws of all the countries in which we operate.
- Have a simple and transparent corporate structure driven solely by business needs.
- The management is the trustee of the shareholder's capital and not the owner.

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best practices across the globe.

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 7 Directors with 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 of 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 2012-13, the Board of Directors of the Company met 11 times on the following dates:

05.04.2012	30.05.2012	12.06.2012
14.08.2012	01.09.2012	10.10.2012
31.10.2012	14.11.2012	05.12.2012
14.01.2013	14.02.2013	

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

The last Annual General meeting was held on 29th September, 2012

Name of Directors and Designations	Attendance		No. of Directorships/ Committee Membership held in other Companies	
	Board	Last AGM	Directorships/ Chairmanship	Committee Membership
Mr. K. S. Trivedi* (Chairman cum Whole-time Director)	6	Absent	2	--
Mr. Sunil K. Trivedi* (Managing Director)	10	Present	3	--
Mr. Pradhuman Sharma (Whole-time Director)	6	Present	1	--
Mr. Shrawan Kumar Patodi (Non Executive Independent Director)	9	Present	1	--
Mr. Ladharam Patel (Non Executive Independent Director)	7	Present	--	--
Ms. Shobha Dube (Non Executive Independent Director)	5	Absent	--	--
Mr. Sanjay K. Trivedi (Executive Director)	1	Absent	--	--
Mr. Rolland Coderre (Non Executive Independent Director)	1	Absent	--	--

* Late Mr. K. S. Trivedi, Chairman & Whole Time Director, Mr. Sunil K. Trivedi, Managing Director and Mr. Sanjay K. Trivedi, Director, are father and son consecutively and are related to each other within the meaning of Section 6 of the Companies Act, 1956.

c) 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 K. 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. Ladharam Patel	Member
Ms. Shobha Dube	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.

III. Meetings and attendance:

During the year 2012-13 the Audit Committee met 5 times on 30.05.12, 14.08.12, 01.09.12, 14.11.12 and 14.02.13. 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	2
Mr. Ladharam Patel	4
Ms. Shobha Dube	3

B. 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. Ladharam Patel	Member
Ms. Shobha Dubey	Member

Company Secretary acts as the Secretary to the Committee.

II. Terms of Reference:

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

II. Meetings and attendance:

During the year 2012-13 there was only one meeting of the Remuneration Committee held on 01.09.2012. The attendance of members at the meeting was as follows:

Name of Member	No of Meetings Attended
Mr. Shrawan Kumar Patodi	1
Ms. Shobha Dubey	1
Mr. Ladharam 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 2012-13 are as under:

Name	Designation	Salary, HRA, Bonus Allowances	Gratuity, Provident Fund & Others	Total
Mr. Sunil K.Trivedi	Managing Director	2268000	403660	2671660
Mr. K. S. Trivedi	Whole Time Director	812903	39743	852646
Mr. P. Sharma	Whole Time Director	1079640	235864	1315504
Mr. Sanjay K.Trivedi	Executive Director	580500	54653	635143

Sitting fees 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 2012-13.

During the financial year 2012-13 the following sitting fees were paid to Non-Executive Directors.

Name of Director	Amount (₹)
Mr. Ladharam Patel	8000
Mr. D. Trivedi	4500
Mr. Shrawan Kumar Patodi	10000
Ms. Shobha Dube	6000
Mr. Rolland Coderre	500

C. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE :**I. Composition :**

The shareholders' grievance committee comprises 3 directors 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. Ladharam Patel	Member
Ms. Shobha Dube	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 21 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 31st March 2013 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
2011-12	220 Mahavir Industrial Estate, Off. Mahakali Caves Road, Andheri (E), Mumbai- 400093 Maharashtra, India	29.09.2012	4.00 PM	5
2010-11	Industrial Area, Plot no 62, -63-64A, Sector 1, Pithampur, Dist. Dhar- 454 775 Madhya Pradesh, India	30.09.2011	4.00 PM	1
2009-10	Industrial Area, Plot no 62, -63, Sector 1, Pithampur, Dist. Dhar - 454 775 Madhya Pradesh, India	22.12.2010	4.00 PM	2

II. No special resolution was passed through postal ballot during the year ended on 31.03.2013 and no such resolution is proposed to be passed by postal ballot at the ensuing Annual General Meeting as well.

III. No Extra-ordinary General Meeting were held during the year.

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.

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 i.e., www.neocorp.co.in.

7. GENERAL SHAREHOLDERS INFORMATION:

A.	AGM: Date, Time and Venue	30th September 2013, Monday 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 & Works Location	Industrial Area, Plot No. 62-63-64A, Sector 1, Pithampur, Dist Dhar- 454 775 Madhya Pradesh, India
D.	Date of Book Closure	Commencement – 25 th September, 2013 Ending – 30 th September, 2013 (both days inclusive)
E.	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
F.	ISIN Number of NSDL & CDSL	INE851C01014
G.	Registrar and Transfer Agents	M/s Ankit Consultancy Pvt Ltd, Plot no.60, Electronics Complex, Pardeshipura, Indore -452010 Madhya Pradesh, India Phone No. (0731) 3198601, Fax No. : 0731-4065798 E-mail : ankit_4321@yahoo.com
H.	Share Transfer System	All the transfer received are processed by the Registrar and transfer Agent
I.	Share Holding pattern as on 31.03.2013	Please see Annexure 'A'
J.	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 31st March 2013, 97.50% of shares were held in dematerialised form and rest 2.50% 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. Company Secretary Certificate on Corporate Governance**

The Company has obtained the certificate from the qualified Company Secretary 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 2012-2013.

O. Address for Correspondence:

Corporate & Works Office: Company Secretary Neo Corp International Limited Industrial Area, Plot No. 62-63-64A, Sector 1, Pithampur, Dist Dhar- 454 775 Madhya Pradesh, India Tel: 07292-410 400,01 Fax No. : 07292-410 499 Email: investor_relations@neocorp.co.in	Registrar & Share Transfer Agents: M/s. Ankit Consultancy P Ltd. Plot no.60, Electronic Complex, Pardeshipura, Indore-452010 Madhya Pradesh, India Tel: 0731- 3198601, Fax No. : 0731-4065798 E-mail : ankit_4321@yahoo.com
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DISTRIBUTION SCHEDULE AS ON 31ST MARCH 2013

(Annexure A)

Share holding of nominal value	Shares holders		Shares Amount	
	Number	% To Total	₹	% of Total Amount.
Upto-5000	7369	89.42	12029090	3.17
5001-10000	376	4.56	3151170	0.83
10001-20000	176	2.14	2790630	0.73
20001-30000	58	0.70	1536680	0.40
30001-40000	28	0.34	1003000	0.26
40001-50000	30	0.36	1434090	0.38
50001-100000	71	0.86	5434120	1.43
100001 and above	132	1.60	352843200	92.80
Total	8240	100.00	380221980	100.00

SHAREHOLDING PATTERN AS AT 31ST MARCH 2013

[SHAREHOLDING PATTERN]

	Category	No. Of Share held	Percentage of Shareholding
A	Promoters Holding		
1.	Promoters		
	Indian Promoters	5878460	15.46
2.	Foreign Promoters:	--	--
	Sub-Total (A)	5878460	15.46
B.	Non-Promoters Holding		
1.	Institutional Investors		
	a. Mutual Funds and UTI	5600	0.01
	b. Banks, Financial Institutions, Insurance Companies [Central/State Govt. Institutions, NonGovernment Institutions]	200	-
	c. FIs	4433843	11.66
	Sub-Total (B1)	4439643	11.68
2.	Others		
	Private Corporate Bodies	10770921	28.33
	Indian Public	4848668	12.75
	NRIs/OCBs	308781	0.81
	Any other [clearing member]	231525	0.61
	Sub-Total (B2)	9669287	25.43
	Sub-Total (B) [B1 + B2]	10388216	27.32
C	Share held by Custodians against which Depository receipts have been issued:		
	1. Promoter and Promoter group		
	2. Public	11544200	30.36
	Grand Total [A+B+C]	38022198	100.00

Market Price Data

(Annexure B)

The monthly High & Low Share prices of the company traded at the Stock Exchange, Mumbai from 1st April 2012 to 31st March, 2013 are given below:

Bombay Stock Exchange		
Months	Months High Price ₹	Months Low Price ₹
April, 2012	29.45	26.80
May, 2012	35.10	21.65
June, 2012	33.45	25.80
July, 2012	29.50	23.50
Aug, 2012	41.45	23.50
Sept, 2012	40.90	34.50
Oct, 2012	36.05	27.00
Nov, 2012	35.00	26.50
Dec, 2012	35.50	29.70
Jan, 2013	38.00	27.50
Feb, 2013	31.00	25.30
Mar, 2013	28.80	19.50

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To
The Members of
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 2013.

