



Annual Report 2012-2013

PUNEET RESINS LIMITED



Mahendra Kapoor
Chariman



Aditya Kapoor
Managing Director

BOARD OF DIRECTORS



Nakul Kumar
Director



Dilip Shah
Director



Arvind Kapoor
Director



Jayesh Dadia
Director

COMPANY SECRETARY

Auditors

B.DJokharkar & Co.
Chartered Accountants

AUDITORS & BANKERS

Bankers

Company Secretary
Nilesh Jain

Saraswat Co-op. Bank Ltd
Central Bank of India
Kotak Mahindra Bank

Registrar & Share Transfer Agent

Link Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W)
Mumbai 400078
Tel: (022) 2594-6970
E-Mail: Mumbai@linkintime.co.in

SHARE
TRANSFER
AGENT
REGISTRAR &

PLANTS & OFFICES

Satpur Plant & Registered Office

W-75(A) & W-76(A)
MIDC Industrial Area
Satpur, Nasik 422007

Wadivare Plant

Nasik Highway
Wadivare Village
Taluka Igatpuri, Nasik

Corporate Office

84, Atlanta
Nariman Point
Mumbai 400021

ANNUAL REPORT 2012-13

28th Annual Report

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NOTICE

Notice is hereby given that the Twenty Eight Annual General Meeting of Puneet Resins Ltd. will be held on Monday, 12th Day of August, 2013 at 10.00 a.m., at Hotel IBIS Nashik, Plot No. 9, Nashik Triambakeshwar Road, Village Satpur (Near MIDC Office), Nashik 422 007 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with Notes annexed thereto as well as the Directors' and Auditors' Reports attached therewith.
2. To declare the payment of dividend on equity shares.
3. To appoint a Director in place of Mr. Mahendra Kumar Kapoor, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. D P Shah, who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. Nakul Kumar, who retires by rotation and is eligible for reappointment.
6. To re-appoint M/s. B.D. Jokhakar & Co. Chartered Accountants (Firm Registration No. 104345W) as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit to pass with or without modification, the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), and any statutory modification or re-enactment thereof and subject to the approval of the Central Government, if required, consent of the Shareholders be and is hereby accorded for reappointment of Shri Aditya Arvind Kapoor as Managing Director of the Company for a period of three year with effect from April 1, 2013 on the following terms and conditions, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment:-

a) Basic Salary: ₹1,50,000/- per month.

b) Allowances & Perquisites:

1. House Rent Allowance at 50% of basic salary.
2. Special allowance up to ₹ 10,000/- per month.
3. Reimbursement of the medical expenses for self and dependent family members as per the rules of the Company.
4. Fees of the Club other than admission and life membership fees subject to maximum of two clubs.
5. Leave Travel Assistance (LTA) for self and family once in a year as per the rules of the Company.
6. Mediclaim and Personal Accident Insurance for self and family as per the rules of the Company.
7. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
8. Stock options (ESOP's) in accordance with the ESOP scheme to be framed by the Company at any given point of time and subject to the approval of the shareholders.
9. Contribution to the Provident Fund as per the rules of the Company.
10. Gratuity not exceeding half a month's basic salary for each completed year of service. Contribution to Provident Fund and Gratuity will not be included in the computation of perquisites to the extent these singly or put together are not taxable under Income Tax Rules, 1962.

11. Provision of a car with chauffer for Company's business.
12. Reimbursement of mobile telephone expenses and fixed landline connection at residence and it is not to be considered as perquisites.
13. Reimbursement of expenses for utilization of Gas, Electricity, Water, furnishings and repair.
14. Leave unavailed, can be encashed as per the rules of the Company.

The remuneration payable to Shri Aditya Arvind Kapoor is subject to overall ceiling of ₹ 30 Lacs per annum as minimum remuneration in line with the applicable provisions of Schedule XIII of the Companies Act, 1956 as amended from time to time, with liberty to the Board of Directors to alter or vary the terms and conditions of the remuneration as may be prescribed for minimum remuneration in case of inadequacy of profits as may be made applicable at that time and as is acceptable to Shri Aditya Arvind Kapoor and subject to the approval of the Central Government, if any required.

