

**19th ANNUAL REPORT**  
**2011 - 2012**



**POLYLINK POLYMERS (INDIA) LIMITED**



## COMPANY INFORMATION

### BOARD OF DIRECTORS

Shri U.S. Bhartia	<i>Chairman</i>
Shri R. P. Goyal	<i>Executive Director</i>
Shri J.S. Baijal	<i>Independent Director</i>
Shri K.M.Lal	<i>Independent Director</i>
Shri Ajay Bahragava	<i>Independent Director</i>

### BOARD COMMITTEES

#### Audit Committee

Shri. K.M. Lal  
Shri. U.S. Bhartia  
Shri J.S.Baijal  
Shri. Ajay Bhargava

#### Remuneration Committee

Shri J.S. Baijal  
Shri K.M.Lal  
Shri U.S. Bhartia  
Shri Ajay Bhargava

#### Shareholders'/Investor Grievance Committee

Shri U.S. Bhartia  
Shri J.S.Baijal  
Shri R.P. Goyal  
Shri Ajay Bhargava

### COMPANY SECRETARY

Shri Ankit Vageriya

### AUDITORS

M/s. K.N.Gutgutia &Co.  
Chartered Accountants  
New Delhi

### BANKERS

Axis Bank Limited

### REGISTERED OFFICE

229-230, Village: Valthera  
Taluka- Dholka, Dist. Ahmedabad  
Gujarat-387810

### HEAD OFFICE

506, Saffron Building,  
Near Center Point, Ambawadi,  
Ahmedabad, Gujarat-380006

### INDEX

<u>Sr. no</u>	<u>Particulars</u>	<u>Page no.</u>
1	Notice	02
2	Director's Report	05
3	Report on Corporate Governance	09
4	Auditor's Certificate	14
5	Auditor's Report	15
6	Balance Sheet	18
7	Statement of Profit and Loss	19
8	Cash Flow statement	20
9	Notes to Accounts	36

### IMPORTANT COMMUNICATION TO MEMBERS:

The Ministry of Corporate affairs has taken a "Green Initiative in the Corporate Governance " by allowing paperless Compliance by the Companies and has issue a Circular stating that Service of Notice /Documents including Annual Report can be sent by e/mail to its memers. To support this Green Initiative of the Government in full measure, Members who have not registered their email address ,so far , are requested to register their email address in respect of electronic holdings ,and change theirin from time to time with the Depository through their Concern Depository Participants. Members who hold shares in Physical Form are also requested to register the same with the Company's Share Transfer Agent, MCS Limited, New Delhi.



**NOTICE**

**NOTICE** is hereby given that the Nineteenth Annual General Meeting of the members of Polylink Polymers (India) Limited will be held on Thursday the 27th day of September, 2012 at 12.30 P.M. at the Registered Office of the Company at 229-230, Village- Valthera, Taluka – Dholka, District – Ahmadabad, Gujarat 387810 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date, the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri U.S. Bhartia, who retires by rotation and being eligible, offers him for reappointment.
3. To appoint a Director in place of Shri K.M. Lal, who retires by rotation and being eligible, offers him for reappointment.
4. To appoint Statutory Auditors to hold office up to the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

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

**“RESOLVED THAT** subject to provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Board of Directors, Shareholders and Central Government, if required, Shri R.P.Goyal be and is hereby reappointed as Executive Director of the Company for a period of 3 years w.e.f. 1st February, 2013 on the remuneration, perquisites, benefits and amenities as detail below but taken together shall not exceed Rs.2,50,000/-p.m.

By order of the Board

Place : Noida  
Date : 11th August 2012

**U.S. Bhartia**  
*Chairman*

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956**

The Chairman informed that Shri R.P.Goyal was appointed as Executive Director W.e.f. 1st February, 2010 for a period of 3 years at an overall annual remuneration not exceeding 2.5% of the net profits of the Company, as was also approved by the Shareholders of the Company at their meeting held on 30th September 2010.

The Chairman further informed that since in the Current year of 2012-13, Company is not expecting adequate profits to pay the remuneration to the Executive Director, therefore, under the provisions of the Schedule XIII of the Companies Act, 1956, Remuneration Committee is required to consider and approve the payment of revised remuneration to the Executive Director.

The Chairman further informed that Shri R.P.Goyal. is involved in the day to day management of the Manufacturing Plant at Ahmedabad and financial matter with regard to conception, planning and execution thereof and has been guiding the activities all through. Shri R.P.Goyal Chartered Accountant.

In terms of Clause 49 of the Listing agreement he qualifies as Executive Director. Except Shri R.P. Goyal none of Director is concerned or proposed by this Resolution. The Board had recommended the Proposed Resolution set out at item no. 5 for your approval by way of Special Resolution. This Explanatory Statement along with the relevant Resolution may be treated as an abstract of the variation of the Terms of Contract of appointment of executive Director to be Disclosed to the Members pursuant to section 302 of the Companies act, 1956

By order of the Board

Place : Noida  
Date : 11th August 2012

**U.S. Bhartia**  
*Chairman*

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself. The proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer books of the Company will remain closed from 20th September, 2012 to 27th September, 2012 (both days inclusive). The names of the shareholders, whose share transfer request received in order, either at the Head office/Registered office of the Company, before the book closure, shall be included in the members register as on the date of the Annual General Meeting.
3. **MEMBERS ARE REQUESTED TO:**
  - A** Immediately notify any change of address to their depository participants (DPs) in respect of their holding in Electronic Form and to the Company in respect of their holding in physical form.
  - B** Send their queries, if any, atleast 15 days in advance of the meeting at the Company's Office at 506, Saffron Building , Near Center Point, Ambawadi, Ahmedabad-380006 so that the information can be made available at the meeting.
  - C** Fill the attendance slip for attending the meeting and those who hold the shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
  - D** Send their shares for dematerialization to the Company's Registrars and Share Transfer Agents, if so far, are not held in dematerialized form, as the Company comes under compulsory demat as per directive issued by the SEBI.
  - E** The Ministry of Corporate Affairs ('Ministry') has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the recent circulars bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 This is also a golden opportunity for every shareholder of Polylink Polymer (India) Limited (the Company) to contribute to the Corporate Social Responsibility initiative of the Company. All you have to do is to register your e-mail id with your DP to receive future communication through electronic mode if you are holding shares with the depository. In case, you are holding shares in physical mode, kindly send the form to our registrar. We therefore invite you to contribute to the cause by registering your email ID with your Depository Participant(s) or by sending the enclosed format duly filled in and signed to the Company's Registrar & Share Transfer Agent M/s MCS LIMITED at F- 65, First Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020 as per following format.
5. Shri U.S.Bhartia and Shri K.M. Lal Directors due to Retire by Rotation and eligible for reappointment at this Annual General meeting. Brief Resume of said Directors is as under.

<b>Name</b>	<b>Shri U.S. Bhartia</b>	<b>Shri K.M. Lal</b>
Date of Birth	13.12.1953	22.06.1940
Qualification	B.Com (Hons.)	M.Sc.
Expertise in Specific functional Area	Industrialist	Financial Expert
Date of appointment on the Board of the Company	30.11.1996	30.07.2005
Name(s) of the other companies in which Directorships held (as per Sections 275 and 278 of the of the Companies Act, 1956)	1. India Glycols Limited(CMD) 2. Kashipur Holdings Limited 3. IGL Finance Limited 4. Shakumbari Sugar & allied India Limited 5. Hindustan Wires Limited	1. Hindustan Wires Limited 2. Panacia Biotech 3. Ramswarup Industries Limited 4. SREI Capital. 5. Gem Sugar Limited 6. GEM Spinners Limited
Shareholdings with company	1117200 Shares	NIL
Relationship with other Directors	NIL	NIL



**E-COMMUNICATION REGISTRATION FORM**

To  
MCS Limited  
Unit: Polylink Polymer (India) Limited

Dear Sir/Madam,

**RE: Green Initiative in Corporate Governance**

I agree to receive all communication from the Company in electronic mode. Please register my e-mail id in your records for sending communication through e-mail.

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

Name of 1st Registered Holder : \_\_\_\_\_

Name of Joint Holder(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail ID : \_\_\_\_\_

\_\_\_\_\_

Date : \_\_\_\_\_

Signature of the first holder : \_\_\_\_\_

**Important Notes:**

- 1) On registration, all the communication will be sent to the e-mail ID registered in the folio/DP ID & Client ID.
- 2) The form is also available on the website of the company [www.polylinkpolymers.com](http://www.polylinkpolymers.com)
- 3) Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email ID given hereunder is changed by you by sending another communication in writing, the company will continue to send the notices/documents to you on the above mentioned email ID.
- 4) If shares held in electronic mode, kindly register your e-mail id with your DP.

**DIRECTORS' REPORT**

To,  
The Members

Your Directors have pleasure in presenting the 19th Annual Report and Audited Financial Statement for the year ended on 31st March 2012.

**FINANCIAL RESULTS**

Particulars	(Rs. In lacs)	
	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Sales / Income from operations	<b>3129.50</b>	3534.09
Excise Duty	<b>179.17</b>	221.16
Net Sales	<b>2950.33</b>	3312.93
Misc Income	<b>100.14</b>	39.14
Total Expenditure	<b>2766.73</b>	3063.96
Profit before Interest and Depreciation	<b>283.74</b>	288.11
Interest	<b>167.26</b>	168.68
Gross Profit / (Loss)	<b>116.47</b>	119.43
Depreciation	<b>167.22</b>	184.91
Profit Before Tax	<b>(50.75)</b>	(65.48)
Deffered Tax Credit	<b>465.50</b>	0
Profit / (Loss)	<b>414.75</b>	(65.48)

**DIVIDEND**

In view of the carried forward losses, no Dividend has been recommended by the Board.