Place: Indore
Date: 30th May, 2013

SUNIL K. TRIVEDI
Chairman & Managing Director

**CEO CERTIFICATION**

I Sunil K. 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 31.03.2013 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: 30th May, 2013

For Neo Corp International Ltd.
Managing Director

COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Neo Corp International Limited
Mumbai

I have examined the compliance of the conditions of Corporate Governance by Neo Corp International Limited for the year ended on March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibilities of the management. My examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the Compliance with the conditions of the Corporate Governance. It is neither an audit nor an express of opinion on the financial statement of the Company.

In my opinion and to the best of my information and explanations given to me and the representation made by the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreements.

I state that during the year ended March 31, 2013, no investor grievances are pending for a period exceeding one month against the Company as per the Record maintained by the Shareholder Grievance Committee.

I 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.

Date: 30th May 2013
Place: Indore

ASHISH KARODIA
Company Secretaries
C.P. No. 6375

**INDEPENDENT AUDITOR'S REPORT**

To,
The Members,
M/s NEO CORP INTERNATIONAL LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **NEO CORP INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance-Sheet as at March 31st, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statement.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion *except reported by us in paragraph 8 of the report.*

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us for the possible effect of the matters described in the paragraphs 8 (b) & 8 (c) below, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of

the Company as at March 31st, 2013;

- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - (a) *Subject to our comments given below at sub-para (b) regarding non-maintenance of the books of account by the Company on SAP System, in the desired form, 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) *During the year under audit, the Company has implemented highly integrated computerized Software System namely 'SAP' but due to jumbling and improper mapping in the software, the books of account, as commonly understood under general accounting procedures and practices, could not get generated through the system. However, in absence of such books of account, we conducted our audit on the basis of various reports generated by the system and also verified the veracity of such reports with the primary records and evidences as well as third parties confirmations by observing principles of materiality and prudence. We consider that the reports generated by the system provide a reasonable basis for us in expressing our opinion on the financial statements under reference to this report*
 - (c) *Subject to our comments in sub-para (b) above, the Balance-Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in consonance with the reports generated by the computerized Software System namely 'SAP';*
 - (d) *In our opinion, the Balance-Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;*
 - (e) *On the basis of written representations received from the directors as on March 31st, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.*

Place: Indore
Date: 30th May, 2013

For: A. P. GARG & Co.
Chartered Accountants
F.R. No. 002413C

(Anup Garg)
Partner
M. No. 071283



Name of Statute	Nature of the Disputed Dues	Amount (in Lacs)	Period to which Amount 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
MP Entry Tax Act	Entry Tax on expansion	52.47	2008-2009	MP Commercial Tax Appellate Board, Bhopal	--
MP VAT Act	Credit of Input Rebate	4.55	2008-2009	MP Commercial Tax Appellate Board, Bhopal	--
MP Entry Tax Act	Entry Tax on Expansion	23.02	2009-2010	Addl. Commissioner of Commercial Tax (A), Indore	--
MP VAT Act	Classification of Goods	5.87	2009-2010	Addl. Commissioner of Commercial Tax (A), Indore	--
Central Sales Tax Act	Classification of Goods	8.62	2009-2010	Addl. Commissioner of Commercial Tax (A), Indore	--
MP Entry Tax Act	Entry tax on new unit	41.88	2009-2010	Dy. Commissioner of Commercial Tax (A), Indore	--

repayment of its dues to the financial institutions and banks.

12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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.

18. 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.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by way of public issue during the year.
21. 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, 2013

For: A. P. GARG & Co.
Chartered Accountants
F.R. No. 002413C

(Anup Garg)
Partner
M. No. 071283

**BALANCE SHEET AS AT 31st MARCH, 2013**

(Amount in ₹)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
1 SHARE HOLDERS'S FUND			
(a) Share Capital	1	380221980	380221980
(b) Reserve & Surplus	2	1974224005	1813270305
2 SHARE APPLICATION MONEY PENDING FOR ALLOTMENT		-	-
3 NON- CURRENT LIABILITIES			
(a) Long Term Borrowings	3	593654622	608727114
(b) Deferred Tax Liabilities (Net)	4	92946266	82819870
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	5	7899645	5385180
4 CURRENT LIABILITIES			
(a) Short Term Borrowing	6	971401878	929955442
(b) Trade Payables	7	748291718	596028130
(C) Other Current Liabilities	8	391107000	412753521
(d) Short Term Provisions	9	76928978	73190975
TOTAL		5236676092	4902352518
II. ASSETS			
1 NON- CURRENT ASSETS			
(a) Fixed Assets	10		
(i) Tangible Assets		795664001	773586781
(ii) Intangible Assets		8452838	-
(iii) Capital Work in Progress		541935231	331658687
(iv) Intangible Assets under development		650000	9165130
(b) Non-current Investments	11	592820440	468495380
(c) Long Term Loans & Advances	12	562928997	787784262
(d) Other Non-current Assets	13	31154401	35044814
2 CURRENT ASSETS			
(a) Current Investments		-	-
(b) Inventories	14	1297018732	878389015
(c) Trade Receivables	15	764642255	640134566
(d) Cash & Bank Balances	16	123960230	107713558
(e) Short Term Loans & Advances	17	127355868	212047662
(f) Other Current Assets	18	390093101	658332664
TOTAL		5236676092	4902352518

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

"AS PER OUR REPORT OF EVEN DATE ATTACHED"

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

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

Place : Indore

Date : 30th May 2013

"FOR AND ON BEHALF OF THE BOARD"

SUNIL K. TRIVEDI
(Mg. Director)

SHARWAN KUMAR PATODI
(Director)

PRADHUMAN SHARMA
(Director)

SWATI GANGRADE
(Company Secretary)

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

(Amount in ₹)

Particulars	Note No.	For the year ended 31.03.2013	For The year ended 31.03.2012
I. Revenue from Operations	19	4242330540	2839883555
II. Other Income	20	58767790	60006923
III. Total Revenue (I + II)		4301098329	2899890478
IV. <u>Expenses:</u>			
Cost of Material Consumed	21	3725852485	2284107386
Purchase of Stock in Trade	22	1347487	18109416
Change in Inventories of Finished Goods, Work in Process and Stock in Trade	23	(384977554)	(148631944)
Employee Benefits Expenses	24	164424256	75226726
Finance Costs	25	222534842	185529765
Depreciation & Amortization Expenses	10	47970375	37378352
Other Expenses	26	223176848	228398596
TOTAL		4000328741	2680118297
V. Profit before exceptional and extraordinary item and tax (III-IV)		300769589	219772181
VI. Exceptional and Extraordinary Items	27	78237728	-
VII. Profit before tax (V-VI)		222531860	219772181
VIII. Tax Expenses:			
(a) Current Tax		54099977	8250000
(b) Deferred Tax		10126396	45728300
IX. Profit (Loss) for the preiod (VII - VIII)		158305487	165793881
X. Earning per equity share:			
(a) Basic		4.16	7.44
(b) Diluted		4.16	7.44

