



**PADMANABH ALLOYS & POLYMERS LTD.**

Registered Office : N.H.8, Palsana, Dt. Surat 394315  
Tele.: 02622 264455 Fax.02622 264555  
Email :investor@padmanabh.in Website :www.padmanabh.in  
Corporate Identity Number : L17110GJ1994PLC023540

Date: 08.12.2016

To  
**BSE Limited**  
P, J. Towers, Dalal Street,  
Mumbai 400001

**Sub.: Submission of Annual Report for the year ended 31/03/2013**  
**Ref.: Scrip Code: 531779, Stock Code: PADALPO**

We enclose herewith Annual Report of Padmanabh Alloys & Polymers Limited for the financial year ended 31/03/2013.

It appears that the same could not be filed earlier and we request you to take the same on record and confirm.

Thanking you

**For Padmanabh Alloys & Polymers Limited**

Chetankumar M. Desai  
Whole-time Director  
(DIN: 00051541)

**EIGHTEENTH ANNUAL REPORT**

**BOARD OF DIRECTORS**

<b>Mr. Bhikhubhai M. Desai</b>	Chairman & Wholetime Director
<b>Mr. Vijaybhai D. Vashi</b>	Wholetime Director
<b>Mr. Chetan M. Desai</b>	Wholetime Director
<b>Mr. Hemal R Desai</b>	Wholetime Director
<b>Mr. Dilipbhai K. Desai</b>	Director
<b>Mr. Nilesh A.Desai</b>	Director
<b>Mr. Hiler K Desai</b>	Director
<b>Mr. Pravin G Desai</b>	Director

**BANKERS**

**Canara Bank** 1st Floor, Trade House, Nanpura, Surat

**AUDITORS**

**M/s Nilkanth Desai & Associates**  
Chartered Accountants - Surat

**REGISTERED OFFICE & FACTORY**

N.H.No.8, Village: Palsana 394315, Dist.Surat (Gujarat)

**LISTING WITH**

**The Stock Exchange, Mumbai** ■ **Vadodara Stock Exchange, Vadodara**

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**NOTICE**

To Members,

NOTICE is hereby given that the EIGHTEENTH Annual General Meeting of Shareholders of M/s PADMANABH ALLOYS & POLYMERS LTD. will be held at the Registered Office of the Company at N.H.No.8, Village: Palsana-394315, Dist.Surat on Saturday, 28th day of September, 2013 at 11.00 am to transact the following business:-

1. To consider and adopt the audited Balance Sheet as at 31st March 2013 and Profit & Loss Statement for the year ended on that date and the Report of the Board of Directors and the Auditors thereon.
2. to appoint Director in place of Mr. Nilesh A Desai who retires by rotation and being eligible offers himself for reappointment
3. To appoint Auditors of the Company from conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Nilkanth Desai & Associates, Chartered Accountants, retiring auditors of the Company are eligible for re-appointment

**SPECIAL BUSINESS**

4. RESOLVED THAT, pursuant to the provisions of Section 198,269,309,314 and other applicable provisions if any, of the Companies Act-1956 and/or enactment thereof, the Company hereby accords its approval to the appointment of Director Mr.Hemal R. Desai as Whole Time Director of the Company for a period of 5 years with effect from 01.07.2013 on remuneration and the term and conditions mentioned below:
  - a) Salary: Rs.30000/- per month in the grade of Rs.30000-5000-Rs.75000.
  - b) Perquisites:
    - i) Housing: HRA at 10% of Salary
    - ii) Medical reimbursement: of expenses incurred for self and family subject to a ceiling of one month salary in a year.
    - iii) Personal accident insurance: the annual premium shall not exceed Rs.4000/-.
    - iv) Leave Travel Concession: for self and family, once in a year incurred in accordance with the rules of the Company.
    - v) Company's Contribution: to Provident Fund; Super Annuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
    - vi) Gratuity: as per the rules of the Company but shall not exceed half month's salary for each completed year of service.
    - vii) Telephone at residence and car for use on Company's business will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole time Director.
    - viii) Earned Leave: on full pay and allowances as per the rules of the Company, but not exceeding one month's leave for every eleven months of services, subject to the further condition that leave accumulated but not availed of will not be allowed to be encashed beyond eight months.
    - ix) Facility of helpers, Gardner etc. subject to ceiling of Rs.1000 per month.

Further RESOLVED further that in the event of loss or inadequacy of profits in the company. Mr. Hemal R.Desai shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified in schedule XIII to Companies Act, 1956.

Further RESOLVED any one of the directors be and is hereby authorized to complete necessary formalities including of filing forms with ROC in this regard..

Place: Palsana/Surat

**For and on behalf of the Board**

Date: 01/09/2013

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a proxy in order to be effective shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
3. Members are requested to notify change in their address, if any, immediately to the Company at this Registered Office.
4. The Register of Member and share transfer books of the Company will remain closed from Monday, 17th September, 2013 to Friday, 28th September, 2013 (both days inclusive)
5. Members seeking further information on the Accounts or any other matter contained in the notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
6. Members are requested to bring their copy of the Annual Report to the Annual General Meeting, as a measure of economy no extra copy of the Annual Report will be supplied at the meeting.
7. The information pertaining to reappointment of Director in terms of clause 49 of the Listing Agreements with Stock Exchanges are furnished in the report on Corporate Governance published in this Annual Report.
8. An Explanatory statement pursuant of section 173 of the Companies Act, 1956 is Annexed hereto.

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to Section 173(2)  
Of the Companies Act, 1956.

ITEM No.4

The Board of Directors have approved the reappointment of Mr.Hemal R Desai as a Wholetime Director w.e.f.:01/07/2013 in their meeting held on 19/06/2013 on terms and conditions subject to the approval of shareholders.He has been with the company as Wholetime Director since last 7 Years. Mr.Hemal R Desai has completed Mechanical Engineering. He is young and having business back ground. He is looking after factory administration, purchases and other related matters.

This explanatory statement together with accompanying notice may also be regarded as abstract of the terms of appointment of Mr. Hemal R. Desai as Wholetime Director of the company and Memorandum of Interest of Directors u/s 302 of the Companies Act, 1956.

The Board recommend reappointment of Mr. Hemal R Desai as Wholetime Director of the Company.

None of Directors except Mr.Chetan M. Desai, Shri B.M. Desai & Mr.Hemal R Desai is in any way concerned or interested in this resolution.

Directors recommend the special resolution for approval at meeting.

Place: Palsana/Surat

Date: 01/09/2013

For and on behalf of the Board

Bhikhubhai M Desai

DIRECTORS' REPORT

To,  
The Members,

The Directors have pleasure to present 18th Annual Report of the company together with Accounts for the year ended 31st March, 2013.

Financial Statements:

[Rs. In lacs]

Particulars	Year Ended	
	31/03/2013	31/03/2012
Sales including other Income	1430.66	1240.04
Profit/(loss) before Interest & Depreciation	99.50	85.95
Add/Less: Interest	27.44	22.93
Depreciation	18.47	16.74
Income Tax	8.00	0.00
Net Profit / (Loss)	45.59	46.28
Balance brought forward	(246.61)	(292.89)
Balance/(Loss) Carried Forward	(201.02)	(246.61)

DIVIDEND: In order to conserve resources, your Directors do not recommend any dividend for the year.