**OPERATIONS & REVIEW**

During the year under review the company produced 6274 MT of various grades of compounds as against the production of 7085 MT for the year ended on 31st March 2011. Turnover for the year under review was Rs. 3050.47 lacs (net of excise duty) compared to Rs. 3352.07 lacs (net of excise duty) for year ended 31st March 2011 (net of excise duty). Profit/ (loss) for the year ended on 31st March 2012 was Rs 414.75 compared to Rs. (65.48) for the year ended 31st March 2011. The Company has created a Provision of 465.50 Lacs as Deferred Tax Credit in the Year 2011-12.

The Performance remain same as per last year however company is under process to introduces new value added Product to improve the performance.

**DIRECTORS**

Shri U.S. Bhartia Chairman and Shri K.M. Lal Director of the company retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

**REVIVAL SCHEME UNDER SICA**

As reported earlier, Pursuant to requirement of SICA, the company in the year 2009 filed a reference with BIFR to declare for company as a Sick Company and IDBI was appointed as the operating agency to prepare the revival scheme. BIFR has on 12.05.2011 passed an order and approved the Rehabilitation Scheme.

All Statutory Dues has been paid Regularly and there is not any overdue for at the year ended 31st March 2012

The company acknowledges the co-operation extended by Banks and Institutions.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to directors' responsibility statement based up to the management certification, it is hereby confirmed:



- a. that in the preparation of the accounts for the financial period ended 31st March, 2012, the applicable accounting standards have been followed except to the extent mentioned in the notes to Accounts for which proper explanation has been given.
- b. that the directors have selected such accounting policies and applied them constantly and made judgments and estimates that were reasonable and prudent so as to give a True and Fair view of the state of affairs of the company at the end of the period and of the profit and loss of the company for the that period under review;
- c. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d. that the directors have prepared the accounts on a going concern basis.

#### **AUDITORS**

The term of office of M/s K.N. Gutgutia & Co., Chartered Accountants, New Delhi as Auditors of the Company expires at the conclusion of the forthcoming Annual General Meeting and being eligible, offer them for re-appointment. They have certified that they are eligible for such re-appointment under section 224 (1B) of the Companies Act, 1956. Members are requested to consider their appointment to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

#### **COST AUDITORS**

As per the requirement of Central Government and Pursuant to Section 233B of the Companies act, 1956 the audit of the Cost accounts related to "polymers Product" are required to carried out every year from 2012-13.

The Company has appointed Shri Ramawatar Sunar as Cost Auditor having Membership No.10567, New Delhi to conduct the audit of Cost accounts of the Company for the Year 2012-13.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUT GO**

The information required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure – I and forms part of this Report.

#### **LISTING OF SHARES**

Shares of the Company are listed in the Bombay Stock Exchange and the Company has paid listing fee for the year 2012-13

#### **PARTICULRS OF EMPLOYEES**

The particulars of employees as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are not required to be given as none of the employees qualify for such disclosure.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

The information required in compliance of clause 49 of the listing agreement is give in Annexure – II and forms part of this Report.

#### **CORPORATE GOVERNANCE REPORT**

The company has implemented the procedures and adopted practice in conformity with the Code of Corporate Governance as enunciated in clause 49 of the Listing Agreement with Stock Exchanges. The Corporate Governance Report and the Certificate of CEO, CFO and the Auditor are giving in Annexure – III and forms part of this Report.

#### **ACKNOWLEDGEMENT**

Your Directors place on record their deep appreciation for the support given by Employees, Shareholders, Financial Institutions, Stressed Assets Stabilization Fund and Bankers and look forward to their continued support.

For and on behalf of the Board of Directors

Date : 11th August 2012  
Place : Noida

**U. S. BHARTIA**  
CHAIRMAN



**ANNEXURE – I TO THE DIRECTORS' REPORT**

Information as per Section 217 (1) (e) read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and forming a part of the Directors' Report for the year ended on 31st March, 2012.

**A. CONSERVATION OF ENERGY**

Energy Conservation measures taken

The Company's engineers are continuously trying to find out ways and means to conserve energy by combination of operations, elimination of unnecessary processes and various wasteful practices.

Shutting down all electrical machineries and appliances when not in use to avoid unnecessary waste of energy.

Additional investments and proposals, if any, being implemented for reduction of consumption of energy. : **Nil**

Impact of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. : **Nil**

Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the Schedule thereto. : **Not Applicable**

**B TECHNOLOGY ABSORPTION**

Efforts made in technology absorption as per Form B given below:

**FORM – B**

**a. Research and Development (R & D)**

**Specified Areas in which R & D carried out by the Company.**

Development of high impact compound for automobiles sector.

Development of fire resistant compound based on PP, PC, PBT for fire prone area Applications.

Development of process additives for plastics.

Development of Tuff end Nylon for engineering use.

Polymer modification for appliances of domestic and industrial use.

Development of elastomeric blend for cable accessories.

Development of Semi conducting compound

Development of anti tracking compound for molding.

Development of anti tracking compound for extrusion.

**NIL**

**Benefits derived as a result of the above R & D**

Commercialization of various products through in-house technology.

Modification of properties of various products for its stringent use with cost reduction.

Import substitution.

Commercialization of various products including development of Thermoplastic semicon compound for power cable.

**NIL**





**Future plan of action**

Development of Polymeric Compound of Special applications.

**b. Technology Absorption, Adaptation & Innovation**

Efforts in brief made towards technology, absorption and innovation

Technicians are interacting with users to understand the exact property requirements and also interacting with laboratory for technology absorption. Similarly technicians from laboratory are interacting with shop floor people for absorption of technology and keeps in-house development. The interactions of technicians with market will help in making innovative changes in the products and its adoption in Indian conditions.

Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

Up gradation of products and satisfaction to customer.

More and more indigenization of products

Cost reduction in products

Process modification

Information about imported technology (Imported during the last 5 years reckoned from the beginning of the financial year):

**- None -**

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

Activities relating to exports, initiatives taken to increase exports, development of new export market, the Export Sales are increase year to year for better profit.

Foreign Exchange used and earned:

Foreign Exchange Used : Rs. 54.02 Lacs

Foreign Exchange Earned : Rs. 974.18 Lacs

For and on behalf of the Board of Directors

Date : 11th August 2012

Place : Noida

**U. S. BHARTIA**  
*CHAIRMAN*



**ANNEXURE – II TO THE DIRECTORS’ REPORT  
MANAGEMENT DISCUSSION AND ANALYSIS**

The information required in compliance of clause 49 of the Listing Agreement and forming a part of the Directors’ Report for the year ended on 31st March, 2012 is given below:

**INDUSTRY STRUCTURE AND DEVELOPMENT**

The company is manufacturing various compounds for Power cable, Telephone cable and Engineering Plastics. The demand of PP compound is growing therefore the Company trying to put more effort in PP Compound.

**OPERATION AND THEREATS**

The raw material price which mainly depends on Exchange Rate, petroleum prices, and frequent fluctuations affected the profitability. Since the compound for LT & HT cables being manufactured by the company are import substitute, the company has to face competition from the international manufacturers, some of them dump the materials at very low rates. Government policies of import and export have affected the procurement as well as prices of the products. The Company optimizes its full capacity into PP and other Compound.

**INTERNAL CONTROL SYSTEM**

The company has adequate internal control systems and procedure with regard to purchase, stores and raw materials including components, plant and machinery, other assets and for sale of goods.

The company has an adequate internal audit system commensurate with size and nature of its business. The company has engaged a firm of Chartered Accountants for its internal audit function. Reports of Internal Auditors are reviewed in the meetings of the Audit Committee of the Board.

**INDUSTRIAL RELATIONS & HUMAN RESOURCE DEVELOPMENT**

Industrial relations continued to be harmonious and cordial through out the year. The Company has always valued its human resources and believes in unlimited potential of the each employee. The company average employed 44 number of employees as on 31.03.2012.

The company arrange for specific work training, safety/emergency handling training and “in job” training as per ISO 9001:2000 requirement.

**CAUTIONARY STATEMENT**

Statement in this report on Management’s Discussion and Analysis describing the company’s objectives, projections, estimates, exceptions or predictions may be forward looking statements and are based on certain assumptions and exception of future events. Actual result could however differ materially from those expressed or implied. Important factors that could make a difference to the company’s operations including global and domestic demand-supply conditions, finished goods prices, raw material cost and availability, Changes in government regulations and tax structure, economic developments within India and the countries with which the company has business contracts and other factors such as litigation and industries relations.

The company assume no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information and events.

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

Date : 11th August 2012  
Place : Noida

**U. S. BHARTIA**  
CHAIRMAN

**REPORT ON CORPORATE GOVERNANCE****A) Company's philosophy on Corporate Governance**

Good corporate practices ensure that a Company meets its obligations to optimize shareholders value. Corporate governance has assumed great significance in India in the recent past in the form of amendment in the Companies Act, 1956 and Listing Agreement with Stock Exchanges. Most of the provisions of the Corporate Governance code prescribed by the Companies Act and the Listing Agreement have been complied with and balance will be complied within the prescribed period.

**B) BOARD OF DIRECTORS****(i) Composition of the Board**

As on 31st March, 2012 the Board of Directors comprised of Five Directors out of which four are Non-Executive Directors, one Executive Director. Out of the Five Directors Company has Three Independent Directors.

**(ii) Number of Board Meetings**

During the year ended 31st March, 2012, Four Board Meetings were held on 25th May 2011, 2nd August 2011, 11th November, 2011 and 7th February, 2012.

Directors' attendance record and Directorship in other public Limited Companies:

Name of Directors	Status	Board Meeting Held during the year	Attended	AGM
Shri U.S. Bhartia	Chairman & Non-executive promoter group Director	4	4	Not Attended
Shri K. M.Lal	Independent & Non-executive director	4	4	Attended
Shri J. S Baijal	Independent & Non-executive director	4	4	Not Attended
Shri Ajay Bhargava	Independent & Non-executive director	4	Nil	Not Attended
Shri R.P Goyal	Executive Director	4	4	Attended

**(iii) Other Directorship**

Name of the Directors	Category	No. of Directorship in other Companies	No. of Chairmanship/ Membership in Board Committees.
Shri U. S. Bhartia	Chairman & Non-executive Promoter Group Director	6	4
Shri R. P. Goyal	Executive Director	0	0
Shri J. S. Baijal	Independent & Non-executive director	3	3
Shri Ajay Bhargava	Independent & Non-executive director	0	0
Shri K. M. Lal	Independent & Non-executive director	6	3

**(iv) Code of Conduct for Board of Directors and senior officials of the Company**

The Code of Conduct duly approved by the Board has been posted on Company's web-site. All Board members and senior management personnel have affirmed compliance with the code for the year 2011-12 and declaration by E.D./CEO to this effect is enclosed with this report.