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATMENTS**"AS PER OUR REPORT OF EVEN DATE ATTACHED"**

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

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

Place : Indore
 Date : 30th May 2013

"FOR AND ON BEHALF OF THE BOARD"

SUNIL K. TRIVEDI
 (Mg. Director)

SHARWAN KUMAR PATODI
 (Director)

PRADHUMAN SHARMA
 (Director)

SWATI GANGRADE
 (Company Secretary)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013****(A) CASH FLOW FROM OPERATING ACTIVITIES****(Amount in ₹ Lacs)**

Particulars	As at 31st March 2013	As at 31st March 2012
Net Profit before Tax and Extraordinary items	1583.05	1657.94
a Adjusted for:		
Depreciation	479.70	373.78
Preliminary Expenses Written Off	38.90	38.90
Proportionate Written off of Capital Subsidy	(6.57)	(6.57)
Interest & Financial Charges(Net)	2225.35	1855.30
(Profit)/ Loss on sale of Fixed Assets	0.24	2.64
Provision for Income Tax	541.00	82.50
Provision for Deferred Tax	101.26	457.28
Prior Period Items shown separately	1.53	(30.36)
Interest Income	(148.16)	(128.22)
Operating Profit before working Capital Changes	4816.31	4303.19
Adjustments for changes in Current Assets:		
(Increase) / Decrease in Inventories	(4186.30)	(3043.92)
(Increase) / Decrease in Trade Receivables and Other Current Assets	1668.80	(3309.47)
Adjustments for changes in Current Liabilities:		
Increase / (Decrease) in Trade Payables & Current Liability	1200.71	3346.58
Cash Generated from Operation (Before Extraordinary Items and Prior Period Adjustment)	3499.53	1296.39
Prior Period Adjustment (Income)	(1.53)	30.36
Extra Ordinary Items (Insurance claim receivable Written Off)	782.38	-
Cash Generated from Operation	4280.37	1326.75
Income Tax Paid	488.01	198.78
NET CASH FROM OPERATING ACTIVITIES (A)	3792.36	1127.97
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2818.07)	(4977.62)
Sale of Fixed Assets	15.22	15.84
Purchase of Long Term Non Current Investments	(722.00)	(1639.24)
Investment in Share application Money	(521.25)	(1187.94)
Proceed from Long Term Loans and Advances	2248.55	(6825.59)
Interest Received	148.16	128.22
NET CASH FROM INVESTING ACTIVITIES (B)	(1649.39)	(14486.33)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	(150.72)	2800.60
Proceed from Short Term Borrowing (Net)	414.46	2373.08
Proceeds from Share Application Money	-	2400.00
Proceeds from Premium on Shares Issued	-	8203.74
Proceeds from gain on Foreign Currency Fluctuation on issue of GDR	-	497.46
Expenses Incurred in Increase authorised Capital and Others	-	(386.31)
Interest & Financial Charges Paid	(2225.35)	(1855.30)
Dividend Paid	(18.89)	(67.51)
NET CASH INFLOW IN FINANCING ACTIVITIES (C)	(1980.50)	13965.77
Net Increase/decrease in Cash & Cash Equivalents [A+B+C]	162.47	607.41
Add :- Cash and Cash Equivalents as at 1st April 2012 [Opening Balance]	1077.14	469.73
Cash and Cash Equivalents as at 31st March 2013 [Closing Balance]	1239.60	1077.14

"AS PER OUR REPORT OF EVEN DATE ATTACHED"

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

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

Place : Indore

Date : 30th May 2013**"FOR AND ON BEHALF OF THE BOARD"**

SUNIL K. TRIVEDI
 (Mg. Director)

PRADHUMAN SHARMA
 (Director)

SHARWAN KUMAR PATODI
 (Director)

SWATI GANGRADE
 (Company Secretary)



SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared under historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles in India to comply with the accounting Standards notified under 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 (GAAP) 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 reported amount of income and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, the difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

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 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, destroyed 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. Capital work in progress:

The assets which are under construction, erection & installation and not ready for their intended use and other Capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

E. 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 (Including Capital and Revenue), interest and other income are recognized on accrual basis but the dividend is recognized in the year of receipt.

F. 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.

G. 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.

H. 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.

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 recognize 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 transactions and translations

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 recognized 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 of 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



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

1. SHARE CAPITAL

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
Authorised				
A) Equity Shares of ₹ 10/- each	69000000	690000000	69000000	690000000
B) Cum. Compulsorily Convertible Pref Shares of ₹10/- each	1000000	10000000	1000000	10000000
Total	70000000	700000000	70000000	700000000
Issued, Subscribed & Paid-up				
38022198 equity Shares of ₹ 10/ each fully paid up	38022198	380221980	38022198	380221980
Total	38022198	380221980	38022198	380221980

- 1.1 NIL (NIL) Authorised Capital Increased by 52,000,000 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 in financial year 2011-12.
- 1.2 NIL (NIL) 2,40,00,000 Equity shares representing 12,00,000 GDRs at US\$ 19.25 were allotted out of the issued, subscribed and paid up share capital in the year 2011-12. Underlying equity shares being ₹ 20 per GDR.
- 1.3 NIL (NIL) 35,00,000 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 in the year 2010-11.
- 1.4 NIL (NIL) 2,92,898 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 in the year 2010-11.
- 1.5 NIL (NIL) 15,75,000 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 in compliance with SEBI (ICDR) Regulations, 2009 in the year 2010-11.
- 1.6 799984 (799984) 799984 Equity shares out of the issued, subscribed and paid up share capital held by subsidiary and associate companies having voting rights and eligible for dividend
- 1.7 Details of shareholders holding more than 5% shares

Name of the shareholder	As at 31 st March,2013		As at 31 st March,2012	
	No. of shares	% of Holding	No. of shares	% of Holding
SSJ Finance & Securities Private Limited	2064704	5.43	-	-
	2064704	5.43	-	-

- 1.8 The reconciliation of the number of shares outstanding is set out below :

Name of the shareholder	As at 31 st March,2013 No. of shares	As at 31 st March,2012 No. of shares
Equity Shares at the beginning of the year	38022198	14022198
Add : Shares issued pursuant to GDR issue	-	24000000
Equity Shares at the end of the year	38022198	38022198

**2. RESERVE & SURPLUS**

Particulars	As at 31 st March 2013 Amount	As at 31 st March 2012 Amount
a. Capital Reserves		
Opening Balance	25273364	25930777
Add : Current Year Transfer	-	-
(+) Addition during the year (Refer note 2.2)	25400800	-
Less : Written Back in Current Year (Refer note 2.1)	657413	657413
Closing Balance	50016751	25273364
b. Securities Premium Reserve		
Opening Balance	1100440584	280066584
Add : Securities Premium credited on Share issue	-	820374000
Closing Balance	1100440584	1100440584
c. General Reserve		
Opening Balance	93869768	91369768
Add : Current Year Transfer	2500000	2500000
Less : Written Back in Current Year	-	-
Closing Balance	96369768	93869768
d. Foreign Currency Fluctuation Reserve		
Opening Balance	49746286	-
Add : Current Year Transfer	-	49746286
Closing Balance	49746286	49746286
e. Surplus in the Statement of Profit & Loss Account		
Opening balance	543940303	403174574
Add : Net Profit/(Net Loss) for the current year	158305487	165793881
Less : Proposed Dividends and Dividend Tax	22095175	22528152
Less : Transfer to Reserves	2500000	2500000
Closing Balance	677650616	543940303
TOTAL	1974224005	1813270305

- 2.1 The Capital Subsidy of ₹ 124.52 Lacs carried from the year 2010-11 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 The Capital Subsidy of ₹ 254.01 Lacs is receivable under TUFs Scheme from Ministry of Textiles, Govt. of India on eligible assets. The company has accounted the same on accrual basis and proposed to amortise in future years as per AS-12 "Government Grants" and AS-10 "Fixed Assets". However no depreciation has been charged to the profit and loss account during the year as the said assets are not capitalised/put to use.