Management Discussion and Analysis:

- Operations:** The sales including other income for the year under review were Rs.1403.66 against Rs.1240.04 in the previous year registering the growth of about 13.10%. The Net profit during the year under review amounted to Rs.45.59 Lacs as against Profit of Rs.46.28 Lacs in the previous year.
- Outlook:** As sales target projected for the year 2012-13 was Rs.1500 Lacs. The actual sale achieved was Rs.1398.75 Lacs. Target for the next year is Rs.1500 Lacs, Since many automobiles companies are setting their plants near Ahmedabad in Gujarat, we have a very good opportunities of increasing the sales.
- Internal Control System:** The Company is maintaining an adequate internal control system including procedures. The Company has a system to conduct regularly a review of the financial and operating controls at various places and levels in the company. Further the company has appointed audit committee which regularly reviews with management, external audits and adequacy of internal control system.
- Human Resources:** Company currently employs 25 employees which comprises of qualified and trained in technical and managerial skills. It is company's first priority to enrich its employees by prompting learning and enhancing their knowledge by product training and arranging relevant program.

The company continued to have cordial and harmonious relations with its employees.

The information as per section 217(2A)(b)(ii) of the Companies Act, 1956 read with the Companies (Particulars or Employees) Rules 1975 is not furnished, as no employee of the Company falls within

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Information required as per the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, is given in the Annexure-A to this Report.

**Fixed Deposit:** The Company has not accepted any deposits during the year under review:

**Directors' responsibility statement:**

Pursuant to section 217(2AA) of the Companies Act, the Directors confirm that.

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- Appropriate accounting policies have been selected and applied consistently and judgment and estimates made that are 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 financial year ended 31st March, 2013 and of the Profit of the company for that year,
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding assets of the Company and preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

**Corporate Governance:**

Being a listed company, necessary measures are taken to comply with the listing agreements with Stock Exchanges. A report on Corporate Governance along with a certificate of compliance from Auditors as per Annexure B form part of this report.

**DIRECTORS:** Mr. Nilesh A Desai retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. During the year under review, Director Mr. Ramesh P Ghoghari expired. Board placed on record the condolence and appreciation of service rendered during his tenure.

**Auditors and Auditor's Report:**

M/s Nilkanth Desai & Associates, Chartered Accountants, Auditors of the Company retire and are eligible for reappointment. The Company has received a certificate from the Auditor to the effect that their reappointment, if made, will be within the prescribed limits under section 224(1-B) of the Companies Act, 1956.

The notes on accounts referred to in the Auditors Report are self explanatory and therefore do not call for any further comments.

**Acknowledgement**

The Directors would like to place on record their appreciation for the support and co-operation extended by Canara Bank and Central and State Government Authorities and employees of the Company.

Place: Palsana/Surat

For and on behalf of the Board

Date: 01/09/2013

Vijay D Vashi  
Wholetime Director

B. M Desai  
Chairman & Wholetime Director

**ANNEXURE-A TO THE DIRECTOR'S REPORT 2013****PARTICULARS OF ENERGY CONSERVATIONS, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**(A) Conservation of Energy:** Adequate measures have been taken to avoid wastage of energy.

The requirements for disclosure with respect to conservation of energy is not applicable to the Company.

**(B) Technology absorption: Research and Development (R&D):**

- Specific area in which R&D was carried out by the Company: Research and Development has continuously been carried out for improvement in quality of existing product and development of new improved product. The development of different grades of masterbatches and compounds for automobiles, consumer durables, coolers and plastic molded furniture industry.
- Benefit derived as a result of above R&D: Production process have improved resulting in enhanced productivity, efficiency through out and value addition.
- Future plan of action: R&D effort will continue for upgrading the quality of masterbatches and compounds so as to increase extensive use in cooler, automobile & furniture segments. Steps are continuously being undertaken to upgrade the processing technology development of innovative products and maximum production capacities at optimum cost.
- Expenditure on R&D: Rs. NIL

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:** The Company is continuously taking steps to improve the product and process technology in an effort to provide better quality to the customer and to compete effectively in the market place.

**(C) Foreign Exchange Earnings & Outgo:**

	2012-13 (Rs.)	2011-2012 (Rs.)
Foreign Exchange Used	Nil	Nil
Foreign Exchange Earned	29,28,000	97,43,378

Place: Palsana/Surat

For and on behalf of the Board

Date: 01/09/2013

Vijay D Vashi  
Wholetime Director

B. M Desai  
Chairman & Wholetime Director

**ANNEXURE-1 TO THE DIRECTORS' REPORT**

**Report on Corporate Governance for the year ended 31st March, 2013**

**PAPL's Philosophy on code of Governance**

Padmanabh Alloys & Polymers Ltd's (PAPL) business objective and that of its management and employment and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy. PAPL is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employee. In addition to compliance with regulatory requirements, PAPL endeavors to ensure that standards of ethical conduct are met throughout organization.

**Board of Directors**

Composition, Attendance at the Board Meeting and the last Annual General Meeting, outside Directorships and other Board Committee.

Above information as on 31st March, 2013 or for the year 2012-13 as applicable is tabulated hereunder.

Director	No. of board meetings attended	Attendance at previous AGM on 30-09-2012	No. of outside Directorship held	No. of Membership / Chairmanship in other Board Committees	Executive / Non executive / Independent
Mr.V.D.Vashi	5	Present	-	-	Executive
Mr.C.M.Desai	4	Present	-	-	Executive
Mr.B.M.Desai	5	Present	-	-	Executive
Mr.Hemal R Desai	5	Present	-	-	Executive
Mr.N.A.Desai	4	Not Present	-	-	Independent
Mr.D.K.Desai	3	Present	-	-	Independent
Dr.Hiler K Desai	1	Not Present	-	1	Independent
Mr.Pravin G Desai	2	Present	-	1	Independent

**Details of Directors being appointed and reappointed**

Pursuant to clause 49 of the Listing Agreements with Stock Exchange, the following information is furnished about Directors proposed to be appointed Dr.Hiler K Desai & Mr.Pravin G Desai being eligible offer themselves for Reappointment.