**C) COMMITTEES OF THE BOARD****AUDIT COMMITTEE****(i) Terms of Reference**

Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Audit Committee reviews report of the internal auditors, meets statutory auditors as and when required and discusses their findings, suggestions, internal control system, scope of audit, observations of auditors and other related matter. It also reviews major accounting policies followed by the Company.

**(ii) Composition**

As on 31st March, 2012, the Committee consists of three Independent Director and a Non-executive Director, namely, Shri K. M. Lal, Chairman, Shri J. S. Baijal, Shri Ajay Bhargava and Shri U. S. Bhartia respectively.

**(iii) Attendance record of the Audit Committee**

The Committee met four times during the year. The attendance record of the members at the meetings is as follows:

NAME OF THE MEMBER	STATUS	NO. OF MEETINGS ATTENDED
Shri K. M.Lal	Chairman	4
Shri U.S. Bhartia	Member	4
Shri Ajay Bhargava	Member	Nil
Shri J. S Baijal	Member	4

NOTE : None of the Directors is a member of more than 10 Board Level Committees, or a Chairman of more than five such committees as required under Clause 49 of the listing Agreement.

**SHARE TRANSFER CUM INVESTORS' GRIEVANCE COMMITTEE****(i) Terms of Reference**

The Committee has been constituted to look into the redressed of shareholders and investor complaints, non-receipt of Balance Sheet and Non-receipt of declared dividends and any other matter relating to shareholders/investors grievance.

**(ii) Composition**

As on 31st March, 2012 the committee comprises of One Executive Director Shri R.P. Goyal and three non-executive Independent Directors, namely, Shri U.S. Bhartia, Shri J. S Baijal and Shri K.M.Lal.

**(iii) Investors' complaints received and resolved during the year**

During the year under review, Company had received complaints. All complains / queries received and replied to the satisfaction of shareholders during the year.

**REMUNERATION COMMITTEE****(i) Terms of Reference**

The Committee has been constituted to consider and review Remuneration of whole Time Director and Executive Director.

**(ii) Composition**

As on 31st March, 2012, the Committee comprises Four Non-executive Directors namely, Shri J. S Baijal, Chairman, Shri U.S. Bhartia, Shri K. M. Lal and Shri Ajay Bhargava.

**(iii) Attendance record of the Remuneration Committee**

The Committee met one times during the year . The attendance record of the members at the meetings is as follows.

NAME OF THE MEMBER	STATUS	NO. OF MEETINGS ATTENDED
Shri K. M.Lal	Chairman	1
Shri U.S. Bhartia	Member	1
Shri Ajay Bhargava	Member	Nil
Shri J. S Baijal	Member	1

**D. REMUNERATION of Directors, sitting fees etc. for the year 2011-12**

Shri. R.P Goyal Executive Director was paid salary and perquisites of ₹ 2640000. The Executive Director was entitled to Company's contribution to provident fund and gratuity fund.

Sitting fees paid to non-executive directors for the year ended 31st March, 2012

<b>Name of director</b>	<b>Sitting Fee (₹)</b>
Shri U. S. Bhartia	36000
Shri J. S. Baijal	36000
Shri Ajay Bhargava	Nil
Shri K. M. Lal	36000

**E. General Body Meetings**

Details of the last three Annual General meetings are as under:

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>	<b>Special Business</b>	<b>Resolution</b>
2010-11	Block No: 229-230,Village: Valthera, Taluka: DholkaDist: Ahmedabad 387 810	29.09.2011	12.30 p.m.	Reappointment of Shri R.P. Goyal for 3 years from 1st February 2010	Special
2009-10	Block No: 229-230,Village: Valthera Taluka: DholkaDist: Ahmedabad 387 810	30.09.2010	11.00 a.m.	Nil	N.A
2008-09	Block No: 229-230,Village: Valthera Taluka: DholkaDist: Ahmedabad 387 810	13.06.09	11.00 a.m.	Nil	N.A

**F. Disclosure**

The details of related party transaction with the Company as required by Accounting Standard (AS-18) on Related Party Transactions have been given in note 2.39 of the Notes to Accounts. Besides this, Company has no materially significant transaction with the related parties viz. Promoters, Directors or the management or relatives and their subsidiaries, etc. that may have a potential conflict with the interest of the Company at large.

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities on any matter related to Capital Markets for non-compliance by the Company during last three years. Following Non-executive directors are holding equity shares of the company as per following details.

<b>Name of Director</b>	<b>No of Shares</b>
Shri Uma Shankar Bhartia	1117200
Shri Ajay Bhargava	Nil
Shri J.S.Baijal	Nil
Shri K.M.Lal	Nil

**MANAGEMENT****Management discussion and analysis**

Management discussion and analysis report forms part of this Annual Report.

**Disclosure on Risk Management**

The Company has further strengthened the Risk Management System in the Company by taking appropriate steps. The Board of Directors periodically reviews the Risk Assessment and minimizing procedure thereof.

**SHAREHOLDERS****a) Means of Communication**

The quarterly, half-yearly and annual Audited Financial Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are published in accordance with the guidelines of Stock Exchanges and are posted on the Web-site of the Company.

**b) Investor Grievances**

As mentioned earlier, the Company has constituted a Investors Grievance Committee for redressing shareholders and investors' complaints. Shri Ankit Vageriya Company Secretary is Compliance Officer.

**c) Share Transfers**

All share transfers are handled by Company's Registrar and Share Transfer Agent M/s. MCS Limited, F-65, Okhla Industrial Area Phase -I New Delhi 110 020 a Category – I Registrar registered with SEBI.

**Additional shareholders information****a) Annual General Meeting**

Date : 27th September, 2012

Venue : Block No: 229-230, Village: Valthera, Taluka: Dholka, Dist: Ahmedabad 387 810

Time : 12.30 P.M.

**b) Financial Calendar**

Financial year: 1st April to 31st March

**c) Book Closure**

The Register of Members and Share Transfer Books of the Company shall remain closed from 20nd September, 2012 to 27th September, 2012 (Both days inclusive)

**d) Listing at stock exchanges and stock codes**

The name of the Stock Exchanges at which the equity shares are listed and the stock code is as under:

<b>Name of the Stock Exchange</b>	<b>Stock Code No.</b>
Bombay Stock Exchange Ltd.	531454

Listing fee to the Bombay Stock Exchange Limited for the financial year ended 31.03.2012 has been paid.

The ISIN numbers allotted to the Company for Demat of Shares are as under:

NSDL - INE 323D01020

CDSL - INE 323D01020

**e) Postal Ballot**

During the year ended 31st March, 2012, there has been no ordinary or special resolution passed by the Company's Shareholders through postal ballot.

**f) Stock Data**

High/Low of market price of the Company's equity shares traded on the Bombay Exchange Mumbai Ltd. during the financial year ended 31st March, 2012 was as follows:

<b>Month</b>	<b>High</b>	<b>Low</b>	<b>Sensex</b>
April, 2011	5.05	4.17	19135.96
May, 2011	4.47	3.30	18503.28
June, 2011	4.48	3.43	18845.87
July, 2011	5.44	3.81	18197.20
August, 2011	5.72	3.32	16676.75
September, 2011	3.88	3.00	16453.76
October, 2011	4.25	3.15	17705.01
November, 2011	3.95	2.80	16123.46
December, 2011	3.33	2.70	15454.94
January, 2012	5.70	3.99	16863.30
February, 2012	5.85	3.88	17752.68
March, 2012	5.89	5.00	17105.22



- g) Distribution of shareholding as on 31st March, 2012  
Shareholding Pattern

<b>Shareholders</b>	<b>%</b>
Promoter and Associates	77.86
FIs/ Banks	2.26
NRI/ OCB	0.21
Public	19.67

**Shares held in electronic form**

Shareholders holding shares in electronic form may give instruction regarding bank details which they wish to incorporate on their dividend warrant to their depository participants. As per the regulations of NSDL and CDSL the Company is obliged to print the bank details on the dividend warrants, as furnished by these depositories to the Company.

As on 31st March, 2012, 50.52% of shares were held in dematerialized form and 49.48% in physical form.