3. LONG TERM BORROWINGS

Particulars		As at 31 March 2013 Amount	As at 31 March 2012 Amount
a. Secured			
Term Loans from Bank (Rupee Term Loan)			
1.State Bank of India	242430961		
2.State Bank of Bikaner and Jaipur	56785974		
3.State Bank of Travancore	7849430		
4.Punjab National Bank	210292832		
5.IDBI Bank Limited	88030716		
6.State Bank of India (For Wind Mill)*	46561947		
Sub Total	651951860		
Less: Installment of term loan payable in next one year	151646000	500305860	596822597
Total (A)		500305860	596822597
b. Unsecured:			
Term Loans (from Banks)**			
(Hire Purchase against Hypothecations of Vehicles)		4589802	11904517
From Corporate Bodies		88758959	-
Total (B)		93348761	11904517
Total		593654622	608727114



- 3.1 (a) Term loans are secured by equitable mortgage on the entire immovable fixed assets of the company, hypothecation of entire movable plant and machinery and second charge on the entire current assets located at plot No.62-63-64 A, Sector 1 and Plot no. A 12-13, SEZ Phase II, Industrial Area, Pithampur and also pledge of Equity Shares of Promoter and Others.
- *(b) Term Loan of ₹5.81 Crore is secured by Machine and Equipments of Wind Mill at Bavdikheada (Mahuriya), District Sajaipur M.P. exclusively with State Bank of India and pledge of Equity Shares of Promoter and Others.
- (c) All the term loans are further secured by personal guarantee of the managing director Mr. Sunil K. Trivedi.
- ** (d) Vehicle loans are secured by hypothecation of respective vehicles of the company

(a)	Maturity Profile of Secured Term Loans	Due within 12 Months
	Term Loans from Banks	₹ 151646000
		₹ (126135000)
** (b)	Maturity Profile of Un-Secured Term Loans	Due within 12 Months
	Term Loans from Banks	₹ 5019681
		₹ (4947500)

4. DEFERRED TAX LIABILITY (Net)

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
Opening Balance	82819870	37091570
Add : Addition during year		
- Related to Fixed Assets	11314379	46351182
- Related to Disallowance of Expenses in Income Tax Act	(187983)	(622882)
Closing Balance	92946266	82819870
TOTAL	92946266	82819870

5. LONG TERM PROVISION

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
Provision for Employee Benefits		
Provision for Gratuity	5139107	3369598
Provision for Leave Encashment	2760538	2015582
TOTAL	7899645	5385180

6. SHORT TERM BORROWINGS

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
Secured		
i. Working Capital Loan From Banks		
1. State Bank of India	317748976	
2. State Bank of Bikaner and Jaipur	201104706	
3. State Bank of Travancore	61747075	
4. Punjab National Bank	53934133	
5. IDBI Bank Limited	81414524	
6. Export Import Bank of India	105168425	
Sub Total	821117839	
ii. Channel Finance Limit from SBI**	38533234	
iii. Factoring Limit from SBI Global Factors***	110970862	808433162
Unsecured		
i. From Directors	779941	288911
ii. From Corporate Bodies	—	121233369
TOTAL	971401878	929955442



- 6.1* The Working capital is secured by first charge on entire current assets viz Raw Material, Finished Goods, Spare Parts, Work in Progress, Book Debts & Second Pari Passu charge on the entire Fixed Assets of the Company. The working capital is further secured by the pledge of shares of promoter and their relatives and personal guarantee of the managing director Mr. Sunil K. Trivedi.
- 6.2** The channel finance limit from SBI is secured by hypothecation of receivables for which the invoices have been raised along with equitable mortgage on the property located at Plot no. 9, Devgadadia, Indore. It is also secured by way of personal guarantee of the managing director Mr. Sunil K. Trivedi.
- 6.3*** The factoring limit from SBI Global Factors is secured by FDR worth ₹ 2.73 Crores and personal guarantee of Managing Director Mr. Sunil K. Trivedi and Executive Director Mr. Utkarsh S. Trivedi.

7. TRADE PAYABLES

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
Trade Payables		
(a) Micro, Small and Medium Enterprises #	-	-
(b) Others	748291718	596028130
Total	748291718	596028130

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 31.03.2013 Amount	As at 31.03.2012 Amount
(a) Current maturities of long-term debt (Refer Note No. 3.2 (a))	151646000	126135000
(b) Current maturities of un-secured term loans (Refer Note No. 3.2 (b))	5019681	4947500
(c) Unpaid Dividends *	18769681	1657774
(d) Advance from Customer	7708751	5962170
(e) Other Payable #	207962887	274051077
TOTAL	391107000	412753521

#8(e)(i) Other payables include creditors for Capital Expenditure of ₹ 4,62,90,953/- and amount payable to M/s Fukam International Limited (the share holders of Euro Plast Limited (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 Limited for acquiring 100% shares of company M/s. Polybase (H.K.) Limited.

* 8(e)(ii) As information and explanation given by the management, there is no amount due and outstanding to be credited to Investor Education & Protection Fund as on 31.3.2013.

9. SHORT TERM PROVISIONS

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
(a) Proposed Dividend	19011099	19011099
(b) Tax on Dividend	3084076	3517053
(c) Income Tax and MAT Tax Payable	45393406	44796007
(d) Interest on Statutory Dues	9440398	5866816
TOTAL	76928978	73190975



NOTE - 10 (A) Fixed Assets

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1st April 2012	Additions during the year	Disposals/ Deduction during the year	Balance as at 31st March 2013	Balance as at 1st April 2012	Depreciation charge for the year	On disposals	Balance as at 31st March 2013	Balance as at 31st March 2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹
A Tangible Assets									
Land & Site Development	53265757	-	-	53265757	-	-	-	53265757	53265757
Plant & Machinery (WDV)	165396883	-	-	165396883	129729588	5558310	-	30108985	35667295
Plant & Machinery (SLM)	374080911	5542777	-	379623688	31065678	19744588	-	328813422	343015233
Plant & Machinery (WDV) (used for R & D) #	643248	821821	643248	821821	52814	617964	52814	203857	590434
Plant & Machinery (SLM) (used for R & D) #	52642137	23501310	821821	75321626	5413194	3424690	585301	67069043	47228943
Building	157796838	37863514	-	195660352	15859164	5439543	-	174361645	141937674
Electric Installation (Fac.)	20450597	23840	-	20474437	3438030	1446587	-	15589820	17012567
Electric Installation (Off.)	15964	-	-	15964	15521	-	-	443	443
Office Equipments	3977604	73472	-	4051076	552397	190832	-	3307847	3425207
Vehicles	28654846	1447660	535715	29566791	5333034	2776898	290438	21747297	23321812
Fire Extinguisher	163845	-	-	163845	123940	7783	-	32122	39905
Furniture & Fixture	12778690	258671	-	13037361	2165334	813647	-	10058380	10613356
Weighing Scales	386216	-	-	386216	130979	18345	-	236892	255237
Computer	14475041	1197584	-	15672625	9681009	2455194	-	3536422	4794032
Wind Mill	92047347	-	-	92047347	2424545	4860100	-	84762702	89622802
Total	976775924	70730649	2000784	1045505789	205985227	47354481	928553	793094634	770790697
B Intangible Assets									
Software	-	9480130	-	9480130	-	1027292	-	8452838	-
Total	-	9480130	-	9480130	-	1027292	-	8452838	-
C Capital Work In Progress									
	331658687	281540265	71263721	541935231	-	-	-	541935231	331658687
Total	331658687	281540265	71263721	541935231	-	-	-	541935231	331658687
D Intangible assets under Development									
	9165130	2265000	10780130	650000	-	-	-	650000	9165130
Total	1317599740	364016044	84044635	1597571150	205985227	48381773	928553	1344132703	1111614514

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

10(A)(2) Company has interchanged / reclassified the R & D Assets in SLM and WDV category amounting to ₹ 1465069/- which was wrongly classified in last year as disclosed in addition and deletion columns.