- c) Notice Period: 3 months on either side or gross salary in lieu thereof.
- d) Commission: As determined by the Board from year to year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956.
- e) So long as Mr. Aditya Arvind Kapoor functions as the Managing Director of the Company he shall not be subject to retirement by rotation and shall not be paid any fees for attending the meetings of the Board of Directors of the Company or any committee(s) thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during his tenure as Managing Director, the remuneration as aforesaid payable to Mr. Aditya Arvind Kapoor as Managing Director shall be minimum remuneration and shall not exceed limits as set out in Schedule XIII to the Act, as may be amended from time to time or such other higher limits as may be approved by the Central Government.

RESOLVED FURTHER THAT subject to the provisions of section 318 of the Companies Act, 1956, in the event of loss of office of the Managing Director, he shall be paid compensation as may be agreed between him and the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby given general power to increase his remuneration subject to rules & regulation & to accept modifications as may be suggested/ directed by the Central Government or any other authority in terms and conditions of appointment without referring to shareholders.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, things as may be necessary in connection with the aforesaid resolution for reappointment of the Managing Director."

For and on behalf of the Board of Directors

Place: Mumbai
Date: 27th May, 2013

Mahendra Kumar Kapoor
Chairman

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.7:

The Shareholders had at the 25th Annual General Meeting held on 19th July, 2010 approved the appointment of Shri Aditya Arvind Kapoor as Managing Director of the Company for a period of three years w.e.f 1st April, 2010 to 31st March, 2013 and also remuneration payable to him.

In recognition of the significant contribution made by the Managing Director, your Board of Directors at its Meeting held on 4th February, 2013, after taking into account the recommendations of the Remuneration Committee, considered and approved the re-appointment of Shri Aditya Arvind Kapoor as a Managing Director, subject to the approval of the Members for a period of three years effective from April 1, 2013 on the terms and conditions as mentioned in the abstract dated 4th February, 2013 as required under Section 302 of the Companies Act, 1956.

Shri Aditya Arvind Kapoor has completed his Bachelor of Science from Rose Hulman Institute of Technology, USA. Mr. Kapoor possesses 8 years of industrial and managerial experience in the sector. The Board is of the view that Shri Kapoor's knowledge and experience will be of immense benefit and value to the Company and therefore recommends his appointment to the shareholders.

Shri Aditya Arvind Kapoor shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings.

Except Shri Mahendra kumar Kapoor, Chairman, Shri Arvind Mahendra Kapoor, Director and Shri Aditya Arvind Kapoor, Managing Director, no other Director of the Company is concerned and / or interested in the above appointment.

The proposed resolution is required to be passed as a Special Resolution in terms of the provisions of Schedule XIII of the Companies Act, 1956 and as such your Directors recommend the Resolution contained in Item No. 7 of the Notice convening the Annual General Meeting for your approval.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 27th May, 2013

Mahendra Kumar Kapoor
Chairman

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant details in respect of item Nos. 3, 4 & 5 as required by Clause 49 of the Listing Agreement entered into with Stock Exchange are provided in the Corporate Governance Report.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
5. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at Registered Office of the Company on all working days, except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
6. The Register of Members and Share Transfer Books of the Company will be closed from 3rd August, 2013 to 12th August, 2013 (both days inclusive).
7. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 19th August, 2013 to those Members whose names stand registered on the Company's Register of Members:
 - i. As Beneficial Owners as at the end of the business hours on 2nd August, 2013 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in Dematerialized form.
 - ii. As Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before 3rd August, 2013.
8. The members are requested to:
 - a. Intimate to the Company's Registrars and Share Transfer Agents M/s Link Intime India Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date;
 - b. Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
 - c. Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
 - d. Get the shares transferred in joint names, if they are held in single name to avoid inconvenience;
 - e. Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
 - f. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
 - g. Furnish their Bank Account Number, the name of the Bank and the Branch where they would like to deposit the Dividend Warrants for encashment. These particulars will be printed on the cheque portion of Dividend Warrants, besides the name of the Shareholders so as to avoid fraudulent encashment of warrants. The above mentioned details should be furnished by the first / sole shareholder, directly to the Registrar & Share Transfer Agents, quoting the folio number.
9. Members are advised to submit their National Electronic Clearing System (NECS) mandates, to enable the Company to make remittance by means of NECS. Those holding shares in physical form may obtain and send the NECS mandate form to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company. Those holding shares in Electronic Form may obtain and send the NECS mandate form directly to their Depository Participant (DP). Those who have already furnished the NECS Mandate Form to the Company/ Registrar & Share Transfer Agent/DP with complete details need not send it again.

10. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
11. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s. Link Intime India Private Ltd.
12. The Equity Shares of the Company are listed on The Bombay Stock Exchange. The listing fee has been paid up to date.
13. A member desirous of getting any information on the accounts or operations of the Company is required to forward his/her queries to the Company at least seven days prior to the meeting so that the required information can be made available at the Meeting.
14. **“GO GREEN” initiative of the Ministry of Corporate Affairs (MCA) :**

The Ministry of Corporate Affairs (MCA) has vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 announced a “Green Initiative in Corporate Governance” allowing companies paperless compliance by sending documents to shareholders through electronic mode to the registered e-mail addresses of shareholders.

This is a welcome move as it will benefit the society at large through reduction in paper consumption and contribution towards a greener environment. Your Company has started sending correspondence and documents such as Notices of General Meetings, Annual Reports and other shareholder communications to the shareholders in electronic form to their respective e-mail address registered with Depository Participant.

The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly provide their e-mail IDs to the RTA sending an e-mail at investor@puneet.in

Please note that as a member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report and other documents of the Bank, proposed to be sent through e-mail, upon receipt of a requisition from you, at any time. The Annual Reports of the Company and other documents proposed to be sent through e-mail would also be made available on the Company’s website: <http://www.puneet.in>.

We are sure you would appreciate the Go Green Initiative taken by MCA. We solicit your patronage and support in helping the Company to implement the e-governance initiatives of the Government.

Those shareholders who have though registered e-mails with DP, but written to the Company / RTA for receipt of communication in physical form will be sent this notice physically.

Additional information to be furnished pursuant to schedule XIII, part II, Section II, Point 1 (B) of the Companies Act, 1956

I. GENERAL INFORMATION:

(1) Nature of industry

The company is engaged in the manufacture of polymer blends and supplies industrial raw materials and polymer compounds to the rubber industry.

(2) Date or expected date of commencement of commercial production

The company's plant is situated at Nasik (Maharashtra) and also operational.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable

(4) Financial performance based on given indicators

Particulars	AUDITED AS ON 31-03-2013 (₹)	AUDITED AS ON 31-03-2012 (₹)	AUDITED AS ON 31-03-2011 (₹)
Sales and other income	44,48,69,414	61,79,46,862	52,89,07,304
Profit Before Tax	3,45,07,331	8,78,08,183	7,43,42,263
Profit after Tax	2,25,55,635	5,93,63,434	5,19,52,941
Earnings Per Share	4.32	11.38	9.96

(5) Export performance and net foreign exchange collaborations.

Particulars	2012-13 (₹)	2011-12 (₹)	2010-11 (₹)
Foreign Exchange Earnings (Exports)	10,69,93,319	14,01,09,765	9,69,92,125
Foreign Exchange Outgo (CIF Value of Imports)	28,14,23,481	39,42,26,854	38,60,04,434

(6) Foreign investments or collaborators, if any.

NIL

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details

Shri Aditya Arvind Kapoor is well qualified to discharge the duties of Managing Director and possesses almost 8 years of experience in the Rubber and Polymers Industry. He did his Bachelor of Science from Rose Hulman Institute of Technology, USA. He has been actively participating in the Management of the affairs of the company and has been personally responsible for development of export business of the company.

(2) Past Remuneration

Shri Aditya Arvind Kapoor has been previously reappointed as Managing Director for a period of 3 years w.e.f. 1st April, 2010. His appointment and remuneration has been recommended by the Remuneration Committee and has been approved by the Shareholders by way of Special Resolution passed at 25th Annual General Meeting held on 19th July, 2010.