Outstanding GDR's/ADR's/Warrants/convertible instruments and their impact on equity : Nil

**Plant Locations**

Block No: 229-230, Village: Valthera, Taluka: Dholka, Dist: Ahmedabad 387 810

**Address for correspondence**

Polylink Polymers India Limited, 506, Saffron Building, Near Center Point , Ambawadi, Ahmedabad

Telephone : 079-32918115 Fax : 079-26421864

Website : www.polylinkpolymers.com E-Mail : investor@ polylinkpolymers.com

**DECLARATION**

To the Members of Polylink Polymers (India) Limited

I, R.P. Goyal, Executive Director of the Company do hereby declare that the Company had received affirmation from all the members of the Board and Senior Management personnel stating compliance of the Code of Conduct for the year 2011-12 pursuant to the requirement of Clause 49 of the Listing agreement as amended.

for Polylink Polymers (India) Limited

Date : Noida

Place : 11th August 2012

**R.P. Goyal**

*Director*

**AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE.**

To the members of Polylink Polymers (India) Limited

We have examined the compliance of conditions of corporate governance by Polylink Polymers (India) Limited ("the Company") for the year ended 31st march 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The Compliance of conditions of corporate governance is the responsibility of the Company's management . Our Examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the condition of corporate governance. It is neither an audit nor an expression of the opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations sought and replies given to us by the Company, Its Directors and officers. We Certify that the Company has Complied with, in all material respect, the Mandatory Condition of the Corporate Governance as Stipulate in Clause 49 of the above mentioned Listing Agreement. We further state that such Compliance is neither an assurance as to the Future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **K.N. Gutgutiya & Company**

*Chartered Accountants*

ICAI's FRN 304253E

**(B.R. Goyal)**

*Partner*

Place : New Delhi

Dated : 11.08.2012

M.No. 12172



**AUDITORS' REPORT**

**TO THE MEMBERS OF  
POLYLINK POLYMERS (INDIA) LIMITED**

We have audited the attached Balance Sheet of **POLYLINK POLYMERS (INDIA) LIMITED** as at 31st March 2012, the Statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto, These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Further to above, we report that:

1. 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.
2. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books.
3. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards (AS) referred in section 211(3c) of the Companies Act, 1956.
5. On the basis of written representation received from the Directors of the Company as on 31st March, 2012, and taken on record by the Board of Directors, none of the Directors is disqualified, as on 31st March, 2012 from being appointed as Director under section 274(1)(g) of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with accounting policies and notes thereon and together with Schedules annexed thereto and give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting Standards generally accepted in India.
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and
  - b) In the case of Statement of Profit & Loss of the Profit (after considering Deferred Tax Credit Considering Prior-period adjustments) for the year ended on that date.
  - c) In the case of Cash Flow Statement, of the cash flows for the said year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that:

**i. In respect of Fixed Assets:**

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The Fixed Assets were physically verified by the management during the period and discrepancies noticed on such verification have been properly dealt with in the accounts.
- c) No substantial / major fixed assets have been disposed off during the year.





**ii. In respect of Inventory:**

- a) The inventory has been physically verified during the year by the management at reasonable intervals.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.

**iii. In respect of Loans:**

- a) The Company has not taken any loan from any Company listed in the register maintained under Section 301 of the Companies Act, 1956 and hence clause (iii) (e) to (iii) (g) of Para 4 of the said order is not applicable for it.
  - b) The Company has not granted unsecured Loans to the Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and hence clause (iii)(a) to (iii)(d) of para 4 of the said Order is not applicable to it.
- iv. In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system of the Company.
- v a) According to the information and explanations given to us, we are of the opinion that the particulars of all contacts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices/ rates which are reasonable having regard to prevailing market prices at the relevant time.
- vi In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the Public.
- vii In our opinion, the Company has an Internal Audit System commensurate with the size and nature of its business.
- viii We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintained of cost records has been prescribed under clause (d) of sub section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a details examination of the record with a view of determine whether they are accurate or complete.
- ix According to the records of the Company, it is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Sales tax ,Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Other Statutory dues applicable to it and there were no arrears of such dues at 31st March,2012 which have remained outstanding for a period of more than six months from the date they become to payable.
- x According to the information and explanation given to us, there are no dues of Sale Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
- xi The Company has been registered for a period of more than five years and its accumulated losses at the end of the financial year are not more than 50% of its net worth and it has not incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.



- xii Based upon our audit procedures and according to the information and explanation given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to the Bank / Institution or in payment of interest to the Bank. No interest was payable during the year to Stressed Assets Stabilisation Fund.
- xiii The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiv The provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund / societies are not applicable to the Company.
- xv In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xvi The Company has not given, during the year, any guarantee for loans taken by others from bank or Financial Institutions.
- xvii During the year, the Company has not raised any fresh Term loan from Bank / Financial Institution.
- xviii According to the information and explanations given to us and on the basis of an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis has been used for long term investments.
- xix Accordingly to the information and explanations given to us, during the year the Company has not made, preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1951. And the allotment of such shares were not prima facie prejudicing to the members of the company as the same was in pursuance of the BIFR order.
- xx The Company has not issued debentures during the year.
- xxi The Company has not raised any money by public issues during the year.
- xxii Based upon on our audit procedure performed and according to the information and explanation given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.

For **K.N. Gutgutiya & Company**  
*Chartered Accountants*  
ICAI's FRN 304253E

**(B.R. Goyal)**  
*Partner*

Place : New Delhi  
Dated : 19th May, 2012

M.No. 12172



## BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No	AS AT	AS AT
		31ST MARCH, 2012 (Rs. In Lacs)	31ST MARCH, 2011 (Rs. In Lacs)
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	<b>1,105.58</b>	1,551.05
(b) Reserves and Surplus	2.2	<b>(470.15)</b>	(1,660.42)
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	2.3	<b>193.28</b>	674.70
(b) Other Long term liabilities	2.4	<b>4.35</b>	0.00
(c) Long term provisions	2.5	<b>13.10</b>	9.34
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	2.6	<b>775.43</b>	841.63
(b) Trade payables	2.7	<b>213.36</b>	314.08
(c) Other current liabilities	2.8	<b>262.84</b>	217.79
(d) Short-term provisions	2.9	<b>4.12</b>	9.85
<b>Total</b>		<b>2,101.91</b>	1,958.02
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
Tangible assets	2.10	<b>921.05</b>	1,073.21
(b) Deferred tax assets (net)	2.11	<b>465.50</b>	0.00
(c) Long term loans and advances	2.12	<b>27.07</b>	27.54
<b>(2) Current assets</b>			
(a) Inventories	2.13	<b>261.71</b>	345.46
(b) Trade receivables	2.14	<b>325.85</b>	409.30
(c) Cash and cash equivalents	2.15	<b>32.22</b>	25.32
(d) Short-term loans and advances	2.16	<b>25.03</b>	34.57
(e) Other current assets	2.17	<b>43.48</b>	42.62
<b>Total</b>		<b>2,101.91</b>	1,958.02

Summary of significant accounting policies 1  
The accompanying notes are integral part of the financial statements

In terms of our report of even date.  
For **K N Gutgutia & Co.**  
Chartered Accountants  
Firm Registration Number: 304153E

For and on behalf of the board

**B R Goyal**  
Partner  
M. No.12172

**U.S.Bhartia**  
Chairman

**R.P.Goyal**  
Director (F & C)

New Delhi  
Date : 19th MAY 2012

**Ankit Vageriya**  
Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs in Lacs)

Particulars	Note No	FOR THE YEAR ENDED 31ST MARCH, 2012	FOR THE YEAR ENDED 31ST MARCH, 2011
<b>REVENUE</b>			
Revenue from operations (gross)	2.18	<b>3,129.50</b>	3,534.09
Less:excise duty		<b>179.17</b>	221.16
Revenue from operations(net)		<b>2,950.33</b>	<b>3,312.93</b>
Other Income	2.19	<b>100.14</b>	39.14
<b>Total Revenue</b>		<b>3,050.47</b>	<b>3,352.07</b>
<b>EXPENSES</b>			
Cost of materials consumed	2.21	<b>2,133.16</b>	2,316.55
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.20	<b>27.27</b>	(0.52)
Employee benefit expense	2.22	<b>140.94</b>	134.38
Financial costs	2.24	<b>167.26</b>	168.68
Depreciation and amortization expense	2.10	<b>167.22</b>	184.91
Other expenses	2.23	<b>465.37</b>	613.55
<b>Total Expenses</b>		<b>3,101.22</b>	<b>3,417.55</b>
Profit/(loss) before tax		<b>(50.75)</b>	(65.48)
Tax expense:			
- Current tax		<b>0.00</b>	0.00
- Deferred tax (Refer Note - 2.35)		<b>465.50</b>	0.00
Profit/(Loss) for the period		<b>414.75</b>	(65.48)
Earning per equity share:			
- Basic	2.37	<b>2.66</b>	(0.42)
- Diluted		<b>2.66</b>	(0.42)

**Summary of significant accounting policies** 1**The accompanying notes are integral part of the financial statements**

In terms of our report of even date.

For **K N Gutgutia & Co.**

Chartered Accountants

Firm Registration Number: 304153E

For and on behalf of the board

**B R Goyal**

Partner

M. No.12172

**U.S.Bhartia**

Chairman

**R.P.Goyal**

Director (F &amp; C)

New Delhi

Date : 19th MAY 2012

**Ankit Vageriya**  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	FOR THE YEAR ENDED 31 ST MARCH, 2012 (Rs. In Lacs)	FOR THE YEAR ENDED 31 ST MARCH, 2011 (Rs. In Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) Before Tax	(50.75)	(65.48)
Adjustment for :		
Depreciation and amortization	167.22	184.91
Finance costs	167.26	168.68
Interest income	(5.96)	6.93
Liabilities / provisions no longer required written back	(11.82)	0.00
Allowances for Bad Debts	3.82	0.00
Bad Debts Written off /Advances Written off	0.00	0.45
Advance Licence/VAT Written off	0.00	19.68
Loss on Sale/Write off of Fixed Assets	0.47	0.94
Provision for employee benefits	5.25	2.83
Unrealised Foreign Exchange (Gain ) / Loss	(2.26)	0.55
	<b>323.98</b>	<b>384.97</b>
<b>Operating profit before working capital changes</b>	<b>273.23</b>	<b>319.49</b>
<b>Adjustment for :</b>		
(Increase)/Decrease in trade and other receivables	91.05	4.41
(Increase)/Decrease in inventories	83.75	(118.28)
Increase/(Decrease) in trade and other payables	(46.72)	138.00
Interest paid	(140.22)	(168.68)
<b>Net Cash Inflow/(outflow) from Operating Activities (A)</b>	<b>261.09</b>	<b>174.94</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets & Capital Advances	(18.33)	(46.41)
Proceeds from sale of Fixed Assets	2.80	1.51
Movement in other bank balances	(3.64)	4.23
Interest Received on FDR	5.96	(6.93)
<b>Net Cash Inflow/(outflow) from Investing Activities (B)</b>	<b>(13.21)</b>	<b>(47.60)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from / (payment of) Long term Borrowings	(178.41)	(162.84)
Proceeds from / (payment of) short term Borrowings	(66.21)	34.12
<b>Net cash Inflow/(outflow) from financing activities (C)</b>	<b>(244.62)</b>	<b>(128.72)</b>
<b>Net increase/ (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>3.26</b>	<b>(1.38)</b>
Cash and cash equivalents at the beginning of the year (Opening Balance)	1.70	3.08
Cash and cash equivalents at the closing of the year (Closing Balance)	4.96	1.70

**Note:-**

- 1 Previous period's figures have been regrouped / rearranged wherever considered necessary to confirm to make them comparable.
- 2 The company has allotted equity shares amounting to Rs 330.05 lacs out of Loans & Advance in the earlier years hence, not reflected in the Cash Flow Statement (Refer Note No 2.1 to the Accounts).