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

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1st April 2012 ₹	Additions during the year ₹	Disposals/ Deduction during the year ₹	Balance as at 31st March 2013 ₹	Balance as at 1st April 2012 ₹	Depreciation charge for the year ₹	On disposals ₹	Balance as at 31st March 2013 ₹	Balance as at 31st March 2012 ₹
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
Building	4870366	-	-	4870366	3825748	162670	-	881948	1044618
Electric Installation (Fac.)	752521	-	-	752521	714895	-	-	37626	37626
Electric Installation (Off.)	42092	-	-	42092	40572	-	-	1520	1520
Office Equipments	1255109	-	-	1255109	1088099	59618	-	107392	167010
Vehicles	3275	-	-	3275	3275	-	-	-	-
Fire Extinguisher	19298	-	-	19298	18045	917	-	336	1253
Furniture & Fixture	2258107	-	-	2258107	2245191	-	-	12916	12916
Weighting Scales	73943	-	-	73943	47535	3512	-	22896	26408
Computer	1513455	-	-	1513455	1437782	-	-	75673	75673
Total	42152243	-	-	42152243	39356159	226717	-	2569367	2796084
B Intangible Assets									
Total	-	-	-	-	-	-	-	-	-
C Capital Work In Progress									
Total	-	-	-	-	-	-	-	-	-
D Intangible assets under Development									
Total	42152243	-	-	42152243	39356159	226717	-	2569367	2796084

10(B)(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 30 th March 1995	Straight Line Method
31 st March 1995 to 31 st March 2008	Written Down Value Method
1 st April 2008 onward	Straight Line Method

**11. NON-CURRENT INVESTMENTS**

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
A Trade Investments		
Share of Gujrat Mercantile Credit Co- Operative Society Limited (100 Nos. of shares)	1000	1000
Total (A)	1000	1000
B Other Investments (Refer Note 11(i))	592819440	468494380
Total (B)	592819440	468494380
TOTAL (A + B)	592820440	468495380

11. (i) Detailed as under:

Particulars	As at 31.03.2013 No. of Shares	As at 31.03.2012 No. of Shares	As at 31.03.2013 Amount	As at 31.03.2012 Amount
In equity shares of Subsidiary Companies:				
Unquoted (at cost)				
Sacos Indigo Private Limited of ₹100/- each fully paid up (wholly owned subsidiary)	1997282	(1277282)	199728200	127728200
Euro Plast Limited of 1 GBP each fully paid up (wholly owned subsidiary)	100000	(100000)	58048000	58048000
Poly Logic International Private Limited of ₹ 10/- each fully paid up 16334000 (wholly owned subsidiary)		(16334000)	163340000	163340000
M/s Poly Base (H.K.) Limited of 1 Hong Kong Dollar (wholly owned subsidiary)	10000	(10000)	57180	57180
Neoflex Infracon Limited of ₹ 10/- each fully paid up (wholly owned subsidiary)	52716	(52716)	527160	527160
Prism Flexible Solutions Private Limited of ₹10/- each fully paid up.	20000	(NIL)	200000	-
Share application money in M/s Sacos Indigo Private Limited			14500000	72000000
Share application money in M/s Poly Logic International Private Limited			147650000	38600000
Share application money in M/s Neoflex Infracon Limited			8193900	8193840
Share application money in M/s Prism Flexible Solutions Private Limited			575000	-
TOTAL			592819440	468494380

12. LONG TERM LOANS AND ADVANCES

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
(Unsecured and Considered Good)		
(a) Capital Advances	547655509	767526195
(b) Security Deposits	15273489	9345396
(c) Other Loans and Advances	-	10912672
TOTAL	562928997	787784262

13. OTHER NON-CURRENT ASSETS

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
Preliminary Expenses		
Opening Balance	35044814	304507
Add : Addition During The Year	-	38630720
Less: Write Off During The Year	3890413	3890413
TOTAL	31154401	35044814

14. INVENTORIES

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
(a) Raw Materials and Components	322648392	305473585
(b) Work-in-progress	317345855	174723174
(c) Finished Goods	635978208	387872955
(d) Stores and Spares	15969566	4414935
(e) Packing Material	5076711	5904365
TOTAL	1297018732	878389015

The valuation of closing stock of finished goods include excise duty payable of ₹ 10448958/- as on 31.3.2013 (₹ 4698578/- as on 31.3.2012).

**15. TRADE RECEIVABLES**

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
Trade Receivables (Unsecured and Considered Good)		
(a) Others	742048640	610786257
(b) More than six months	22593615	29348309
TOTAL	764642255	640134566

16. CASH AND BANK BALANCE

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
(a) Balance with Scheduled Bank #	5017365	15562721
(b) Deposits with Bank*	85649339	61243346
(c) Security against Borrowings	29257073	26800000
(d) Cash in Hand	4036453	4107491
TOTAL	123960230	107713558

Balance with Scheduled Bank includes Unclaimed dividend of ₹ 3884634/- as on 31.03.2013

*Fixed deposit with Banks include deposits of ₹ 13303099/- (₹ 8456507/-) with maturity of more than 12 months.

17. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
Loans and Advances		
Unsecured, Considered Good*	127355868	212047662
TOTAL	127355868	212047662

* The above amount of Loan and Advances include advance given to employees of the company amounting to ₹ 1957494/- (₹ 4036032/-)

18. OTHER CURRENT ASSETS

Particulars	As at 31.03.2013 Amount	As at 31.03.2012 Amount
(a) Sundry Receivables	341225527	300172057
(b) Insurance Claim Receivables #	48867574	358160607
TOTAL	390093101	658332664

There was a major fire accident in the factory premises of the unit named M/s. Techtextile (A 100% EOU Division of the Company) on 27th & 28th February, 2010. The company had provided for a loss of ₹ 5205.16 Lacs in the books against the insurance claim receivable of an equivalent amount. The company had received a claim amounting to ₹ 3934.10/- Lacs (including of ₹ 130.06 Lacs realised from scrap sales) up to the year ended 31.03.2013. The company has written off loss of ₹ 782.38 Lacs during the year and claim of ₹ 488.68 Lacs is considered as receivable and included in sundry receivable as the same is under arbitration.

19. REVENUE FROM OPERATIONS

Particulars	For the year Ended 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Sale of Products		
Domestic Sales	3110630659	2024967303
Export Sales	1031440685	896400290
Sale of Services #	5937834	3700129
Trading Sales	1392083	21218382
Export Incentive	103257925	71629214
	4252659186	3017915318
Less : Excise duty	10328646	178031763
TOTAL	4242330540	2839883555

The company is having consignment stockist and Del Cedder agency of Indian Oil Corporation Limited run in seprate Poylmer Division.