**Notes to Financial Statements for the year ended March 31st 2013**

Particulars	Rs.		Rs.	
	31.03.2013		31.03.2012	
<b>Note 23 : Auditor's Remuneration</b>				
Statutory Audit Fee	35,000		35,000	
Tax Audit	-		-	
Taxation Matters	-		-	
Company Law Matters	-		-	
Management Fees	-		-	
Other Services	-		-	
Reimbursement Of Expenses	-	35,000	-	35,000
<b>Total</b>	<b>35,000</b>		<b>35,000</b>	
<b>Note 24 : Director's Remuneration</b>				
Vijay D. Vanshi	384,000		-	
Ghelan M. Desai	300,000		-	
Hemal R. Desai	125,000		-	
Director Reimbursement	140,004	949,004	-	-
<b>Total</b>	<b>949,004</b>		<b>949,004</b>	
<b>Note 25 : Value of Imports on CIF basis</b>				
Raw Materials	-		-	
Components and Spare Parts	-		-	
Capital Goods	-		-	
<b>Total</b>	<b>-</b>		<b>-</b>	
<b>Note 26 : Earnings in foreign exchange</b>				
Export Of Goods Calculated On F.O.B Basis - Narrow Fabrics	2,928,000		-	
Royalty, Know-how, Professional & Consultation Fees	-		-	
Interest and Dividend	-		-	
Other income, indicating the nature thereof	-	2,928,000	-	-
<b>Total</b>	<b>2,928,000</b>		<b>2,928,000</b>	
<b>Note 27 : Expenditure in foreign currency</b>				
Royalty	-		-	
Know-how	-		-	
Professional and consultation fees	-		-	
Interest	-		-	
Others	-		-	
<b>Total</b>	<b>-</b>		<b>-</b>	
<b>Note 28 : Dividend remitted in foreign currency</b>				
Amount of Dividend	-		-	
Total no of Non Resident shareholders	-		-	
Total no of shares held by Non Resident shareholders	-		-	
Year to which Dividend relates	-		-	

## Notes to Financial Statements for the year ended March 31st 2013

Particulars	Rs.		Rs.	
		31.03.2013		31.03.2012
<b>Note 29 : Value of Imported and Indegenous Raw materials, Spare parts and Materials consumed</b>				
<b>Particulars</b>	<b>%</b>		<b>%</b>	
(i) Raw Material				
Indegenous	NIL	-	0.00%	-
Imported	NIL	-	NIL	-
(ii) Spare Parts				
Indegenous	NIL	-	NIL	-
Imported	NIL	-	NIL	-
(iii) Components				
Indegenous	NIL	-	NIL	-
Imported	NIL	-	NIL	-

**Note 30:** The company has not received balance confirmation at the end of Balance Sheet date from certain sundry creditors and sundry debtors.

**Note 31:** In the opinion of Board of Directors, current assets, loans and advances have a value on realization in the ordinary course of the business equal to the amount at which they are stated in the Balance Sheet.

**Note 32:** The firm has not received any information from its vendors regarding their status under the Micro Small and Medium Enterprise Development Act, 2006 and hence disclosure if any, required by the said Act have not been made.

(iii) Previous years figures are regrouped or rearranged wherever applicable.

Significant Accounting Policies and Notes forming part of Financial Statements 1 to 29

For, Padmanabh Alloys & Polymers Ltd.

Director Director Director

Place: Surat  
Date: 01/09/2012

As per our report of even date  
For, Nilkanth Desai & Associates  
Chartered Accountants  
FRN-107086w

[N.P.Desai]  
Proprietor  
MRN-035862

## GENERAL SHAREHOLDER INFORMATION

Date and Time: Saturday, 28th September, 2013 at 11.00 a.m.  
Venue: N.H.No.8, Palsana, Dist.Surat  
Financial Calendar: 2013-14  
First Quarter Results: Middle of August, 2013  
Second Quarter Results: Middle of November, 2013  
Third Quarter Results: Middle of February, 2014  
Fourth Quarter Results: Middle of May, 2014

Date of Book Closure: 17th September, 2013 to 28th September, 2013, both days inclusive.  
Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Not applicable

Listing on Stock Exchange and Stock Code

Share of the Company are listed at Vadodara Stock Exchange, Vadodara and the Stock Exchange, Mumbai (Stock Code 531779)

Market Price Data: High/Low in each month of 2011-2012 on the Stock Exchange, Mumbai:

Performance in comparison to BSE Sensex

[Source: www.bseindia.com]

Registrar and Transfer Agents, Share Transfer System

The Company has an in-house share transfer facility share transfers are processed and returned in the normal course within an average period of 25 to 30 days from the date of receipt, if the documents are clear in all respects.

## Categories of shareholding as on 31/03/2013

Category	Number of Shares	Percentage of total shares
Promoters and associates	2360400	43.61
Foreign institutions investors	00	00
Public Financial Institutions	00	00
Mutual Funds	299500	5.53
Nationalised banks and other banks	00	00
NRI's and OBC's	500200	9.24
Others (Includes holding of Corporate Bodies)	2253200	41.62
Total	5413300	100

## Distribution of shareholding as on 31/03/2013

No of Shares	Number of shareholders	Number of shares	Percent of total shares
1 to 250	21	2500	0.04
251 to 500	457	252800	4.66
501 to 1000	307	276600	5.10
1001 to 2000	110	198900	3.67
2001 to 3000	130	345400	6.40
3001 to 4000	31	113800	2.10
4001 to 5000	56	274400	5.07
5001 to 10000	98	833900	15.41
10001 and above	58	3115000	57.53
Total	1268	5413300	100

Dematerialisation of share and liquidity: NIL

Plant Location: The Company's plants are located at PALSANA

Address of correspondence: N.H.No.8, Village-Palsana-395315, Dist.Surat

Email for investors: info@padmanabh.in

Place: Palsana/Surat

For and on behalf of the Board

Date: 01/09/2013

**Vijay D Vashi** **B. M Desai**  
Wholetime Director Chairman & Wholetime Director

### ANNEXURE-B AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,

The Members of

Padmanabh Alloys & Polymers Ltd.

We have examined the compliance of conditions of Corporate Governance by Padmanabh Alloys & Polymers Ltd. for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The Compliance of conditions of corporate is the responsibility of the management. Our examination was limited to procedures 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 opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the clause no.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, Nilkanth Desai & Associates  
Chartered Accountants

[N.P.Desai]  
Proprietor  
M.No. 035862

Place: Surat  
Date: 01/09/2013

### AUDITORS' REPORT

To the Shareholders:

1. We have audited the attached balance sheet of Padmanabh Alloys & Polymers Ltd. as at March 31, 2013 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Company (Auditors' Report) Order, 2003 issued by the Central Government in terms sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit;
  - ii. 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 these books;
  - iii. the Balance Sheet and Profit and Loss Account and Cash flow Statement referred to in this report are in agreement with the books of accounts;
  - iv. in our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with accounts standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - v. on the basis of the written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a. in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
    - b. in so far as it relates to the Profit & Loss Account, of the profit for the year ended on March 31, 2013; and
    - c. in so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

For, Nilkanth Desai & Associates  
Chartered Accountants

[N.P.Desai]  
Proprietor  
M.No. 035862

Place: Surat  
Date: 01/09/2013

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph (3) of our report of eventdate).