In terms of our report of even date.

For **K N Gutgutia & Co.**

Chartered Accountants

Firm Registration Number: 304153E

For and on behalf of the board

**B R Goyal**

Partner

M. No.12172

**U.S.Bhartia**

Chairman

**R.P.Goyal**

Director (F &amp; C)

New Delhi

Date : 19th MAY 2012

**Ankit Vageriya**

Company Secretary



**SIGNIFICANT ACCOUNTING POLICIES**

**1 Corporate Information**

Polylink Polymers (India) Limited (the Company) is a public company domiciled in India and incorporated under the provisions of Companies Act 1956. It's shares are listed on Bombay Stock Exchange Limited.

The Company is leading manufacturer of various compounds for Power cable, Telephone cable and Engineering Plastics.

**1.1 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

These accounts are prepared on the historical cost basis and on the Accounting principles of going concern, Accounting policies not specifically referred to are in accordance with the Accounting standards issued by the Institute of Chartered Accountants of India. The Company has adopted the Mercantile system of accounting. If not stated otherwise, claims are accounted for as receivable if the management is of the opinion that the chance of recovery is higher than not.

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

**1.2 FIXED ASSETS : DEPRECIATION**

- i) Fixed assets are recorded on historical cost inclusive of capitalised portion of Pre-operative Expenses and net of recoverable taxes.
- ii) Depreciation is provided on Straight Line Method in the manner and at the rates mentioned in Schedule XIV to the Companies Act, 1956 (as amended) on the cost of assets as referred to above.

**1.3 INVENTORIES**

- i) Finished Products : at lower of cost or net realisable value
- ii) Stock in process : at cost arrived by estimating percentage of completion.
- iii) Raw Materials : at lower of cost or estimated net realisable value (FIFO Basis)
- iv) waste and scrap : at net realisable value
- v) Stores, Packing Materials & Spares : at cost or below cost (FIFO Basis) and Chemicals

Costs have been calculated with reference to Conversion cost and the expenses incurred to bring the inventory to its present condition and location.

**1.4 FOREIGN CURRENCY TRANSACTIONS**

- i) All transactions in foreign currency, are recorded at the rate of exchange prevailing on the dates when the relevant transactions take place.
- ii) Balance in form of Current Assets and Current Liabilities in foreign currency outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing on the date of the Balance sheet, and Resultant gain or loss is accounted for in Profit and loss Account.
- iii) In respect of Forward Contracts for Foreign Exchange, the cost / premium is amortised over the life of the contract.

**1.5 RESEARCH & DEVELOPMENT (R & D)**

Revenue expenses on Research and Development are charged to Profit and Loss Account and capital expenditure on R & D is added to Fixed Assets.



**1.6 CONTINGENT LIABILITIES**

Contingent liabilities are generally not provided for in the accounts and are shown separately in notes to the Accounts.

**1.7 REVENUE RECOGNITION**

Domestic Sales are accounted for at the time of despatch. Export sales are accounted with reference to the date of bill of lading. Sales figures are after deduction of usual Trade / Quantity Discounts, Returns , exciseduty and taxes.

**1.8 EXPORT BENEFITS:**

Export benefits are accounted for on accrual basis based upon estimated benefits to accrue.

**1.9 GOVERNMENT GRANTS**

Government grants/subsidy in relation to the project and not related to any fixed assets are credited to Capital Reserve.

**1.10 EMPLOYEE BENEFIT**

- (i) Gratuity liability as per Gratuity Act.has been provided for all the eligible employees on the basis of actuarial valuation are funded with LIC under Group Gratuity Scheme.Leave encashment benefit is accounted for on basis of estimated liability at the year end and not on the actuarial valuation basis in view of the fact that it will not materially affect in terms of total amount.
- (ii) Employer's contribution to Employee's provident fund is accounted for on accrual basis and charged to the Profit and Loss Account.

**1.11 EXCISE DUTY**

Excise Duty payable on the closing stock,awaiting removal,has been accounted for and added to the value of closing stock.

**1.12 DEFERRED TAXATION:**

The company has adopted Accounting standard-22 (AS-22) as to 'Accounting for Taxation of income' issued by the Institute of Chartered Accountants of India.

**1.13 IMPAIRMENT OF ASSETS**

The Company,in accordance with the Accounting Standard 28 (AS-28) in respect of impairment of Assets, issued by the Institute of Chartered Accountants of India,has adopted the practice of assessing at each Balance Sheet date whether there is any indication that an asset may be impaired and if any such exists, then the company provides for the loss for impairment of Assets after estimating the recoverable amount of the assets.

**1.14 PROVISIONS AND CONTINGENT LIABILITY**

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligations.A disclosure of the contingent liability,if determinable ,is made when there is a possible obligation or a present obligation that may,but probably will not,require an outflow of resources.But where is a possible obligation but the likelihood of outflow of resources is remote,no provision / disclosure is made.

**1.15 i) FINANCE LEASES**

In respect of assets acquired on or after 1st April,2001,under finance lease the same are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the interest charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Interest component is charged to the Profit and Loss Account.

**ii) OPERATING LEASE**

The revenue for operating lease is recognised in terms of the agreement.



	AS AT	AS AT
	31ST MARCH,2012	31ST MARCH,2011
	(Rs. In Lacs)	(Rs. In Lacs)

**2.1 SHARE CAPITAL****Authorized**

50000000 Equity Shares of Rs.5/- each	2,500.00	2,500.00
(Previous Year 25000000 Equity Shares of Rs.10/- each)		

**Issued & Subscribed**

22111500 Equity Shares of Rs 5/- each fully paid up	1,105.58	1,551.05
(P/Y :15510500 Equity Shares of Rs 10/- each fully paid up)		

**Paid up**

22111500 Equity Shares of Rs 5/- each fully paid up	1,105.58	1,551.05
(P/Y :15510500 Equity Shares of Rs 10/- each fully paid up)		

<b>1,105.58</b>	<b>1,551.05</b>
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**Note:-**

**2.1.1 a)** Addition to the capital during the Year:  
6601000 Equity shares of Rs 5/- allotted and issued pursuant to conversion of loan into equity to promoters group.

b) Reduction of the capital during the Year:  
During the year, in terms of BIFR order, the company has reduced paid up value of each equity shares from Rs 10/- to Rs 5/- and the resultant amount has been credited to "Surplus/(Deficit)" vide Note No 2.2.

**2.1.2** The Company has only one class of shares referred to as equity shares having par value of Rs 5/- Each holder of equity shares is entitled to one vote per share.

**2.1.3** Shares in respect of each class in the company held by its holding company rights ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate : NIL

**2.1.4** Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts : NIL

**2.1.5** In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts.  
However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**2.1.6** The details of shareholders holding more than 5% shares as at 31st March,2012 is set out below:

Name of the shareholder	As At 31st March, 2012		As At 31st March, 2011	
	No. of shares	% held	No. of shares	% held
Kashipur Holdings Limited	10,015,000	45.29%	3414000	22.01%
Ajay Commercial Co (P) Limited	1,952,697	8.83%	952697	6.14%
Laurel Finance Limited	1,272,500	5.75%	1272500	8.20%
Sajani Devi Bhartia	1,158,500	5.23%	1158500	7.47%
Shri U. S. Bhartia	1,117,200	5.05%	1117200	7.20%
Mayur Barter Pvt. Limited	0.00	0.00	1085100	7.00%

**2.1.7** The reconciliation of the number of shares outstanding as at 31st March,2012 and 31st March,2011 is set out below:

Particular	As At 31st March, 2012		As At 31st March, 2011	
	No of shares	Rs in Lacs	No of shares	Rs in Lacs
<b>Numbers of shares at the beginning</b>	15,510,500	1,551.05	15,510,500	1,551.05
Add: Shares issued on conversion of loan into equity	6,601,000	330.05		
Less: Reduction of paid up value (Refer Note 2.1.1.b)		(775.52)		
<b>Numbers of shares at the end</b>	22,111,500	1,105.58	15,510,500	1,551.05





	AS AT 31ST MARCH,2012 (Rs. In Lacs)	AS AT 31ST MARCH,2011 (Rs. In Lacs)
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**2.2 RESERVE AND SURPLUS****Capital Reserve**

Opening balance (Capital Subsidy of the Government of Gujarat)	25.00	25.00
Add: Additions during the year	0.00	0.00
	<u>25.00</u>	<u>25.00</u>

**Surplus / (Deficit)**

Opening balance	(1,685.42)	(1,619.94)
Add: Net Profit/(loss) after tax transferred from Statement of Profit and Loss	414.75	(65.48)
Less :Adjustment pursuant to reduction of Capital	775.52	0.00
	<u>(495.15)</u>	<u>(1,685.42)</u>
	<u>(470.15)</u>	<u>(1,660.42)</u>

**NON-CURRENT LIABILITIES****2.3 Long-term borrowings****Term Loan**

- From IDBI / SASF (Secured)		
- Negotiated Settlement dues (Refer Note 2.32)	0.00	192.00
	<u>0.00</u>	<u>192.00</u>

**Deferred payment liabilities**

Electricity Duty Deferment (Unsecured)	19.13	38.18
Deferment of Interest (Unsecured) (Refer Note 2.32.2)	79.96	52.92
	<u>99.09</u>	<u>91.10</u>