**20. OTHER INCOME**

Particulars	For the year Ended 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Processing Charges	6604578	6519240
Interest Income	14816006	12822136
Miscellaneous Account Written Off	5772628	(290054)
Exchange Difference (Net)	17458152	37231014
Miscellaneous Income	20896	-
Other non-operating Income (net of expenses) #	13438117	3067173
Proportionate Capital Reserve Written Back *	657413	657413
TOTAL	58767790	60006923

The company has a Wind Mill at Bavdikheada (Mahuriya), District Sajapur M.P. During the year it has earned an income of ₹ 13438117/- (₹3067173) by way of sale of power to MPPKVV.Co. Limited

* The Capital Subsidy of ₹ 124.52 Lacs carried from 2010-11 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 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Raw Material Consumed #	3696230185	2262053674
Stores & Spares Part Consumed	17965093	18081720
Packing Material Consumed	11657208	3971991
TOTAL	3725852485	2284107386

Raw Material consumed includes an amount of ₹ 9269156/- for consumption in R & D Center.

22. PURCHASE OF STOCK IN TRADE

Particulars	For the year Ended 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Purchase of Material	1347487	18109416
TOTAL	1347487	18109416

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

Particulars	For the year Ended 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Opening Stock		
- Finished Goods	387872955	312723453
- Work In Progress	174723174	96683495
Closing Stock		
- Finished Goods	635978208	387872955
- Work In Progress	317345855	174723174
Change in Excise duty on closing stock	5750380	4557237
TOTAL	(384977554)	(148631944)

24. EMPLOYEE BENEFITS EXPENSES #

Particulars	For the year Ended 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
(a) Salaries and Incentives	158961712	67611310
(b) Contributions to:		
(i) Provident Fund	2422831	2448732
(ii) Contribution to ESIC	928897	1119201
(c) Gratuity Fund Contributions	1822031	980598
(d) Staff Welfare Expenses	288785	3066885
TOTAL	164424256	75226726

Includes an amount of ₹ 4852670/- (₹4427052/-) pertaining to the employee expenses incurred on its 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 ₹ 2422831/- (₹ 2448732/-) during the year

(ii) **Gratuity and Leave Encashment**: Definite Benefits Plans

Provisions made as per actual valuation.

OTHER DISCLOSURES AS PER THE REVISED AS-15 ARE AS UNDER :

Particulars	Non funded		Non funded	
	Gratuity 31.03.13	Leave Encashment 31.03.13	Gratuity 31.03.12	Leave Encashment 31.03.12
Expenses recognized in the statement of Profit and Loss account for the year ended on 31st March 2013				
1. Current services cost	946821/-	825219/-	858668/-	853007/-
2. Interest Cost	286415/-	171325/-	242709/-	177800/-
3. Employee contribution	-	-	-	-
4. Actuarial (Gains)/Losses	568734/-	(90019/-)	(539803/-)	(825933/-)
5. Past service Cost	-	-	-	-
6. Settlement Cost	-	-	-	-
7. Expenses recognized in the profit & loss account	1801970/-	906525/-	561574/-	204874/-
Net Asset/(Liability) recognized in the Balance sheet as on 31st March 2013	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1. Present value of Defined benefit Obligation	5147699/-	2777482/-	3369598/-	2015582/-
2. Fair Value of Plan assets	-	-	-	-
3. Funded status (Surplus/Deficit)	(5147699/-)	(2777482/-)	(3369598/-)	(2015582/-)
4. Net Asset/(Liability) as at 31st March 2013.	(5147699/-)	(2777482/-)	(3369598/-)	(2015582/-)
Change in Obligation during the year ended on 31st March 2013				
1. Present value of Defined benefit Obligation at the beginning of the year	3369598/-	2015582/-	2855399/-	2091770/-
2. Current services cost	946821/-	825219/-	858668/-	853007/-
3. Interest Cost	286415/-	171325/-	242709/-	177800/-
4. Settlement Cost	-	-	-	-
5. Past service Cost	-	-	-	-
6. Employee contribution	-	-	-	-
7. Actuarial (Gains)/Losses	568734/-	(90019/-)	(539803/-)	(825933/-)
8. Benefit Payments	(23869/-)	(144625/-)	(47375/-)	(281062/-)
9. Present value of Defined benefit Obligation at the end of the year	5147699/-	2777482/-	3369598/-	2015582/-
Change in assets during the year ended on 31st March 2013 (not separately invested)				
1. Plan assets at the beginning of the year	-	-	-	-
2. Assets acquired on amalgamation in previous year	-	-	-	-
3. Settlement	-	-	-	-
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 2012-13)				
i. Discount rate	8.50%			
ii. Mortality	As per IALM(1994-96) duly modified			
iii. Turnover rate	Up to 30 Years - 3%			
	Up to 44 Years - 2%			
	Above 44 Years - 1%			

25. FINANCE COST

Particulars	For the year Ended 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Interest Expenses *	192766818	153402933
Other Borrowing Cost	29768024	32126833
TOTAL	222534842	185529765

* (Net of Tufts Subsidy Receivable)

**26. OTHER EXPENSES #**

Particulars	For the year Ended 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Power and Fuel Expenses	56994794	49955809
Rent	4272734	3564258
Repairs to Buildings	601083	308826
Repairs to Machinery	3940514	8197338
Insurance	5428585	3253092
Rates and Taxes, excluding, Taxes on Income	3080867	1142394
Auditors' Remuneration	712500	330000
Profit/Loss on Sale/Discard of Fixed Assets	23652	263988
Managerial Remuneration	7351703	3212750
Selling Expenses	4130524	3003929
Commission on Sale	52799	5216474
Prior Period Items	153356	(3035730)
Freight and Handling	60685654	46413031
Processing and Job work Charges	36532700	65576978
Donation Expenses	2013000	4367000
Security Services Expenses	-	72762
Misc. Expenses	37202382	36555697
TOTAL	223176848	228398596

Includes an amount of ₹ 2030628/- pertaining to the administrative expenses, ₹ 1076250/- pertaining to consultancy charges and ₹ 202594/- incurred pertaining to other manufacturing expenses on its R&D Center.

26.1 Value Of Stores , Chemicals and Packing Material Consumed

Particulars	For the year Ended 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Raw material		
Imported	111196400	17685094
Indigenous	3585033785	2244368580
Stores and Spares		
Imported	591760	545878
Indigenous	17373333	17535842
Packing Material		
Imported	-	-
Indigenous	11657208	3971991

26.2 C.I.F Value of Imports during the Year

Particulars	For the year Ended 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Raw Materials	107204223	16519623
Capital Goods	54364750	164595857
Stores	591760	545879

26.3 Expenditure and Earnings in Foreign Exchange

Particulars	For the year Ended 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Expenditure in Foreign Currency	3072416	10203587
FOB Value of Exports	1008475404	913710158

27. Exceptional and Extraordinary Items include extraordinary item for written off insurance claim receivable of ₹78,237,728/- (₹ 38,159,681/- against stock and ₹ 40,078,047/- against fixed assets during the year.

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

Particulars	For the year Ended 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Net Profit after tax as per Statement of Profit and Loss	158305487	165793881
Weighted average number of shares(Basic)	38022198	22284493
Weighted average number of shares(Diluted)	38022198	22284493
Nominal Value of Equity Share	10/-	10/-
Earning per share (Basic)	4.16	7.44
Earning per share (Diluted)	4.16	7.44

29. RELATED PARTY DISCLOSURE

The Management has identified the following Companies and Individuals as related parties of the Company for the year ended 31st March 2013 for the purposes of reporting as per AS-18 (Related Party Transaction).