1. a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets
- b) All the fixed assets have not been physically verified by the management during the year but there is regular program for verification, which in our opinion is reasonable having regards to the size of the Company and nature of its assets. The Company has substantially completed the reconciliation of its physical inventory of Fixed Assets with the book records. No material discrepancies were noticed on physical verification
- c) During the year, Company has not disposed off any substantial/major part of fixed assets.
2. a) As explained to us, inventory has been physically verified during the year by the management. In our opinion frequency of verification is reasonable.
- b) In our opinion and according to information and explanation given to us and on the basis of our examination the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to size of the Company and the nature of its business.
- c) In our opinion and according to information and explanation given to us and on the basis of our examination of records inventory, the Company is maintaining proper records of inventory. 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 accounts.
3. a) The company has taken unsecured loans of Rs. 17.89 Lacs from 6 directors listed in the Register maintained under 301 of the Companies act, 1956; however company has not granted any loan to parties listed in register maintained under section 301;
- b) In our opinion, the rate of interest and terms and conditions on which loans have been taken are not prejudicial to the interest to company.
- c) According to information and explanation given to us, in our opinion, parties from whom the loans and advances in the nature of loans have been taken, where stipulations are made, the company is regular in repayment of the principal amount and interest as stipulated.
- d) According to information and explanation given to us, in our opinion, there is no overdue amount of loans taken from the parties listed in the Register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according the information and explanation given to us there is an adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets, and with regards to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.

5. a) In our opinion, and according to information and explanation given to us, all the transaction that need to be entered into the register maintained in pursuance of section 301 of the act have been so entered;
- b) As per the examination of records and according to information and explanations given to us the transaction made in pursuance of contract or arrangement entered in the register maintained under section 301 exceeding the value of five lakhs rupees during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. According to information and explanation given to us, in our opinion, the company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975 with regard to the deposits accepted from the public. No order was passed by the National Company Law Tribunal.
7. According to information and explanation given to us, in our opinion, Company has internal audit system commensurate with the size of Company and nature of its business.
8. We have been informed by the management that no cost record have been prescribed by the Central Government under section 209(1)(d) of the companies act, 1956 in respect of products manufactured by the Company.
9. a) As per the records of the Company, the company is generally regular in depositing with appropriate authority undisputed statutory dues including income tax, excise duty, cess and other statutory dues applicable to it except provident fund and VAT where there was delay in depositing with appropriate authorities. [GST Payable for 2005-06 Rs.7733 & CST Payable for 2005-06 Rs.207990,]
- b) According to information and explanation given, there was no disputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty there was no outstanding, as at 31/03/2013 for the period of more than six months.
10. The Company has accumulated losses of Rs.193.06 Lacs in which is less than 50% of its net worth and company has incurred profit during the current year or Rs.53.59 Lacs (Previous year Profit of Rs.46.28 Lacs) and cash Profit of Rs.72.06 Lacs (Previous year of Rs.63.02 Lacs)
11. Based on our audit procedure and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayments of dues to financial institutions and banks.
12. As per the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.



13. According to information and explanation given to us, we are of the opinion that the company is neither a chit fund nor a nidhi/mutual benefit society. Hence in our opinion, the requirements of para 4(xiii) of the order do not apply to the Company.
14. As per the records of the company and the information and explanation given to us by the management the company is not dealing in shares, securities, debentures and other investment.
15. According to information and explanation given to us, as per the records of the company, the company has not given any guarantee for loans by others from bank or financial institutions.
16. To the best of our knowledge and belief and according to information and explanation given to us, No term loan was obtained by the Company during the period under review.
17. According to information and explanation given to us; on overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long-term investment by the company. No long term funds have been used to finance short term assets except permanent working capital.
18. The company has not made any preferential allotments to the parties and companies covered under register maintained under section 301 of the companies act, 1956.
19. As per the records of the company the company has not issued any debenture.
20. The company has not raised money by any public issues during the year.
21. Based upon the audit procedure performed and information and explanations given by the management, we report that no frauds on or by the company has been noticed or reported during the course of our audit.

For, Nilkanth Desai & Associates  
Chartered Accountants

[N.P.Desai]  
Proprietor  
M.No. 035862  
FRN-107086w

Place: Surat  
Date: 01/09/2013

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

Particulars	NOTE	31/3/2013		31/3/2012	
		Rs.	Rs.	Rs.	Rs.
<b>Equity and Liabilities</b>					
<b>1 Shareholder's Fund :</b>					
a Share Capital	1	57,065,000		57,065,000	
b Reserve & Surplus	2	(20,101,788)		(24,660,847)	
c Money received against share warrants			36,963,212		32,404,153
<b>2 Share application money pending allotment</b>					
<b>3 Non Current Liabilities:</b>					
a Long term borrowings	3	22,189,296		18,781,073	
b Deferred Tax Liabilities (Net)					
c Other Long term Liabilities					
d Long term Provisions			22,189,296		18,781,073
<b>4 Current Liabilities:</b>					
a Short-term borrowings					
b Trade payables	4	14,898,118		12,315,154	
c Other current liabilities	5	1,451,377		2,325,984	
d Short-term provisions	6	1,578,279	17,927,774	1,206,239	15,847,377
<b>Total</b>			<b>77,080,282</b>		<b>67,032,603</b>
<b>Assets</b>					
<b>1 Non Current Assets</b>					
<b>a Fixed Assets</b>					
(i) Tangible assets	7	15,978,553		16,451,721	
(ii) Intangible assets					
(iii) Capital Work in Progress					
(iv) Intangible Assets under development					
b Non-current investments	8				
c Deferred tax assets (net)	9				
d Long term loans and advances	10				
e Other non-current assets			15,978,553		16,451,721
<b>2 Current Assets</b>					
a Current investments					
b Inventories	11	12,812,176		15,636,912	
c Trade Receivables	12	39,510,688		28,496,655	
d Cash & Cash Equivalents	13	1,144,740		960,280	
e Short-term loans and advances	14	7,634,126		5,487,035	
f Other current assets			61,101,729		50,580,882
<b>Total</b>			<b>77,080,282</b>		<b>67,032,603</b>

Significant Accounting Policies and Notes forming part of Financial Statements 1 to 46

As per our report of even date

For, Padmanabh Alloys & Polymers Ltd.