**Long-term maturities of finance lease obligations**

- Finance lease obligations(secured)	7.87	0.00
	<u>7.87</u>	<u>0.00</u>

**Loans and advances from related parties(unsecured) (Refer Note 2.39)**

	86.32	391.60
	<u>193.28</u>	<u>674.70</u>

**The above amount includes**

Secured borrowings	7.87	192.00
Unsecured borrowings	185.41	482.70
	<u>193.28</u>	<u>674.70</u>

**Note:-**

- 1 Term loans facilities from IDBI and / or Negotiated Settlement Dues of Stressed Assets Stabilization Fund (SASF) are secured by way of charge by deposit of title deeds and mortgage of all immovable properties of the company including its movable plants & machinery, machinery spares, tools and other movable both present and future (save and except - book debts) subject to the charge created / to be created by the company in favour of its bankers on the company's stock and book debts to secure its working capital requirement; and personally guaranteed by a Director and an Ex-Director of the company. Also certain promoters / Group companies / Associates belonging to the promoters have pledged their certain shareholdings. The same is payable in 12 equal monthly instalments commencing from 15th April 2012 to 15th March 2013.
- 2 Finance Lease obligations are secured by hypothecation of specific assets taken on such lease. The same are repayable as per the terms of agreement.
- 3 The deferment of electricity duty from Government is repayable in 60 equal monthly instalments commencing from 1st April 2009 to 31st March 2014.
- 4 Interest on Term loan amounting to Rs 79.96 lacs from IDBI/SASF is repayable in 6 equal installments commencing from 15th April 2013.
- 5 Loan from related parties is payable as per BIFR Scheme.

	AS AT 31ST MARCH,2012 (Rs. In Lacs)	AS AT 31ST MARCH,2011 (Rs. In Lacs)
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**2.4 Other Long-term liabilities**

Security Deposits	4.35	0.00
	<u>4.35</u>	<u>0.00</u>

**2.5 Long-term Provision**

Employee Benefits	13.10	9.34
	<u>13.10</u>	<u>9.34</u>

**CURRENT LIABILITIES****2.6 Short-term borrowings****Loan repayable on demand****- From Banks**

- Cash credit/working capital demand loans(secured)	461.94	562.36
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**Loan repayable****- From Banks**

- Outstanding under Letter of Credit (Secured)	187.95	151.22
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<b>Loans and advances from Others(unsecured)</b>	<b>125.54</b>	<b>128.05</b>
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	<u>775.43</u>	<u>841.63</u>
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**The above amount includes**

Secured borrowings	649.89	713.58
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Unsecured borrowings	125.54	128.05
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	<u>775.43</u>	<u>841.63</u>
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**Note:-**

- 1 Working capital facilities from Axis Bank Ltd is secured by hypothecation of current assets (by way of first charge) including company's stock (present & future ) of Raw materials, Semi finished and finished goods, Consumable stores and Book Debts and also by way of second charge over all immovable properties of the company and personally guaranteed by one Director ,and also by way of corporate guarantee of an associate company, Namely Facit Commosales Private Ltd. and further pledge of their or its share holdings in certain company.
- 2 Cash credit/working capital loan from bank is payable on demand.
- 3 Letter of credit loan from bank is repayable as per the terms of agreement.
- 4 Loans from other parties are payable on demand.

	AS AT 31ST MARCH, 2012 (Rs. In Lacs)	AS AT 31ST MARCH, 2011 (Rs. In Lacs)
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**2.7 Trade payables**

Trade payables-due to micro, small and medium enterprises under MSMED Act, 2006 (Refer Note No 2.26)	0.00	0.00
Trade payables	175.84	285.08
Other Payable		
- Sale Tax/VAT payable (Net of receivable)	37.52	29.00
	213.36	314.08

**2.8 Other current liabilities**

Current maturities of long term debt (Secured) (Refer Note 2.32)	192.00	150.00
Current maturities of long term debt (Unsecured)	19.13	19.13
Current maturities of finance lease obligations	4.25	0.00
Trade deposits & advances	0.76	0.47
Accrued Salaries & Benefits	7.11	6.09
Book Overdraft	0.00	0.54
Other payables	39.59	41.56
	262.84	217.79

**2.9 Short-term provisions**

Employee benefits	1.48	0.88
Other provisions	2.64	8.97
	4.12	9.85



**2.10 FIXED ASSETS**

(Rs in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As At 01.04.2011	Addition During The Year	Deduction During The Year	Total Upto 31.03.2012	As At 01.04.2011	Provision During the Year	Deduction During the Year	Total Upto 31.03.2012	As At 31.03.2012	As At 31.03.2011
<b>Tangible Assets</b>										
Land	20.23			<b>20.23</b>					<b>20.23</b>	20.23
Buildings										
- Factory	645.33			<b>645.33</b>	295.63	21.55		<b>317.18</b>	<b>328.15</b>	349.71
- Others	39.24			<b>39.24</b>	10.27	0.64		<b>10.91</b>	<b>28.33</b>	28.97
Plant & Machinery	2,394.34	0.30		<b>2,394.64</b>	1,773.24	132.23		<b>1,905.47</b>	<b>489.17</b>	621.10
Electrical Installations and Fittings	170.98			<b>170.98</b>	121.78	8.12		<b>129.90</b>	<b>41.08</b>	49.20
Office Equipments	11.58			<b>11.58</b>	6.26	0.55		<b>6.81</b>	<b>4.77</b>	5.32
Computers	30.26	0.27		<b>30.53</b>	26.59	1.18		<b>27.77</b>	<b>2.76</b>	3.68
Furniture & Fixtures	30.61			<b>30.61</b>	25.90	1.18		<b>27.08</b>	<b>3.53</b>	4.71
Vehicles	11.73	17.76	7.89	<b>21.60</b>	5.42	1.77	4.62	<b>2.57</b>	<b>19.03</b>	6.31
<b>Total</b>	<b>3,354.30</b>	<b>18.33</b>	<b>7.89</b>	<b>3,364.74</b>	<b>2,265.09</b>	<b>167.22</b>	<b>4.62</b>	<b>2,427.69</b>	<b>937.05</b>	<b>1,089.23</b>
Previous Year	3,311.08	46.41	3.20	<b>3,354.30</b>	2,080.93	184.91	0.75	<b>2,265.09</b>		
Less: Provision for Impairment (Refer Note 2.29)									<b>16.00</b>	16.00
<b>As per Balance sheet</b>									<b>921.05</b>	<b>1,073.23</b>

AS AT  
**31ST MARCH,2012** AS AT  
**31ST MARCH,2011**  
(Rs. In Lacs) (Rs. In Lacs)

**NON-CURRENT ASSETS**

**2.11 DEFERRED TAX ASSETS (NET)**

Deferred tax assets	<b>631.29</b>	0.00
Deferred tax Liabilities	<b>165.79</b>	0.00
Deferred tax assets (Net) (Refer Note No 2.35)	<b>465.50</b>	0.00

**2.12 Long term loans and advances**

Security deposits(unsecured, considered good)	<b>27.07</b>	27.54
	<b>27.07</b>	27.54



AS AT 31ST MARCH,2012 (Rs. In Lacs)	AS AT 31ST MARCH,2011 (Rs. In Lacs)
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**CURRENT ASSETS****2.13 Inventories (For the purpose of valuation -Refer Note 1.3)**

- Raw Materials* (Including in Transit Rs.26,79,872/-,P/y NIL)	<b>138.18</b>	191.84
- Work-in-Progress**	<b>3.72</b>	3.49
- Finished Goods*** (Including waste Rs.1,39,421/- P/y Rs.1,30,917/-) (Including in Transit Rs.61,32,960/-,P/y Rs.16,71,962/-)	<b>85.29</b>	112.79
- Stores/Spares	<b>30.03</b>	29.27
- Packing Materials	<b>4.49</b>	8.07
	<b>261.71</b>	345.46

\* (Refer Note No 2.40.3)

\*\* (Refer Note No 2.40.2)

\*\*\* (Refer Note No 2.40.1)

**2.14 Trade receivables****Outstanding for period exceeding six months  
from the date they are due for payment**

Secured, considered good	<b>0.00</b>	0.00
Unsecured,considered good	<b>7.58</b>	6.25
Doubtful	<b>3.82</b>	0.00
	<b>11.40</b>	6.25
Less: Allowances for doubtful receivables	<b>3.82</b>	0.00
	<b>7.58</b>	6.25

**Other receivables**

Secured,considered good		
Unsecured,considered good	<b>318.27</b>	403.05
Doubtful	<b>0.00</b>	0.00
	<b>318.27</b>	403.05
Less: Allowances for doubtful receivables	<b>0.00</b>	0.00
	<b>318.27</b>	403.05
<b>TOTAL</b>	<b>325.85</b>	409.30

**2.15 Cash and Bank Balances****Cash and cash equivalents**

Cash on hand	<b>1.28</b>	0.89
Balances with bank:		
- In Current Accounts	<b>3.68</b>	0.80
<b>Other bank balances:</b>		
- Deposits as margin money *	<b>27.26</b>	23.63
*Given to Bank for the purpose of opening of letter of credit		
	<b>32.22</b>	25.32



	AS AT 31ST MARCH,2012 (Rs. In Lacs)	AS AT 31ST MARCH,2011 (Rs. In Lacs)
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**2.16 Short-term loans and advances**

Deposits/Balances with excise / sales tax authorities	10.56	9.57
Advance payment of income tax/wealth tax (including TDS)	3.37	15.23
Advance recoverable in cash & kind (unsecured, considered good)	10.04	8.10
Other short term loans and advances (unsecured, considered good)	1.06	1.67
	<u>25.03</u>	<u>34.57</u>

**2.17 Other current assets**

Export Incentive Receivable	38.65	34.33
Interest accrued on deposits	0.95	3.46
Other current assets (unsecured, considered good)	3.88	4.83
<b>TOTAL</b>	<u>43.48</u>	<u>42.62</u>