The remuneration paid to Shri Aditya Arvind Kapoor during the last 3 years is as follows:

Particulars	2012-13 (₹)	2011-12 (₹)	2010-11 (₹)
Salary	16,80,000	14,40,000	10,80,000
Perquisites and Allowances	14,65,997	12,64,320	9,70,541
Commission	-	17,00,000	13,00,000
Total	31,45,997	44,04,320	33,50,541

(3) Recognition or awards

Due to his expertise as well as thorough understanding of markets, he is widely recognized in the Coating and polymers industry.

(4) Job profile and his suitability

Company is currently involved in import, manufacturing and supply of industrial raw material and polymer compounds to the Rubber Industry. The incumbent to the post of Managing Director has to have good knowledge of undergoing trends in the International market and Indian Rubber Industry besides managerial skills to grow the business. Shri Aditya Arvind Kapoor has good experience in International trade and contacts among suppliers from different countries as well as customers for their products. This makes him suitable for the position of Managing Director. He has the required experience and knowledge which will immensely benefit the Company.

(5) Remuneration proposed

The remuneration proposed to be paid to Shri Aditya Arvind Kapoor subject to the approval of the Shareholders and the Central Government (If required) as stated out in the Special Resolution proposed to be passed and stated in the accompanying notice of the Annual General Meeting.

(6) Comparative remuneration profile with respect to industry, size of the company,

The remuneration commensurate with companies with similar size of operations.

(7) Profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

The job consists of identification of markets for products, pricing policy and negotiating with suppliers and as well as supervision and management of all supply chain functions.

Shri Aditya Arvind Kapoor being associated with the industry for more than 8 years and also has an understanding of the dynamics of the markets and as well as contacts within the industry which could be of immense help in discharging the job responsibilities of the position of Managing Director. Also since he possesses relevant technical background, he has the understanding of the product and the adherence for quality standards.

(8) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Shri Aditya Arvind Kapoor and his family members are promoters and he and his family members are the shareholders in the Company. His father Shri Arvind Mahendra Kapoor is a director of the company and his grandfather Shri Mahendra Kumar Kapoor is the non-executive chairman of the Company.

He has no relationship with any managerial personnel employed with the Company.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits

Due to sluggish market conditions the turnover has decreased as compared to last year and the margins are under pressure.

These are the primary reasons for inadequate profits.

(2) Steps taken or proposed to be taken for improvement

In the short term, Company proposes to increase number of items for trading activities. However for the long term growth company is looking for various new project proposals.

(3) Expected increase in productivity and profits in measurable terms

Company expects to improve its profitability; however, it is difficult to predict the improvement in measurable terms as profits largely depend on market dynamics.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 27th May, 2013

Mahendra Kumar Kapoor
Chairman

DIRECTORS' REPORT

To,

The Members,

Puneet Resins Limited

Your Directors have pleasure in presenting their Twenty-Eight Annual Report, together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2013.

FINANCIAL RESULT: The summarized financial results of the company for the year ended 31st March, 2013 are presented below:

	(₹ in Lacs)	
Particulars	2012-2013	2011-2012
Sales and other income	4448.69	6179.47
Profit before Depreciation, Interest and Tax	395.41	938.79
Less: Depreciation	33.75	35.39
Interest	16.59	25.32
Profit before Tax	345.07	878.08
Less: Provision for Tax (Including Income Tax, Deferred Tax etc.)	119.52	284.45
Profit after Tax	225.55	593.63
Add: Balance Brought forward from the previous year	914.42	498.84
Profit available for Appropriation	1139.97	1092.47
Appropriation		
Transfer to General Reserve	10.00	75.00
Proposed Dividend 12 % (Last Year 17%)	62.59	88.67
Dividend Distribution Tax	10.63	14.38
Balance carried forward to Balance Sheet	1056.75	914.42

REVIEW OF OPERATIONS

The Indian Economy is projected to grow at 5% for the current fiscal 2013-14, the lowest in a decade. It grew at 6.2% last year as compared to 9.3% in 2010-11. Global economic growth also slowed from 3.9% in 2011 to 3.2% in 2012.

The cumulative production data of the Auto Industry for April-March 2013 shows production growth of only 1.20% over the same period last year. While in March 2013 overall sales fell by (-) 7.76 % over March 2012. (Source: www. siamindia.com) This sluggishness in the Automobile Sector has also affected the performance of the Rubber Industry resulting in reduction in demand and profit margins for your company's products. Your company's turnover also decreased from ₹ 6148.69 Lacs in the last year to ₹ 4397.93 Lacs in the current year. The Profit before tax (PBT) for the period under review has decreased from ₹ 878.08 Lacs in previous year to ₹ 345.07 Lacs in the current year.