As per our report of even date

For, Nilkanth Desai & Associates  
Chartered Accountants  
FRN-107086w

Director Director Director

Place: Surat  
Date: 01/09/2013

[N.P.Desai]  
Proprietor  
MRN-035862

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

Particulars	NOTE	31/3/2013	31/3/2012
		Rs.	Rs.
<b>Continuing Operation</b>			
<b>1 Income</b>			
a Revenue from Operations	15	139,874,524	123,821,805
b Other Income	16	263,848	183,465
c Earning in Foreign Exchange	26	2,928,000	-
<b>TOTAL REVENUE (a+b+c)</b>		<b>143,066,372</b>	<b>124,005,270</b>
<b>2 Expenses</b>			
a Cost of material consumed	17	98,663,304	89,753,704
b Purchase of Stock in trade			(2,818,967)
c Changes in Inventories	18	2,810,709	6,142,856
d Manufacturing expenses	19	5,700,634	3,025,340
e Employee benefit expenses	20	2,394,765	2,293,108
f Finance costs	21	2,744,984	1,674,915
g Depreciation and Amortisation expense	7	1,847,674	8,121,893
h Other Expenses	22	7,484,598	35,000
i Auditor's Remuneration	23	949,004	-
j Directors remuneration	24	15,076,640	11,184,239
k Excise Duty		137,707,312	119,377,087
<b>TOTAL EXPENSES(a+b+c+d+e+f+g+h+i+j+k)</b>		<b>137,707,312</b>	<b>119,377,087</b>
<b>3 Profit before exceptional and extraordinary items and tax</b>		<b>5,359,059</b>	<b>4,628,183</b>
<b>4 Exceptional Items</b>			
<b>5 Profit before extraordinary items and tax (3 - 4)</b>		<b>5,359,059</b>	<b>4,628,183</b>
<b>6 Extraordinary Items</b>			
Prior Period Exp.			
<b>7 Profit before tax (5 - 6)</b>		<b>5,359,059</b>	<b>4,628,183</b>
<b>8 Tax expense:</b>			
a Deferred Tax			
b Current Tax			
c Provision for Tax (MAT)		800,000	
<b>9 Profit(Loss) After tax for the year</b>		<b>4,559,059</b>	<b>4,628,183</b>
<b>10 Earning per equity share:</b>			
a Basic			
b Diluted			

Significant Accounting Policies and Notes forming part of Financial Statements 1 to 46

For, Padmanabh Alloys &amp; Polymers Ltd.

Director Director Director

Place: Surat  
Date: 01/09/2013For, Nilkanth Desai & Associates  
Chartered Accountants  
FRN-107086w[N.P.Desai]  
Proprietor  
MRN-035862CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31st MARCH, 2013

	Year Ended	
	31st March, 2013	31st March, 2012
	Rs.	Rs.
<b>(A) CASH FLOW FROM THE OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax and Extra Ordinary Item	5,359,059	4,628,183
Adjustments for:		
Depreciation	1,847,674	1,674,915
Preliminary Expenses	0	0
Interest Charges	2,744,984	2,293,108
Profit/Loss on sales of fixed assets	0	0
<b>Operating Profit before working capital charges</b>	<b>9,951,717</b>	<b>8,596,206</b>
Adjustments for changes in:		
Trade and Other Receivables	(13,161,124)	(3,492,300)
Inventories	2,824,736	(9,466,959)
Trade Payables	2,080,397	829,123
Cash Generated from operations	1,695,726	(3,533,930)
Direct Taxes Paid	800,000	0
Cash flow before Extraordinary items	895,726	(3,533,930)
<b>Net Cash from Operating Activities</b>	<b>895,726</b>	<b>(3,533,930)</b>
<b>(B) CASH FLOW INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,374,506)	(572,419)
Sales of Fixes Assets	0	0
Interest Received	0	0
<b>Net Cash used in Investing Activities</b>	<b>(478,780)</b>	<b>(4,106,349)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	0	0
Proceeds from Borrowings	3,408,223	6,422,472
Interest paid	(2,744,984)	(2,293,108)
Dividend & Corporate Dividend Tax paid	0	0
<b>Net Cash used in Financing Activities</b>	<b>663,239</b>	<b>4,129,364</b>
Net changes in Cash and Cash Equivalents (A+B+C)	184,460	23,015
Cash & Cash equivalents as at (Opening Balance)	960,280	937,265
Cash & Cash equivalents as at (Closing Balance)	1,144,740	960,280

As per our Report of even date

For, Nilkanth Desai & Associates  
Chartered Accountants[N.P.DESAI]  
Proprietor  
Place: Palsana/Surat

Date: 01/09/2013

B.M.DESAI - Chairman &amp; Wholetime Director

V.D.VASHI - Wholetime Director

C.M.DESAI - Wholetime Director

Place: Surat

Date: 01/09/2013

**PADMANABH ALLOYS & POLYMERS LIMITED**  
Notes to Financial Statements for the year ended March 31st 2013

Particulars	Rs.		Rs.	
	31.03.2013		31.03.2012	
<b>Note 1 : Share Capital:</b>				
<b>Authorised :</b>				
70,00,000 Equity Shares of Rs. 10/- each (Previous Year 70,00,000 Equity Shares of Rs 10 each)		<u>70,000,000</u>		<u>70,000,000</u>
<b>Issued, Subscribed &amp; Paid up :</b>				
<b>Issued Capital:</b>				
60,00,000 Equity Shares of Rs. 10/- each	60,000,000		60,000,000	
<b>Subscribed Capital :</b>				
5413300 Equity Shares of Rs. 10/- each	54,133,000		54,133,000	
<b>Paid up Capital:</b>				
5413300 (Previous Year 5413300) Equity Shares Of Rs. 10 Each Fully paid up	54,133,000		54,133,000	
Less : Allotment Money unpaid.	-		-	
Add: Forfeited Shares A/C (Previous Year 293200 Equity Shares of Rs 10 each)	2,932,000		2,932,000	
	57,065,000	<u>57,065,000</u>	57,065,000	<u>57,065,000</u>
<b>Issued Subscribed &amp; Paid up Capital:</b>				
		<u>57,065,000</u>		<u>57,065,000</u>
<b>Details of shareholders holding more than 5% Shares</b>				
Noble Merchadies India Pvt Ltd	8.32%	450,200	8.32%	450,200
Ibrahim S Darvesh	5.54%	300,000	5.54%	300,000
<b>Total(a)</b>	<b>13.86%</b>	<b><u>750,200</u></b>	<b>13.86%</b>	<b><u>750,200</u></b>
<b>Details of shareholders holding less than 5% Shares</b>				
Others	86.14%	4,663,100	86.14%	4,663,100
	0.00%	-	0.00%	-
<b>Total(b)</b>	<b>86.14%</b>	<b><u>4,663,100</u></b>	<b>86.14%</b>	<b><u>4,663,100</u></b>
<b>Total[(a) + (b)]</b>	<b>100.00%</b>	<b><u>5,413,300</u></b>	<b>100.00%</b>	<b><u>5,413,300</u></b>
<b>The Reconciliation Of the Number of Shares Outstanding is as Below</b>				
Equity Shares at the beginning of the year		541,330		541,330
Add: Shares issue during the years		-		-
Less: Share bought back during the year		-		-
Equity Shares at the closing of the year		<u>541,330</u>		<u>541,330</u>
<b>Note 2 : Reserves &amp; Surplus:</b>				
Profit & loss a/c				
Balance B/f of Previous Year	(24,660,847)		(29,289,030)	
Add: Profit of Current Year	4,559,059		4,628,183	

Notes to Financial Statements for the year ended March 31st 2013

Particulars	Rs.		Rs.	
	31.03.2013		31.03.2012	
<b>Note 3 : Long Term Borrowings</b>				
<b>Unsecured</b>				
Director's Relative	1,463,584		1,027,584	
Loans From Directors	2,143,513		5,318,331	
<b>Secured</b>				
Canar Bank	18,582,199	<u>22,189,296</u>	12,435,158	<u>18,781,073</u>
		<u>22,189,296</u>		<u>18,781,073</u>
<b>Note 4 : Trade Payables</b>				
	14,898,118	<u>14,898,118</u>	12,315,154	<u>12,315,154</u>
		<u>14,898,118</u>		<u>12,315,154</u>
<b>Note 5 : Other Current Liabilities</b>				
	1,451,377	<u>1,451,377</u>	2,325,984	<u>2,325,984</u>
		<u>1,451,377</u>		<u>2,325,984</u>
<b>Note 6 : Short Term Provisions</b>				
	1,578,279	<u>1,578,279</u>	1,206,239	<u>1,206,239</u>
		<u>1,578,279</u>		<u>1,206,239</u>