I. Related party relationship

Subsidiary Companies	M/s Euro Plast Limited, U.K. M/s Sacos Indigo Private Limited M/s Neoflex Infracon Limited M/s Polybase (H.K.) Limited M/s Poly Logic International Private Limited M/s Prism Flexible Solutions Private Limited
Associated Companies	M/s Panam Packers Private Limited M/s Synergy Education International Private Limited M/s Vishwkarma Creations Private Limited M/s Olympian Investors & Traders Private Limited
Key Management Personnel	Mr. Sunil K. Trivedi Mr. Kailash Chand Trivedi Mr. Pradhuman Sharma Mr. Sharwan Kumar Patodi Mr. Ladharam Patel Ms. Shobha Dube Mr. Sanjay K. Trivedi Mr. Rolland Coderre
Relatives of Key Management Personnel	Ms. Nandita S. Trivedi Mr. Utkarsh S. Trivedi Ms. Rupal S. Trivedi Mr. Atman S. Trivedi

II. Transactions with related parties

	Year Ended 31.03.2013 (Amount in ₹)	Year Ended 31.03.2012 (Amount in ₹)
<u>Key Management Personnel :</u>		
Remuneration	5474953	5030303
Interest on Unsecured Loan	84543	41176
Rent	360000	419440
<u>Relatives of Key Management Personnel</u>		
Remuneration	404994	----
Rent	2352000	1880000
<u>Other Related Parties:</u>		
Purchase of Materials	----	38216886
Sales of Goods	7893626	1118751
Other Services availed	----	----
Other Services rendered	1735484	1546611
<u>Amount due to Related Parties:</u>		
Include in Unsecured Loan	779941	288911
Include in other Current Liabilities	1884720	1993982
Include in Trade Payable	----	33947
Include in Short Term Loans and Advances	2227343	2501859
Include in Trade Receivables	2121276	6858098

**30 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 Limited is operated. 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 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Manufacturing and Trading Segment	4236392706	2836183426
Consignment Stockist and Del Cedder Agency Segment	5937834	3700129
Wind Power Generation Segment	13438117	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 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Domestic Sales	3110630659	2024967303
Overseas Sales	1031440685	896400290

31. CONTINGENT LIABILITY AND COMMITMENT

Particulars	For the year Ended 31.03.2013 Amount	For the year Ended 31.03.2012 Amount
Letters of Credit opened	-	-
Bank Guarantee issued by Banks	36893000	36893000
Corporate Guarantee (Issued for subsidiary M/s. Sacos Indigo Private Limited)	1107400000	877400000
Income Tax demands to the extent disputed in appeals	2116000	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	11719000

32. 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	1450.65	1625000
US \$	Sell	1368.05	2462869
Euro	Sell	1253.06	1746953

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 31.03.2013 Amount in foreign currency	For the year Ended 31.03.2013 Amount in INR in Lacs	For the year Ended 31.03.2012 Amount in foreign currency	For the year Ended 31.03.2012 Amount in INR in Lacs
GBP	--	--	--	--
EURO	--	--	--	--
US DOLLAR	--	--	327792	166.99



33. 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.
34. In respect to the Accounting Standard AS-19 pertaining to "Lease", issued by the ICAI which is mandatory with effect from 1st April 2001 and as applicable to all the leased assets for which the lease commences on or after 1st April 2001, the company did not have any operating lease during the year 2012-13. However, yearly lease rentals are charged directly to the profit & loss account with reference to the term of lease.
35. Estimated amount of contracts remaining to be executed on capital account is ₹ 550000000/- (Previous Year ₹ 58040914/-).
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 comparison.

"AS PER OUR REPORT OF EVEN DATE ATTACHED"

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

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

Place : Indore

Date : 30th May 2013

"FOR AND ON BEHALF OF THE BOARD"

SUNIL K. TRIVEDI
(Mg. Director)

SHARWAN KUMAR PATODI
(Director)

PRADHUMAN SHARMA
(Director)

SWATI GANGRADE
(Company Secretary)



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 Private Limited	Neoflex Infracon Limited	Polybase (H.K.) Limited	Prism Flexible Solutions Private Limited
2.	Financial year of the Company ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
3.	Shares held in the Subsidiary Company on the above date:						
i)	Number of Shares	1,00,000 Equity Shares of 1 GBP each	19,97,282 Equity Shares of ₹ 100/-each	1,63,34,000 Equity Shares of ₹ 10/- each	52,710 Equity Shares of ₹ 10/- each	10,000 Equity Shares of 1 HKD each	20,000 Equity Shares of ₹ 10/- each
ii)	Percentage of holding	100%	100%	99.96%	99.98%	100%	40%
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	₹ 9884256/-	₹ 43803266/-	Nil	₹(657955)	Nil	Nil
b)	For the previous Financial years since it became the Holding Company's Subsidiary	₹14236674/-	₹ 32640953/-	Nil	₹(608728)	Nil	Nil
ii)	Dealt with in the Holding Company's Accounts						
a)	For the Financial year of the subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
b)	For the previous Financial years since it became the Holding Company's Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
5.	Additional Information u/s 212 (5)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Place: **INDORE**
Date: **30th MAY, 2013**

ON BEHALF OF THE BOARD
Sunil K. Trivedi - Managing Director
Pradhuman Sharma - Director
Shrawan Kumar Patodi - Director

Swati Gangrade - Company Secretary



INDEPENDENT AUDITOR'S REPORT

To,
The Members,
M/s NEO CORP INTERNATIONAL LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **M/s. NEO CORP INTERNATIONAL LIMITED** ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated Balance-Sheet as at March 31, 2013 and the consolidated Statement of Profit and Loss for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position and consolidated financial performance of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associates referred to below in the other matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the

accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31st, 2013; and
- (b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date;

Other Matter

7. In respect of the financial statements of subsidiary namely **M/s. Sacos Indigo Private Limited, M/s. Poly Logic International Private Limited, and M/s. Neoflex Infracon Limited**, we did not carry out the audit. These financial statement 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 for the year ended on that date are given below :

	Total Assets	Total Revenue
Indian Subsidiary		
M/s. Sacos Indigo Private Limited	₹ 1,10,67,77,810/-	₹ 1,28,65,73,555/-
M/s. Poly Logic International Private Limited	₹ 71,11,30,888/-	-
M/s Neoflex Infracon Limited	₹ 3,52,07,759/-	₹ 6,22,624/-

8. In respect of the financial statements of subsidiary namely **M/s. Prism Flexible Solutions Private Limited** have been audited / reviewed by us. 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 for the year ended on that date are given below :

	Total Assets	Total Revenue
M/s. Prism Flexible Solutions Private Limited	₹ 13,39,118/-	-

9. 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 31st March 2013, 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 for the year ended on that date are given below :

	Total Assets	Total Revenue
Foreign Subsidiary		
M/s. Europlast Limited (Subject to point No.3 of notes to the A/c)	₹ 21,12,84,583/-	₹ 78,95,54,542/-
M/s. Polybase (H.K.) Limited	₹ 69,987/-	-

Our opinion is not qualified in respect of this matter.