**2.18 Revenue from operations**

(a) sale of Products**	3,042.25	3,322.01
(b) sale of Services	21.48	178.61
(c) Other operating revenues*	65.77	33.47
	<u>3,129.50</u>	<u>3,534.09</u>
Less		
(c) Excise Duty	179.17	221.16
	<u>2,950.33</u>	<u>3,312.93</u>

\* Other operating Income is from the Scrap Sales and for Export Incentives. (\*\*Refer Note No 2.40.1)

**2.19 Other Income**

Rent	11.80	7.80
Development & Service Charges	70.33	0.00
Interest Income on Fixed Deposit	5.96	6.93
Liabilities / provisions no longer required written back	11.82	0.00
Insurance claim (Including sales of burned material)	0.00	23.50
Others	0.23	0.91
	<u>100.14</u>	<u>39.14</u>



	<b>FOR THE YEAR ENDED 31 ST MARCH,2012 (Rs. In Lacs)</b>	<b>FOR THE YEAR ENDED 31 ST MARCH,2011 (Rs. In Lacs)</b>
<b>2.20 Increase/(Decrease) in Stock</b>		
Closing Stocks		
- Process*	<b>3.72</b>	3.49
- Finished goods**	<b>83.89</b>	111.48
- Waste	<b>1.40</b>	1.31
	<b>89.01</b>	116.28
Opening Stocks		
- Process*	<b>3.49</b>	4.07
- Finished goods**	<b>111.48</b>	106.64
- Waste	<b>1.31</b>	5.05
	<b>116.28</b>	115.76
Net Increase /(Decrease) in Stock	<b>(27.27)</b>	0.52
(*Refer Note No 2.40.2)		
(**Refer Note No 2.40.1)		
<b>2.21 Cost of materials consumed</b>		
Raw Materials consumed*	<b>2,133.16</b>	2,316.55
	<b>2,133.16</b>	2,316.55
(*Refer Note No 2.40.4)		
<b>2.22 Employee benefit expense</b>		
Salaries, Wages, Allowances, Gratuity, etc.	<b>129.08</b>	124.44
Contribution to Provident & Other Funds	<b>7.96</b>	6.90
Staff Welfare Expenses	<b>3.90</b>	3.04
	<b>140.94</b>	134.38



	<b>FOR THE YEAR ENDED 31 ST MARCH,2012 (Rs. In Lacs)</b>	<b>FOR THE YEAR ENDED 31 ST MARCH,2011 (Rs. In Lacs)</b>
<b>2.23 Other expenses</b>		
Power & Fuel	<b>103.33</b>	169.19
Processing charges	<b>4.25</b>	3.03
Stores & spares consumed	<b>13.06</b>	14.01
Packing Material consumed	<b>35.89</b>	86.16
Increase / (decrease) of excise duty on inventory	<b>2.64</b>	8.97
Repairs Maintenance		
- Plant & Machinery	<b>5.12</b>	6.33
- Buildings	<b>1.01</b>	4.25
- Others	<b>2.36</b>	1.55
Insurance	<b>8.69</b>	7.08
Rent, Rates & Taxes	<b>2.68</b>	4.77
Communication	<b>3.95</b>	4.91
Travelling and conveyance	<b>6.75</b>	8.05
Vehicle Running & Hire Charges	<b>12.90</b>	11.67
Printing and Stationery	<b>1.01</b>	1.51
Office Maintenance	<b>8.04</b>	7.08
Auditors Remuneration		
- As Audit Fees	<b>1.00</b>	1.00
- For other services	<b>0.40</b>	0.40
- Out of pocket expenses	<b>0.46</b>	0.40
Legal, professional & consultancy charges	<b>14.05</b>	14.96
Directors' Sitting Fees	<b>1.08</b>	0.96
Selling and Distribution Expenses(Refer Note No 2.28)	<b>13.28</b>	13.92
Freight & forwarding	<b>190.62</b>	203.85
Bank Charges	<b>4.54</b>	3.95
Foreign exchange fluctuation loss/(gain)	<b>1.73</b>	1.71
Advance Licence / Debts Written Off	<b>0.00</b>	19.68
Allowances for Bad Debts	<b>3.82</b>	0.00
Loss on sale of Fixed Assets	<b>0.46</b>	0.94
Prior Period Expenses	<b>17.49</b>	6.89
Miscellaneous Expenses	<b>4.76</b>	6.33
	<b>465.37</b>	613.55
<b>2.24 Finance costs</b>		
Interest expense	<b>150.88</b>	143.91
Other borrowings cost	<b>16.38</b>	24.77
	<b>167.26</b>	168.68





**Notes on Accounts**

2.25 1 Contingent liabilities, not provided for in respect of the following:

	<b>As at Year ended 31st March,2012 (Rs. In lacs)</b>	As at Year ended 31st March,2011 (Rs. In lacs)
Claims against the company not acknowledged as debt	<b>10.81</b>	10.81

2.25 2 Commitments As At 31st March 2012 ———— NIL

2.26 Under the Micro, Small and medium Enterprise Development Act,2006 Which came into force on October 2,2006 certain disclosure are required to be made relating to Micro, Small and Medium Enterprise. The company is in the process of obtaining relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available, no disclosures could be made in the Accounts.

2.27 1 Foreign exchange variation (Net) dealt with in the profit and loss account Rs. 1.73 lacs (Debit) (previous year Rs.1.71 lacs (Debit)),details of the same are as under :

	<b>For the Year ended 31st March,2012 (Rs. In lacs)</b>	For the Year ended 31st March,2011 (Rs. In lacs)
(Loss)/ Gain on Creditors	<b>(3.90)</b>	0.64
(Loss)/ Gain on Debtors	<b>2.17</b>	(2.36)
	<b>(1.73)</b>	(1.72)

2.27 2 Unhedged Foreign Exchange Exposure : Debtors Rs.123.52 lacs.

2.28 Selling and Distribution expenses include Rs.13.05 Lacs as Commission/Discount.(Previous year Rs.13.88 Lacs)

2.29 The company identified during 2008-09 certain fixed assets,which were not under use or were unusable / surplus,the relisable value (estimated by management ) was lower by Rs.16.00 lacs which was provided.There are no further loss as to assets impairment during the year.

2.30 Write downs and Write offs :During the year the Company reviewed the recoverability of claims and upon such review following amounts were written off / written back :

	<b>For the Year ended 31st March,2012 (Rs. In lacs)</b>	For the Year ended 31st March,2011 (Rs. In lacs)
Non utilization of advance license (written off)	<b>0.00</b>	19.68
Total Rs.	<b>0.00</b>	19.68

2.31 Excise duty Expenses represents provision on Closing Stocks for domestic sales.

2.32 1 Stressed Assets Stabilization Fund (SASF),to whom IDBI assigned its debt recoverable from the company,has gave its approval of Negotiated Settlement (NS)(Letter dated June 27,2005 vide letter no.BY/ SASF/ POLPIL/906 and further amended by letter dated July 16,2005 vide letter No.BY/SASF/POLPIL/1146) at a sum of Rs.15.50 crores in full and and final settement of its principal,Interest and over due interest etc.accrued up to 31.03.2005,for which cut off date was determined as 01.04.2005. The said SASF has rescheduled ,repayment dates vide its letter no BY/SASF/Polylink/461 dated 28th May 2010.

2.32 2 Interest is payable commencing from 1.1.2010 as past interest has been deferred by the said SASF. Interest has been provided from 01.01.2011 to 31.03.2012 at the agreed rate in these Accounts and the same is payable in six equal installments commencing from 15th,April 2013.

2.32 3 As the net worth of the company fully eroded as per the Audited Balance sheet of the company as at 31.03.2009,the company has been referred to BIFR under the SICA provisions. The Rehabilitation Scheme as prepared by IDBI, as the operating Agency, has been approved by BIFR on 12th May 2012.

2.33 Trade payables,Trade receivable and Advances are subject to confirmations.



- 2.34 1 There are certain leasing arrangement for Office premises / House accomodation.Monthly charges in this respect are charged to P & L Account.
- 2.34 2 The company has given Office premises & Godown on lease to one of the associates company. The rental income of Rs.11.80 lacs (P/y - Rs 7.80 lacs) has been recognised in the accounts for the year.

**2.35 DEFERRED TAX:**

The institute of Chartered Accountants of India,has made mandatory,w.e.f.1.4.2001,the Accounting standard-22(AS-22) in respect of 'Accounting for Taxation of Income'. On the basis of virtual certainty of availability of sufficient future taxable income and also based upon the data available,the company has computed defered tax liability and assets as at 31.03.2012 as under and recognised the Deferred Tax Asset in respect of Past Losses and for other items:

	<b>For the Year ended 31st March,2012 (Rs. In lacs)</b>	For the Year ended 31st March,2011 (Rs. In lacs)
<b>Deferred Tax Assets</b>		
Provision for Leave encashment	4.73	0.00
Amounts disallowed u/s 43 B & allowable on Payment	26.68	0.00
Accumulated Losses as per Tax Laws	599.88	0.00
	<b>631.29</b>	<b>0.00</b>
<b>Deferred Tax Liabilities</b>		
Accelerated Depreciation /Amortization	165.79	0.00
	<b>165.79</b>	<b>0.00</b>
	<b>465.50</b>	<b>0.00</b>

- 2.36 There is no separate reportable segment as the company is predominantly engaged in only one segment,i.e.' Polymers Compounding' therefore,Accounting standard-17 to Segment Reporting,issued by the Institute of Chartered Accountants of India,is not applicabl to it.