## Notes to Financial Statements for the year ended March 31st 2013

Particulars	Rs.		Rs.	
	31.03.2013		31.03.2012	
<b>Note 15 : Revenue from Operations</b>				
Sale of Product	139,874,524		123,821,805	
Sale of Services	-		-	
Other Operating Revenue	-		-	
Commission	-	139,874,524	-	123,821,805
		<u>139,874,524</u>		<u>123,821,805</u>
<b>Note 16 : Other Income</b>				
<b>Interest:</b>				
Interest - FD	82,248		31,565	
<b>Others:</b>				
Scrap Sales	167,200		137,500	
Rent Income	14,400		14,400	
Exchange Difference	-		-	
Duty Drawback Received	-		-	
Interest Subsidy	-	263,848	-	183,465
		<u>263,848</u>		<u>183,465</u>
<b>Note 17 : Consumption of Raw Material</b>				
Opening Stock	10,637,332		4,041,745	
Add: Purchases	99,273,709		99,009,050	
Discount On Purchase	(412,612)		(798,341)	
Freight inward	1,693,955		-	
Custom duty	-		-	
Agency Charges	-	111,192,384	-	102,252,454
		<u>111,192,384</u>		<u>102,252,454</u>
<b>Less:</b>				
Purchase Return	2,772,463		2,664,120	
Closing Stock	10,577,197	13,349,660	10,637,332	13,301,452
<b>Total.. (A)</b>		<u>97,842,724</u>		<u>88,951,002</u>
<b>(II) Packing Material Consumed</b>				
Opening Stock	116,622		65,485	
Packing Material Purchase	874,479		853,839	
Less: Closing Stock	170,521	820,580	116,622	802,702
<b>Total.. (B)</b>		<u>820,580</u>		<u>802,702</u>
<b>TOTAL. = (A)+(B)</b>		<u>98,663,304</u>		<u>89,753,704</u>
<b>Note 18 : Changes in Inventory</b>				
Closing Stock of Finish Goods	2,044,729		4,855,438	
Less: Opening Stock of Finish Goods	4,855,438	2,810,709	2,036,471	(2,818,967)
		<u>2,810,709</u>		<u>(2,818,967)</u>

## Notes to Financial Statements for the year ended March 31st 2013

Particulars	Rs.		Rs.	
	31.03.2013		31.03.2012	
<b>Note 19 : Manufacturing Expenses</b>				
<b>Consumption of Stores &amp; Spares</b>				
Opening Stock	27,520		26,252	
Purchase	145,550		159,253	
Less: Closing Stock	19,729	153,341	27,520	157,985
		<u>153,341</u>		<u>157,985</u>
<b>Add:</b>				
Power and fuel	5,492,719		5,769,025	
Repair - Building	-		-	
Repair - Machinery	-		215,846	
Factory Expenses	-		-	
Factory Lease Rent	-		-	
Exchange Loss	-		-	
Export Exp.	54,574		-	
Sampling Charges	-		-	
Jobwork - Weaving	-		-	
Jobwork - Dyeing Charges	-	5,547,293	-	5,984,871
		<u>5,700,634</u>		<u>6,142,856</u>
<b>Note 20 : Employee Benefit Expenses</b>				
Workmen Wages	1,265,003		-	
Salary	213,600		2,771,358	
Gratuity Exp.	94,793		-	
House Rent Allowance	384,576		-	
Leave Encashment Exp.	72,072		-	
Bonus Exp.	123,109		-	
Staff Welfare Exp.	40,532		43,290	
Contribution to Provident Fund	201,080	2,394,765	210,692	3,025,340
		<u>2,394,765</u>		<u>3,025,340</u>
<b>Note 21 : Financial Costs</b>				
Bank Charges	126,002		140,314	
Delay payment Charges	2,930		6,154	
Interest - Bank Loan	1,999,850		1,285,673	
Interest - A/c	614,504		-	
Interest - Other	1,698		51,051	
Interest - Income Tax	-		-	
Interest - Term Loan (Machinery)	-		-	
Interest - Term Loan (Building)	-		-	
Interest - Term Loan (TUF)	-		-	
Interest - Unsecured Loan	-	2,744,984	809,915	2,293,108
		<u>2,744,984</u>		<u>2,293,108</u>

## Notes to Financial Statements for the year ended March 31st 2013

Particulars	Rs.		Rs.	
	31.03.2013		31.03.2012	
<b>Note 22 : Other Expenses</b>				
Accountant Fees	-	-	-	-
Administrator Charges - PF	-	-	-	-
Advertisement	3,280	-	92,840	-
Agency Charges	-	-	-	-
Commission	268,923	-	270,620	-
Clearing & Forwarding Charges	-	-	-	-
Conveyance Expenses	380,777	-	357,647	-
Computer Expense	41,832	-	91,512	-
Claim Charges	402,829	-	-	-
Courier Expense	-	-	-	-
Director Salary	-	-	708,000	-
Director Sitting Fee	8,000	-	5,000	-
Donation	-	-	-	-
Durgapur Depot Exp.	4,780	-	-	-
E.S.I.C Exp.	92,326	-	-	-
Electric Expenses	-	-	-	-
Expense - Export	-	-	55,096	-
Free Sample	17,790	-	2,002	-
Freight Outward	4,852,951	-	-	-
General Exp.	37,173	-	34,193	-
Gram Panchayat Vero	36,601	-	-	-
Income Tax Expense	-	-	-	-
Insurance Expenses	107,139	-	99,686	-
Interest - Creditors	-	-	-	-
Internet Exp.	-	-	-	-
Legal & Professional Fees	163,146	-	203,073	-
Maintenance Expenses	-	-	-	-
Mics. & Other Exp.	46,206	-	20,104	-
Mobile Expenses	-	-	-	-
Membership Fees	73,905	-	34,416	-
Office Expense	-	-	-	-
Petrol Expense	-	-	-	-
Post & Telephone	32,064	-	206,716	-
Repairing Expenses - Machinery	96,677	-	-	-
RCC Expenses	-	-	-	-
Rate and Taxes	-	-	126,585	-
Rent - Generator	-	-	-	-
Salaries	-	-	-	-
Sales Tax Expense	112,555	-	-	-
Security Exp.	140,000	-	180,000	-
Stationery Expenses	53,363	-	27,774	-
Telephone Expenses	180,820	-	-	-
Tempo Bhada Expenses	-	-	-	-
Transport Outward	-	-	5,285,051	-
Travelling Expenses	166,308	-	153,299	-
Vehicle Expenses	158,257	-	81,540	-
Vatav Kasar	6,896	7,484,598	51,739	8,086,893
		<b>7,484,598</b>		<b>8,086,893</b>

Name of the Director	Dr. Hiler K Desai	Mr. Nilesh A Desai
Age	32 yrs	52 yrs
Qualification	B.D.S	B.Com
Expertise in specific functional area	Professional	Retired
Chairman / Member of Committee of the Board of Directors of the Company	1	-
Chairman / Member of Committee of Directors in Other Company	-	-

**Board Meeting held during year 2012-2013**

During the year 2012-13 five Board Meetings were held 14th May, 2012, 14th August 2012, 1st September 2012, 12th November 2012 and 9th February, 2013.