In view of current volatility in price of raw materials and foreign currency rates your Company is making all efforts to improve the turnover and profitability in the current financial year.

DIVIDEND

The Board of Directors of the Company recommend, for consideration of shareholders at the 28th Annual General Meeting, payment of dividend of 12 % (₹ 1.20/- per Share) on the Equity Shares of the face value of ₹ 10/- each for the year ended 31st March 2013. The Dividend paid during the previous year was 17% (₹ 1.70 Per Share).

DIRECTORS

Mr. Mahendra Kumar Kapoor, Mr. D P Shah and Mr. Nakul Kumar will retire by rotation and being eligible, offers themselves for reappointment. All the appointments of the company are in compliance with the provisions of Section 274(1) (g) of the Companies Act, 1956.

The relevant details of the above Directors are given in the Corporate Governance Report attached herewith.

DIRECTORS' RESPONSIBILITY STATEMENT U/S 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to the provisions of Section 217 (2AA) of Companies Act, 1956, as amended, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- 1) In the preparation of the accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as 31st March, 2013, and of the profits of the Company for the year ended 31st March, 2013;
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) The Directors have prepared the annual accounts for the financial year ended 31st March, 2013, on a going concern basis.

DEPOSITS

During the year the Company has not accepted deposits from the Shareholders and others and that the Company has complied with the provisions of section 58A of the Companies Act, 1956 and the rules made thereunder.

STATUTORY AUDITORS

M/s. B. D. Jokhakar & Co., Chartered Accountants, existing Statutory Auditors of the Company, will retire at the conclusion of the ensuing (27th) Annual General Meeting and seeks reappointment as Statutory Auditors of the Company at the ensuing Annual General Meeting.

The Company has received confirmation from M/s. B. D. Jokhakar & Co. to the effect that their appointment if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act 1956.

The observations and comments given in the Auditors Report read together with the notes to the accounts are self explanatory and hence do not call for any further information and explanation under section 217(3) of the Companies Act, 1956.

COST AUDITORS

In terms of the Order No. 52/26/CAB-2010 dated 6th November, 2012 issued by the Ministry of Corporate Affairs (MCA) (Cost Audit Branch) Govt. of India, your company has appointed M/s C Y & Associates (Firm Registration No. 000334) for undertaking audit of the Cost Accounting Records maintained by the company for the financial year 2013-14.

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

As required under Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure 'A' hereto and forms part of this report.

EMPLOYEES

The relations between the Company and its employees continue to be cordial. There were no employees during the year drawing remuneration more than prescribed under Section 217 (2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE REPORT

A report on the Corporate Governance along with the Certificate from the Statutory Auditors is separately given in the Annual Report.

ACKNOWLEDGEMENTS

The Directors express their appreciation for the sincere co-operation and assistance of Government Authorities, Bankers, Customers, Suppliers, Business Associates and the efforts put in by all the employees of the Company. The Directors also take this opportunity to thank the Company's Bankers for their valuable advice, guidance and support extended to the Company. Finally, the Directors express their gratitude to all our valued shareholders for their confidence and continued support to the Company.

For & on behalf of the Board of Directors

Place: Mumbai
Dated: 27th May, 2013

MAHENDRA KUMAR KAPOOR
CHAIRMAN

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of Directors' Report for the year ended 31st March, 2013.

A. CONSERVATION OF ENERGY

The use of energy is being optimized through improved operational methods. Continuous efforts are being made to optimize and conserve energy by improvement in production process.

B. TECHNOLOGY ABSORPTION

a) Research and Development

1. Specific areas in which R&D carried out by the Company:

The Company does not have a separate R&D Department; however, it uses quality Control Laboratory for developmental work. Company has been developing new grades of Polymer Compounds to meet customer's specific end use requirements.

2. Benefits derived as a result of above R&D:

The Company has successfully developed new grades, for different end use applications.

3. Future plans of action:

Focus is on development of new grades and to optimize the production capacity of the existing plant.