For: **A.P. GARG & CO.**
Chartered Accountants
(Firm Reg. No. 002413C)

Place: **INDORE**
Date: **30th MAY, 2013**

ANUP GARG
Partner
(M. No. 071283)

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013**

(Amount in ₹)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
1 SHARE HOLDERS FUND			
(a) Share Capital	6	378441640	378441640
(b) Reserve & Surplus	7	2115963860	1901882161
(c) Money Received against Share Warrants		-	-
2 SHARE APPLICATION MONEY PENDING FOR ALLOTMENT		15458500	60
3 NON - CURRENT LIABILITIES			
(a) Long Term Borrowings	8	1231875114	915841545
(b) Deferred Tax Liabilities (Net)	9	121558687	105722380
(c) Other Long Term Liabilities	10	465000	465000
(d) Long Term Provisions	11	7899645	5385180
4 CURRENT LIABILITIES			
(a) Short Term Borrowing	12	1238072903	1140658149
(b) Trade Payables	13	961998316	715073323
(c) Other Current Liabilities	14	559479962	489868992
(d) Short Term Provisions	15	105153929	94276690
TOTAL		6736367556	5747615119
II. ASSETS			
1 NON - CURRENT ASSETS			
(a) Fixed Assets	16		
(i) Tangible Assets		1116433515	1101896050
(ii) Intangible Assets		44779249	31610667
(iii) Capital Work in Progress		693222274	340421273
(iv) Intangible Assets under development		650000	9165130
(b) Non-current Investments	17	2000	2000
(c) Deferred Tax Assets (Net)		-	-
(c) Long Term Loans & Advances	18	1272306128	1103083746
(d) Other Non-current Assets	19	69498231	42307679
2 CURRENT ASSETS			
(a) Current Investments		-	-
(b) Inventories	20	1723972959	1103211730
(c) Trade Receivables	21	1043415355	945911503
(d) Cash & Bank Balances	22	182589115	127434301
(e) Short Term Loans & Advances	23	145333070	229031164
(f) Other Current Assets	24	444165661	713539875
TOTAL		6736367556	5747615119

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

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

"FOR AND ON BEHALF OF THE BOARD"

SUNIL K. TRIVEDI
(Managing Director)

SHARWAN KUMAR PATODI
(Director)

PRADHUMAN SHARMA
(Director)

SWATI GANGRADE
(Company Secretary)

Place : Indore

Date : 30th May 2013

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2013**

(Amount in ₹)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I. Revenue From Operations	25	6260681057	4310538462
II. Other Income	26	63692200	67441332
III. Total Revenue (I + II)		6324373256	4377979794
IV. Expenses:			
Cost of Material Consumed	27	5642947024	2956695404
Purchase of Stock in Trade	28	48078537	772863063
Change in Inventories of Finished Goods, Work in Process and Stock in Trade	29	(577692095)	(295974863)
Employee Benefits Expenses	30	205754686	92181619
Finance Costs	31	274345351	222268982
Depreciation & Amortization Expenses	16	62829559	44472309
Other Expenses	32	290408945	295019382
TOTAL		5946672009	4087525895
V. Profit before exceptional and extraordinary item and tax (III-IV)		377701248	290453899
VI. Exceptional and Extraordinary Items		78237728	-
VII. Profit before tax (V - VI)		299463519	290453899
VIII. Tax Expenses:			
(a) Current Tax		72292159	13573861
(b) Deferred Tax		15836307	64817379
IX. Profit (Loss) for the period (VII - VIII)		211335053	212062659
X. Earning per equity share:			
(a) Basic		5.58	9.54
(a) Diluted		5.58	9.54

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

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

"FOR AND ON BEHALF OF THE BOARD"

SUNIL K. TRIVEDI
(Managing Director)

SHARWAN KUMAR PATODI
(Director)

PRADUMAN SHARMA
(Director)

SWATI GANGRADE
(Company Secretary)

Place : Indore
Date : 30th May 2013

**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, M/s Polybase (H.K.) Limited and M/s. Prism Flexible Solution Private 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 the cost of investment in the subsidiaries, and the Company's share of 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

1. 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.
2. The List of subsidiaries included in the consolidated financial statement are as under :-

S. No.	Name of Subsidiary Company	Country of Incorporation	As at 31.03.2013		As at 31.03.2012	
			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	99.96	99.96
4	M/s Neoflex Infracon Limited	India	100.00	100.00	100.00	100.00
5	M/s Polybase (H.K.) Limited	Hong kong	100.00	100.00	100.00	100.00
6	M/s. Prism Flexible Solutions Private Limited	India	40.00	40.00	--	--

* That the aforesaid company became the subsidiary due to control on the composition of board of director of company as specified in the section of the Companies Act, 1956.

3. 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 ₹ 5,80,48,000/- (800,000 GBP) and paid ₹ 1,46,90,500/- (1,90,663 GBP) during the year 2009-10 after receiving permission from Reserve Bank of India. During year 2010-11 company has paid ₹ 44,66,000/- (65,686 GBP) to M/s. Fukam International Limited, Hong Kong and now the balance amount of ₹ 3,88,91,500/- (5,43,651 GBP) payable is reflected in other liability. However M/s. Fukam International Limited, Hong Kong has transferred its complete shareholding consisting 99.99 % in favour of Neo Corp International Limited in accordance with the agreement signed between M/s. Fukam International Limited and the company.
4. Minority interest has been shown under head other current liabilities.
5. 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	3
---	---	---	---	---	---

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

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

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

5	2	3	6	6	.	7	6
---	---	---	---	---	---	---	---

 Total Assets

5	2	3	6	6	.	7	6
---	---	---	---	---	---	---	---

Source of FundsPaid up capital

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

 Reserve & Surplus

1	9	7	4	2	.	2	4
---	---	---	---	---	---	---	---

Secured Loans

1	6	2	2	5	.	7	4
---	---	---	---	---	---	---	---

 Unsecured Loans

0	9	4	1	.	2	9
---	---	---	---	---	---	---

Deferred Tax Liability

9	2	9	.	4	6
---	---	---	---	---	---

Application of FundsNet Fixed Assets

8	0	4	1	.	1	7
---	---	---	---	---	---	---

 Investment

5	9	2	8	.	2	0
---	---	---	---	---	---	---

Capital WIP

5	4	2	5	.	8	5
---	---	---	---	---	---	---

 Net Current Assets

5	1	5	3	.	4	1
---	---	---	---	---	---	---

Accumulated Losses

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

 Miscellaneous Exp.

3	1	1	.	5	4
---	---	---	---	---	---

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

4	3	0	1	0	.	9	8
---	---	---	---	---	---	---	---

 Total Expenditure

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

Profit Before Tax

2	2	2	5	.	3	2
---	---	---	---	---	---	---

 Profit After Tax

1	5	8	3	.	0	5
---	---	---	---	---	---	---

Earnings per share -

0	4	.	1	6
---	---	---	---	---

 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

SUNIL K. TRIVEDI : Managing Director
 PRADHUMAN SHARMA : Director
 SHRAWAN KUMAR 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 & Works Office i.e. Industrial Area, Plot No. 62-63-64A, Sector 1, Pithampur, Dist. Dhar - 454 775 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 RECEIVING DOCUMENTS IN ELECTRONIC MODE

To,
Neo Corp International Limited
Industrial Area, Plot No. 62-63-64A,
Sector 1, Pithampur, Dist Dhar- 454 775
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. Monday, 30th September 2013.

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 Monday, 30th September, 2013 and at any adjournment thereof.

As Witness my/our hand/hands this _____ day of _____ 2013.

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




If undelivered please return to:

Neo Corp International Limited
Plot No.62-63 Industrial Area Sector 1
Pithampur, Dist. Dhar - 454 775
Madhya Pradesh INDIA

neocorp.co.in

FORM A

Covering letter of the annual audit report to be filed with the Stock Exchanges

1	Name of the Company:	Neo Corp International Ltd
2	Annual financial statements for the year ended	31st March, 2013
3	Type of Audit observation	Matter of Emphasis as mentioned in point No. 8 (a) & (b) of the Auditors Report
4	Frequency of observation	Appeared first time
5	Signed by	
	Mr. Sunil Kumar Trivedi (CEO/Managing Director)	
	Ms. Jyoti Dubey (CFO)	
	Auditor of the company	A.P. Garg & Co. Chartered Accountants  Anup Garg Partner M.No. 071283
	Mr. Shrawan Kumar Patodi (Audit Committee Chairman)	