**BOARD COMMITTEES**

**Audit Committee:** The Audit committees comprises of Mr.Pravin G Desai and Mr.N.A.Desai all being Non-Executive and Independent Directors, Mr.Pravin G Desai is the Chairman of the Audit Committee. The role and terms of reference of the Audit Committee covers the areas 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 Audit Committee met 4 times during the year 2012-2013 on 14/05/2012, 13/08/2012, 12/11/2012 and 09/02/2013, all the directors have attended the meetings.

**Shareholders Committee**

Shareholder/Investor Grievances Committee is headed by Dr.Hiler K Desai, a Non-Executive Director and Mr.Dilip K Desai an Independent Director & Mr.Mihir Mehta was the Compliance Officer.

Complaints received from shareholders and investors during the year 2012-13 have generally been solved to the satisfaction of the Complainants.

All valid requests for share transfer received during 2012-2013 have been acted upon by the Company and no such transfer is pending.

**Remuneration Committee**

Matters of remuneration of Executive Directors are considered by the Board of Directors of the Company with the interested Executive Director(s), not participating or voting. The terms of remuneration of Executive Directors are approved by the Shareholders at the Annual General Meeting. Therefore no separate remuneration committee has been constituted.

The remuneration policy of the Company is based on the need to attract the best available talent and

Name of the Director	Sitting Fees Rs.	Salaries, Allowances and Perquisites Rs.	Commission Rs.	Total Rs.
Mr.V.D.Vashi	-	4,80,000	-	4,80,000
Mr.C.M.Desai	-	3,80,000	-	3,80,000
Mr.B.M.Desai	-	-	-	-
Mr.P G Desai	2,000	-	-	2,000
Mr.D.K.Desai	3,000	-	-	3,000
Dr.H K Desai	1,000	-	-	1,000
Mr.N.A.Desai	4,000	-	-	4,000
Mr.H R Desai	-	1,80,000	-	1,80,000

**GENERAL BODY MEETINGS**

Location and time of three Annual General Meeting / General Meeting are as under:

Year	Venue	Date	Time
2011-2012	Palsana	28 <sup>th</sup> September, 2012.	11.00 AM
2010-2011	Palsana	30 <sup>th</sup> September, 2011.	11.00 AM
2009-2010	Palsana	18 <sup>th</sup> September, 2010	11.00 AM

There was no resolution put through postal ballot.

**Disclosures**

During the year 2012-2013, the Company had no materially significant related party transaction which is considered to have potential conflict with the interest of the Company at large. Attention is drawn to Note 8 to schedule 15 to the Accounts.

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

The Company has adopted a code of conduct for its director and employees. This code of conduct has been communicated to each of them.

**MEANS OF COMMUNICATION**

The Quarterly, Half-yearly and Annual Results are generally published by the Company in the Indian Express, Vadodara and in Satyam Times, Surat. The Company currently does not have a website. Official news releases are sent to the stock exchanges at Mumbai, Vadodara where shares of the Company are listed.

**Management Discussion and Analysis Report**

(Within the limits set by the Company's competitive position)

Industry structure and developments, opportunities and threats, segment-wise or product-wise performance, outlook, risks and concerns of the Company and discussion of financial performance with respect to the operational performance, has been covered in the Directors' Report more specially under the section on management discussion and analysis. The Company has an adequate internal control system. There has been non material development Resources / Industrial relations during the period covered by this Annual Report. Manpower source of the Company as on 31.03.2013 was 25

**33. CONTINGENT LIABILITIES:**

	[Rs. In Lacs]	
	As at 31/03/2013	As at 31/03/2012
Contingent liabilities	-	-
Sales Bills Discounted and remaining unpaid	NIL	NIL
34. Provision for taxation has been made	8,00,000	NIL
35. The Company has during the year adopted Accounting Standard (AS -22) "Accounting for taxes on income" issued by the Institute of Chartered Accountant of India, However in vi ew of loss during the year and also in past, no deferred tax liability or assets has been created.	NIL	NIL

**36. Earning per share**

a. Profit / (Loss) after taxation as per profit and loss account	45,59,059	46,28,183
b. Weighted average number of equity shares outstanding	54,13,300	54,13,300
c. Basic and diluted earning per shares in rupees (Face value – Rs.10 per share)	0.84	0.85

37. There was no impairment loss on Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.

38. SEGMENT REPORTING: The Company operates in a single segment – Polymer Masterbatch and Compound Products.

**39. RELATED PARTY DISCLOSURES:**

Related party disclosures are required by AS- 18 are given below:

a. RELATIONSHIP:		
i. Directors and Executives and their relatives.		
1. Mr.V.D.VASHI	3. Mr.C.M.DESAI	
2. Mr.B.M.DESAI	4. Mr.HEMAL DESAI	
5. Mr.HILER K DESAI	6. Mrs.KRETA H DESAI	
b. The following transactions were carried out with related parties in the ordinary course of business.		
i. Details relating to person referred to in item 1(ii) above		
- Remuneration / Sitting Fees	10,50,000	7,08,000
- Outstanding Loan Payable	17,89,512	53,18,331
- Job Work	16,65,366	7,57,746
- Rent Receivable	14,400	-

	As at 31/03/2013	As at 31/03/2012
40. Auditors Remuneration:		
Audit Fees	20,000	20,000
Taxation Matters	5,000	5,000
Tax Audit Fees	8,000	8,000
Other Services	<u>2,000</u>	<u>2,000</u>
	35,000	35,000
41. Previous Year figures have been regrouped / rearranged wherever necessary, so as to make them comparable with current year's figure.		
42. Letters of confirmation have been sent to various parties of Sundry Debtors, Loans, Advances and Deposits, due adjustment if any will be made on receipt thereof.		
43. The Sundry Creditors includes (Amount due to Small Scale Units) Small Scale Units over Rs.1 Lacs and outstanding for more than 30 days (as per information available)	-	-
44. Directors Remuneration:		
Salaries and Allowances	10,40,000	7,08,000
Commission	Nil	Nil
Sitting Fees	10,000	8,000
45. a) Debt due from a company in which any Director is a Director	Nil	Nil
b) Debt due from Directors (Maximum amount due during the period Rs.Nil)	Nil	Nil

46. Additional information pursuant to the provisions of paragraph (3) and (4) of the Para – II of Schedule VI of the Companies Act, 1956.