4. Expenditure on R&D:

No system of separate maintenance of accounts has been developed yet. The expenditure is merged with various other heads of expenses.

b) Technology absorption, adaptation and innovation

1. The efforts in brief towards technology absorption, adaptation and innovation.

The Company has developed in house technologies for the manufacture of its products.

2. Benefits derived as a result of above efforts e.g. output improvement, cost reduction, product development.

The Company has introduced new grades for exports market.

3. Details of imported technology:

There was no import of technology during the year.

C. DETAILS OF POWER AND FUEL CONSUMPTION

Particulars	2012-2013	2011-2012
1. Electricity		
a) Purchased Unit (KWH)	2,78,086	3,10,909
Total amount (₹)	20,55,604	20,40,270
Rate/Unit (₹)	7.39	6.56
b) Own generation	Nil	Nil
2. Consumption per kg. of finished goods produced	0.25 KWH	0.25 KWH

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lacs)

Particulars	2012-2013	2011-2012
1. FOREIGN EXCHANGE EARNINGS		
Foreign Exchange earnings during the year	1069.93	1401.10
2. FOREIGN EXCHANGE OUTGO		
Value of Imports calculated on CIF basis		
Raw Material	1030.80	1263.35
Trading Goods	1783.43	2678.91
Sales Commission	Nil	4.58

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your company is in the business of manufacturing polymer blends for the rubber & plastics industries, and trading / distribution of complementary product lines to its customers.

The polymer blends are used in the manufacture of petrol hoses, LPG tubing, O-rings, seals & gaskets, printing & textile rollers, cable sheathing, automotive components, etc.

INDUSTRY STRUCTURE

The Rubber industry can be broadly classified in tyre and non-tyre sectors. While tyre sector is dominated by few large tyre companies the non-tyre sector consists of number of medium and small units. This non tyre-sector consists of about 6000 units which manufacture about 35000 different rubber products. The company sells polymer blends to the medium and small scale sector which accounts for over 50% of production of rubber goods in non-tyre industrial products.

Due to fragmented structure of the user industry the market is highly price competitive.

FINANCIAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements to the Companies Act, 1956 and generally accepted Accounting Principles in India.

Fixed Assets

During the year the Fixed Assets increased marginally by ₹ 1.21 lacs.

Inventories

During the year total inventories decreased to ₹ 699.14 Lacs from ₹ 1316.99 Lacs in last year.

Sundry Debtors

The Sundry Debtors are at 17 % of sales as at 31st March, 2013.

Financial performance

Profit before taxation (PBT) for the current financial year is ₹ 345.07 Lacs as compared to profit before tax (PBT) for the previous year ₹ 878.08 Lacs.

OPPORTUNITIES AND THREATS

The Company is continuing to customize and promote its new grades of polymer blends to meet the requirements of domestic and international customers.

However foreign exchange management during the current volatile scenario is critical as the company imports significant portion of its raw material requirements.

OUTLOOK

The growth of the non-tyre sector of the Rubber Industry, where our manufactured products are consumed, is expected to be between 8% -10% per annum. While due to negative growth in the Automobile Industry, your company does not expect any significant improvement in turnover in the current year.

Your company is constantly making efforts to develop new grades and enter new markets to sustain company's growth.

RISKS AND CONCERNS

The price of rubber and other raw materials have been continuously increasing since last two quarters. Further increase in cost of raw materials may impact demand for the company's products and profitability. Secondly, foreign currency fluctuations may also affect the prices of imported raw materials and profitability.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains adequate internal control systems, which provide, amongst other things, adequate support to all its operations and effectively handle the demands of the Company's financial management systems.

The Company has in place effective systems safeguarding the assets and interest of the Company and ensuring compliance with law and regulations. The Company's internal control systems are supplemented by an extensive programme of internal audit conducted by an external auditor to ensure adequate system of internal control.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES OR INDUSTRIAL RELATION FRONT

The Company is maintaining good relations with its employees and currently employs about 33 employees in all categories. The Company values and understands the need for continuous growth and development of its people in order to have greater productivity and provide job satisfaction and also equip them to meet growing organizational challenges. Our Company has genuine concern and top priority for safety and welfare of its employees.