**2.37 EARNING PER SHARE::**

	<b>For the Year ended 31st March,2012 (Rs. In lacs)</b>	For the Year ended 31st March,2011 (Rs. In lacs)
i) Profit (Loss )as per Profit & Loss Account (Rs.)	<b>414.75</b>	(65.48)
ii) Weighted average number of equity shares (in Numbers)	<b>156.01</b>	155.11
iii) Basic Earning per share (Rs.)	<b>2.66</b>	(0.42)
<b>Weighted average number of equity shares for Earnings Per Share computation</b>		
Numbers of shares at the beginning	<b>155.11</b>	155.11
Add: Shares issued on conversion of loan into equity on 27.03.2012 (6601000*5/365)	<b>0.90</b>	0.00
Weighted average number of equity shares	<b>156.01</b>	155.11

**2.38 Disclosure pursuant to AS-15 (Revised)**

**(a) For Gratuity (Defined Benefit) (Funded with L.I.C as group gratuity policy)**

	<b>As on 31st March, 2012 (Rs. In lacs)</b>	As on 31st March, 2011 (Rs. In lacs)
<b>1 Assumptions</b>		
Discount Rate	<b>8.00%</b>	8.00%
Salary Escalation	<b>7.00%</b>	7.00%



	As on 31st March, 2012 (Rs. In lacs)	As on 31st March, 2011 (Rs. In lacs)
<b>2 Changes in present value of obligations</b>		
Present value of obligations as at beginning of year	18.77	16.59
Interest cost	1.50	1.33
Current Service Cost	2.15	1.61
Benefits Paid	(0.26)	(2.50)
Actuarial (gain)/Loss on obligations	(2.42)	1.74
Present value of obligations as at end of year	19.73	18.77
<b>3 Changes in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	6.11	5.95
Expected return on plan assets	0.65	0.51
Contributions	2.04	2.14
Benefits paid	(0.26)	(2.50)
Actuarial Gain / (Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	8.54	6.11
<b>4 Fair value of plan assets</b>		
Fair value of plan assets at beginning of year	6.11	5.94
Actual return on plan assets	0.65	0.51
Contributions	2.04	2.15
Benefits Paid	(0.26)	(2.50)
Fair value of plan assets at the end of year	8.54	6.10
Funding status	(11.19)	(12.66)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	NIL	NIL
<b>5 The amounts to be in the balance sheet and statements of profit and loss</b>		
Present value of obligations as at the end of year	19.73	18.77
Fair value of plan assets as at the end of the year	8.54	6.11
Funded status	(11.19)	(12.66)
Net Asset/(liability) recognized in balance sheet	11.90	12.66
<b>6 Expenses Recognised in statement of Profit &amp; loss</b>		
Current Service cost	2.15	1.60
Interest Cost	1.50	1.33
Expected return on plan assets	(0.65)	(0.51)
Net Actuarial (gain)/Loss recognised in the year	(2.42)	1.74
Expenses recognised in statement of Profit & loss	0.58	4.16

**(b) For Provident fund Defined Contribution Plans**

Total amount of Provident fund Expenses recognised in the Profit & Loss Account is Rs.7.96 lacs,( Previous year Rs.6.90 lacs)

2.39 Related party disclosure as require by Accounting Standard-18 (AS-18) "Related Parties Disclosure" issued by the Institute of Chartered Accountants Of India are given below :

**Details of Related Parties**

Description of Relationship	Name of the related Parties
Associates	Kashipur Holdings Ltd India Glycols Ltd
Key Management Personnel	Mr.R.P.Goyal
Enterprise over which KMP or their relatives have control	N2N Impex Pvt. Ltd.



(Rs. In lacs)

Particular	Associates		Enterprise over which KMP or their relatives have control	Key managerial Person	Total
	Kashipur Holdings Ltd	India Glycols Ltd			
<b>Name of the related Parties</b>			<b>N2N Impex Pvt. Ltd.</b>	<b>Mr.R.P. Goyal</b>	
Development & Service Charges		<b>70.33</b> (0)			<b>70.33</b> (0)
Rent Received		<b>11.80</b> (7.80)			<b>11.80</b> (7.80)
Bills Discounted	<b>160.75</b> (61.57)				<b>160.75</b> (61.57)
Conversion of loan into Equity	<b>330.05</b> (0)				<b>330.05</b> (0)
Security Received		<b>4.35</b> (0)			<b>4.35</b> (0)
Loan Received			<b>83.25</b> (37.00)	<b>8.50</b> (0)	<b>91.75</b> (37.00)
Loan Repayment (Excluding conversion into equity)			<b>67.25</b> (52.00)		<b>67.25</b> (52.00)
Interest on Loan		<b>1.46</b> (0)	<b>2.03</b> (0)		<b>3.49</b> (0)
Remuneration as Director				<b>26.40</b> (15.72)	<b>26.40</b> (15.72)
<b>Outstanding at the end of the year</b>					
Outstanding Payable	<b>53.60</b> (61.97)	<b>16.72</b> (54.91)	<b>16.00</b> (0)	<b>8.50</b> (0)	<b>94.82</b> (116.88)

\* Figures in brackets represent previous year.

2.40 Additional Information pursuant to Note 5 of Part II of the Revised Schedule VI of the Companies Act 1956 :

2.40 1 **Details of Turover & Stock** (Rs. In lacs)

Sr. No.	Clas of Goods	Opening Stock As at 01.04.2011	Closing Stock As at 31.03.2012	Turnover As at 31.03.2012
A	XLPE Compound	10.75	17.30	548.43
B	PP Compound	96.86	64.38	2360.08
C	Others	5.18	3.61	133.73

2.40 2 **Details of Work in Progress** (Rs. In lacs)

Sr. No.	Clas of Goods	Opening Stock As at 01.04.2011	Closing Stock As at 31.03.2012
A	Polypropelene		3.31
B	Fillers		0.18
C	Others		0.00

2.40 3 **Details of Raw Material** (Rs. In lacs)

Sr. No.	Clas of Goods	Opening Stock As at 01.04.2011	Closing Stock As at 31.03.2012
A	LDPE/LLDPE	74.05	26.95
B	PP	61.39	32.93
C	FILLERS	2.06	5.13
D	CHEMICALS	28.24	26.44
E	OTHERS	26.09	19.92



## 2.40 4 Details of Materials Consumed

Particulars	For the Year ended 31st March,2012 (Rs. In lacs)	For the Year ended 31st March,2011 (Rs. In lacs)
LLDPE/LDPE	814.42	633.69
PP	1063.55	1421.48
FILLERS	90.27	107.95
CHEMICALS & PROCESSING ADDITIVES	63.87	102.25
OTHERS	101.05	51.19
<b>Total</b>	<b>2133.16</b>	<b>2316.56</b>

## 2.40 5 Value of imported and indigenous raw material, stores and spare parts consumed and percentage thereof:

## Consumption of raw materials :

	FOR THE YEAR ENDED 31 ST MARCH,2012		FOR THE YEAR ENDED 31 ST MARCH,2011	
	(Rs. In lacs)	%	(Rs. In lacs)	%
- Imported	54.49	2.55%	141.52	6.11%
- Indigenous	2,078.67	97.45%	2,175.03	93.89%
<b>Total</b>	<b>2,133.16</b>	<b>100.00%</b>	<b>2,316.55</b>	<b>100.00%</b>
Consumption of Packing , stores & spare parts:				
- Imported	0.00	0.00%	3.22	3.22%
- Indigenous	48.95	100.00%	96.94	96.78%
<b>Total</b>	<b>48.95</b>	<b>100.00%</b>	<b>100.16</b>	<b>100%</b>

## 2.40. 6 Expenditure in foreign currency

Particulars	For the Year ended 31st March,2012 (Rs. In lacs)	For the Year ended 31st March,2011 (Rs. In lacs)
1 Foreign Travel	0.00	0.27
2 Commission on Export Sale	2.20	1.23
3 Spares	0.00	12.03
4 Value of imports on CIF basis		
- Raw material & chemicals	51.82	52.64

## 2.40 7 Earning in foreign exchange

- FOB value of Export *	974.18	733.34
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\* Excluding Deemed Exports Rs.Nil (Previous year Rs.17.38 lacs)

2.41 Previous period's figures have been regrouped / rearranged wherever considered necessary to confirm to this year's classification in view of the Revised Schedule VI.

In terms of our report of even date.

For **K N Gutgutia & Co.**

Chartered Accountants

Firm Registration Number: 304153E

For and on behalf of the board

**B R Goyal**

Partner

M. No.12172

**U.S.Bhartia**

Chairman

**R.P.Goyal**

Director (F &amp; C)

New Delhi

Date : 19th MAY 2012

**Ankit Vageriya**

Company Secretary

**POLYLINK POLYMERES (INDIA) LIMITED**

Registered Office : 229-230, Village - Valthera, Taluka - Dholka, Dist. : Ahmedabad - 387 810

**PROXY FORM**

DP Id\* \_\_\_\_\_ Regd. Folio No. \_\_\_\_\_

Client Id\* \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of the above named Company, hereby appoint

Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_ in the

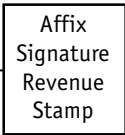
district of \_\_\_\_\_ or failing him/her Mr./Mrs. \_\_\_\_\_ of

\_\_\_\_\_ in the district of \_\_\_\_\_

as my/our Proxy to vote for me/our behalf at the at the Annual General Meeting of the Company to be held on Thursday, the 27th September, 2012.

Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature \_\_\_\_\_



\* Applicable for members holding shares in dematerialised form.

- 1. The Proxy Form signed across revenue stamp should reach the Company's Registered Office at least 48 hours before the scheduled time of meeting.

**POLYLINK POLYMERES (INDIA) LIMITED**

Registered Office : 229-230, Village - Valthera, Taluka - Dholka, Dist. : Ahmedabad - 387 810

**ATTENDANCE SLIP**

Full name of the Member attending : \_\_\_\_\_

Name of Proxy : \_\_\_\_\_

I hereby record my presence at the Annual General Meeting being held at the Registered Office of the Company on Thursday, the 27th September, 2012.

Regd. Folio No. \_\_\_\_\_

DP Id\* \_\_\_\_\_

Client Id\* \_\_\_\_\_

No. of Share held \_\_\_\_\_

\_\_\_\_\_  
Member's/Proxy's Signature  
(To be signed at the time of handing over the slip)

\* Applicable for members holding shares in dematerialised form.

Note : Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

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**POLYLINK POLYMERS (INDIA) LIMITED**

229-230, Village - Valthera,

Taluka - Dholka,

Dist.: Ahmedabad - 387810