## NOTE – 46

NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2013 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE:

## 1. SIGNIFICANT ACCOUNTING POLICIES:

- a. BASIS OF ACCOUNTING: The financial statements are prepared under historical cost convention and accrual system of accounting in accordance with the requirement of the companies act, 1956, however
  - i. Sales rejections are accounted on actual receipt of rejected goods.
  - ii. Price differences are accounted on actual settlement with the parties.
  - iii. Export Incentives, Insurance and other claims are accounted on cash basis.
- b. FIXED ASSETS & DEPRECIATION:
  - i. All fixed assets are shown at cost net of Cenvat less accumulated depreciation.
  - ii. Depreciation on all fixed assets except Building and Plant & Machinery has been calculated on the WDV method at the rates and in the manner specified in the schedule XIV to the Companies Act, 1956.
  - iii. Depreciation on Building and Plant & Machinery has been provided on Straight Line Method at the rates and in the manner specified in the schedule XIV to the Companies Act, 1956.
- c. INVENTORIES:
 

- Raw Material & other material	-	at Cost
- Semi Finished Goods	-	at Cost
- Finished Goods	-	at lower or cost or Market Value

The cost for the purpose of valuation of Finished goods & semi finished goods includes material cost and direct conversion cost and overheads incurred for bringing goods to there present location and condition as well as excise duty wherever applicable.

- d. FOREIGN CURRENCY TRANSACTIONS: Foreign currency transactions are accounted at the rate of exchanged in force at the time transactions are effected.
- e. RETIREMENT BENEFITS: Provision for gratuity is made on the basis of an actual basis.
- f. CENVAT CREDIT: Cenvat credit available is accounted by recording materials purchase at net of excise duty. Cenvat credit availed is accounted by way of adjustment



- g. SALES: Sales of goods is recognized at the point of dispatch to the customer. Sales include excise duty but exclude sales tax.
- h. IMPAIRMENT OF FIXED ASSETS: Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

i. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

**Provisions:- Provision is recognised when**

- i. The Company has a present obligation as a result of past event;
- ii. It is probable that an outflow of resources embodying economic benefit is expected to settle the obligation,
- iii. A reliable estimate can be made for the amount of obligation.

Provisions are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date.

**Contingent liability:- Contingent Liability is disclosed in the case of**

- i. As present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- ii. A possible obligation unless the probability of outflow of resources is remote.

Contingent assets:- Contingent Assets are neither recognised nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

(A) Details regarding Licenced capacity, Installed capacity, Product etc.

Product	Unit	Year Ended 31-03-13		Year Ended 31-3-12	
		Qty	Value	Qty	Value
1. Mineral Filled Thermoplastics Compound & Masterbatches					
Licenced Capacity	MT	N.A.	-	N.A.	-
Installed Capacity	MT	6900.000	-	6900.000	-
Opening Stock of FG	MT	52.121	16.12	30.361	12.03
Production	MT	1877.388	1418.42	1981.885	1242.31
Turnover	MT	1907.838	1428.02	1960.125	1238.22
Closing Stock of FG	MT	21.671	6.52	52.121	16.12

Note: Turnover and Production includes Job Work Sales

2. Goods for resales					
Opening Stock	MT	-	-	-	-
Purchase	MT	32.794	27.72	33.754	26.64
Sales	MT	32.794	27.72	33.754	26.64
Closing Stock	MT	-	-	-	-

+ as certified by a Director on which Auditors have placed reliance, this being a technical matter.

(A) Consumption of Raw Materials:

Polyethene, Granules, Minerals & Additives	MT	2013.191	99273709	2151.842	89753704
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(B) Value of Imports on CIF Basis

1. Raw Material			Nil	Nil
2. Components & Spare Parts			Nil	Nil
3. Capital Goods			Nil	Nil

(C) Expenditure in Foreign Currency

(D) Value of Raw Materials, Stores & Spares consumed:	%			
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Raw Material				
Imported	-			
Indigenous	100	9,92,73,709		8,97,53,704
Stores & Spares				
Imported	-			
Indigenous	100	1,53,341		1,57,985

(E) Amount remitted in Foreign Currency towards dividend			Nil	Nil
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(F) Earnings in Foreign Exchange FOB value Export of Goods			29,28,000	97,43,378
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Note: Schedule 1 to 10 and 15 referred to above form as integral part of the Balance Sheet  
As per our Report of even date

for Nilkanth Desai & Associates  
Chartered Accountants

B.M.DESAI - Chairman & Wholetime  
Director

(N.P.DESAI)  
(Proprietor)

Mr. C.M.DESAI -Wholetime Director

PLACE: SURAT

Mr. V.D.VASHI -Wholetime Director

DATE: 01/09/2013

**BALANCE SHEET ABSTRACT  
AND**

**COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS**

Registration No.	2	3	5	4	0
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State Code	0	4
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Balance Sheet Date	3	1	0	3	2	0	1	3
	Date	Month	Year					

**II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**III. POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (Amount Rs. In Thousands)**

Total Liabilities	79254	Total Assets	79254
<b>SOURCE OF FUNDS</b>			
Paid up Capital	57065	Reserve & Surplus	NIL
Secured Loans	18582	Un-secured Loan	3607
<b>APPLICATION OF FUNDS</b>			
Net Fixed Assets	15978	Investments	NIL
Net Current Assets	43975	Misc. Expenditure	NIL
Accumulated Loss	19301		

**IV. PERFORMANCE OF THE COMPANY (Amount Rs. in Thousands)**

Turnover/other Income	140255	Total Expenditure	134896
Profit / (Loss) Before Tax	5359	Profit & Loss after Tax	5359
Earning per shares (Rs.)	0.99	Dividend Rate %	NIL

**V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (As per monetary terms)**

Product Description	Item Code No. (ITC Code)
Polythelene having specific gravity of less than 0.94	390110.00
Polythelene having specific gravity of 0.94 more	390120.00
Polymers of Vinyl Chloride or o f other Halogenated Olefins Primary Forms	3904

**PADMANABH ALLOYS & POLYMERS LTD.**

Registered Office: N.H.No.8, Village: Palsana – 394315, Dist.Surat (Gujrat)

17<sup>th</sup> Annual General Meeting  
Saturday, 28<sup>th</sup> September, 2013 at 11.00 a.m.

Place: At the Registered Office of the Company at:  
N.H.No.8, Village: Palsana – 394315,  
Dist.Surat (Gujarat)

Signature of Member / Proxy attending the meeting \_\_\_\_\_

**Notes:**

1. This meeting is only for members. Please, therefore, do not bring person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the company at the entrance of the meeting place.

**PADMANABH ALLOYS & POLYMERS LTD.**

Registered Office: N.H.No.8, Village: Palsana – 394315, Dist.Surat (Gujrat)

**FORM OF PROXY**

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
being member/s of the above named Company hereby appoint \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_

as my/our Proxy to attend and vote for me/us on my/our behalf at the 18<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, 28<sup>th</sup> September, 2013 and at any adjournment thereof.

Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature \_\_\_\_\_



**N.B.:** This proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.