CAUTIONARY STATEMENTS

Statements in this report on Management Discussion and Analysis describing the Company's objective, expectations or predictions may be forward looking statements within the meaning of applicable security law and regulations. These statements are based on certain assumption and expectation of future events. Actual results could however differ materially from those expressed or implied.

Important factors that could make a difference to the Company's operation include demand and supply condition, finished goods prices, raw materials cost and availability, Foreign exchange fluctuation, changes in government regulation and tax structures, economic developments within India and the countries with which the Company has business contacts and other factors such as litigations and industrial relations.

The Company assumes no responsibility with respect to forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

CORPORATE GOVERNANCE REPORT

I) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Transparency in all dealings, effective control and management of organization, investor friendly attitudes towards shareholders has been the basic objective of the corporate governance of the Company.

II) BOARD OF DIRECTORS

Composition: The Board of Directors as on 31st March, 2013 consists of 6 directors, comprising of 5 Non Executive Directors and 1 Executive Director.

The Composition of the Board of Directors are as given below:

Name of Director	Category of Director	Relationship With other Director
Mr. Mahendra Kumar Kapoor	Non-Executive Promoter Director	Father of Mr. Arvind Kapoor and Grandfather of Mr. Aditya Kapoor
Mr. Arvind Kapoor	Non- Executive Promoter Director	Son of Mr. Mahendra Kumar Kapoor and Father of Mr. Aditya Kapoor
Mr. Jayesh Dadia	Non-Executive Independent Director	-
Mr. Dilip Shah	Non-Executive- Independent Director	-
Mr. Nakul Kumar	Non-Executive- Independent Director	-
Mr. Aditya Kapoor	Executive Director	Son of Mr. Arvind Kapoor and Grandson of Mr. Mahendra Kumar Kapoor

Outside Directorships and Membership of Board Committees:-

Name of Director	No. of Directorships held**	Committee Membership+	Committee ChairmanShip+
Mr. Mahendra Kumar Kapoor	2	-	2
Mr. Arvind Kapoor	2	4	-
Mr. Jayesh Dadia	1	-	2
Mr. Dilip Shah	1	2	-
Mr. Nakul Kumar	1	1	-
Mr. Aditya Kapoor	1	-	-

Notes: ** including Directorship in Puneet Resins Ltd. & excluding directorships of Private limited Companies.

+ Committees considered are Audit Committee, Shareholders' /Investors' Grievance Committee, Remuneration Committee, including in Puneet Resins Ltd.

None of the Directors of Puneet Resins Limited is a member in more than 10 committees and Chairman of more than 5 committees across all companies in which he is a director.

Board Meetings and Attendance: Four Board Meetings were held during the period from 1st April, 2012 to 31st March, 2013 on the following dates May 28, 2012, July 26, 2012, November 7, 2012 and February 4, 2013 and the Director's attendance at the Board Meetings during the period and at last Annual General Meeting are given below:

Name of Director	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last AGM
Mr. Mahendra Kumar Kapoor	4	4	No
Mr. Arvind Kapoor	4	3	Yes
Mr. Jayesh Dadia	4	4	Yes
Mr. Dilip Shah	4	4	No
Mr. Nakul Kumar	4	3	No
Mr. Aditya Kapoor	4	3	Yes

Resumes of Directors proposed to be appointed/re-appointed

Details of the Directors Seeking Appointment/Reappointment at the Forthcoming Annual General Meeting (In pursuance Of Clause 49 of the Listing Agreement)

1. Name of Director	Mr. Mahendra Kumar Kapoor	Mr. D P Shah	Mr. Nakul Kumar	Mr. Aditya Kapoor
2. Date of Birth	03/04/1924	06/09/1952	22/03/1976	11/12/1982
3. Date of Appointment	24/09/1984	30/12/2005	21/10/2008	21/06/2008
4. Nature of expertise in specific functional areas	63 Years of Industrial and Managerial experience. Pioneer of the technology for the manufacture of Chlorinated Rubber.	37 years of experience in the field of Corporate Laws, Corporate Finance, Taxation, Legal & Accounting.	12 years of experience in the field of Financial & Investment Consultancy Services and Realty Services.	8 Years of experience in rubber and polymers industry.
5. Qualifications	B.Sc. in Industrial Chemistry	CA & CS	B.Com and Associate Financial Planner	B.Sc. from Rose Hulman Institute of Technologies, USA
6. Directorships held in other companies (excluding foreign companies)	1. Rishiroop Rubber (International) Limited 2. Rishiroop Polymers Private Limited 3. Devi Organics Private Limited 4. Rishiroop Investment & Trading Company Private Limited	NA	Managing Director of Wealthkraft Investment Services Pvt. Ltd.	1. Rishiroop Holding Private Limited 2. Rishiroop Polymers Private Limited
7. Committee position held in companies	1. Chairman Shareholders / Investor Grievance Committee (Puneet Resins Ltd.) 2. Chairman Shareholders / Investor Grievance Committee (Rishiroop Rubber (I) Ltd.)	1. Audit Committee-Member (Puneet Resins Limited) 2. Remuneration Committee - Member (Puneet Resins Limited)	1. Remuneration Committee - Member (Puneet Resins Limited)	-
8. No. of shares held: (As on 31.03.2013)	23,100	Nil	Nil	80,000

Code of Conduct

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All Board members and senior management have affirmed their compliance with the code of conduct. A declaration to this effect, signed by Whole-time Director is contained in the Annual Report.

III) COMMITTEES OF THE BOARD**A. Audit Committee**

The Audit Committee was originally constituted by the Board of Directors at its Meeting held on 22nd June, 2001 and last reconstituted on December 30, 2005. Members of the Committee are Mr. Jayesh Dadia (Chairman), Mr. Arvind Kapoor and Mr. Dilip Shah. Mr. Nilesh Jain, Company Secretary, is the Secretary to the Committee. The Committee held four meetings during the year 2012-2013. Four Audit Committee Meetings were held during the period 1st April, 2012 to 31st March, 2013 on the following dates May 28, 2012, July 26, 2012, November 7, 2012 and February 4, 2013. The Statutory Auditors, Internal Auditors and Company Secretary also attended the meeting of the Audit Committee. The attendance of members was as under:

Members	Meetings held	Meetings Attended	Sitting Fees Paid	Date of Meeting Attended
Mr. Jayesh Dadia (Chairman)	4	4	₹20,000/-	28 th May,2012 26 th July 2012; 7 th November,2012 4 th February 2013
Mr. Arvind Kapoor	4	3	₹ 15,000/-	28 th May,2012 26 th July 2012; 4 th February 2013
Mr. Dilip Shah	4	4	₹ 20,000/-	28 th May,2012 26 th July 2012; 7 th November,2012 4 th February 2013

The Committee oversees Company's financial process, internal control system; scope of audit includes the observations of the auditors, reviewing quarterly, half yearly and yearly statements. Committee is authorised to select and recommend accounting policies, review reports of the Statutory and Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The terms of reference of the audit committee are in accordance with the items as specified in clause 49 (II)(D) of the Listing Agreement, which inter alia includes the following:

- a) Review of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 2. Changes, if any, in accounting policies and practices and reasons for the same
 3. Major accounting entries involving estimates based on the exercise of judgment by management
 4. Significant adjustments made in the financial statements arising out of audit findings
 5. Compliance with listing and other legal requirements relating to financial statements
 6. Disclosure of any related party transactions
 7. Qualifications in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- f) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h) Discussion with internal auditors any significant findings and follow up there on.

- i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- j) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as may be assigned by the Board of Directors.
- m) Review of following information
 1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and remuneration of the Internal Audit Firm shall be subject to review by the Audit Committee.

B. Remuneration Committee

This Committee is responsible for the fixation and approval of executive compensation. Members of the Committee are Mr. Jayesh Dadia (Chairman), Mr. Nakul Kumar and Mr. Dilip P. Shah. Mr. Nilesh Jain, Company Secretary, is the Secretary to the Committee. The Committee held two meetings during the year 2012-2013. The meetings of the committee were held on May 28th, 2012 and 4th February, 2013. The attendance of members was as under:

Sr. No.	Name of Director	Executive/ Independent	Meetings Attended	Sitting Fees Paid	Date of Meeting Attended
1	Mr. Jayesh Dadia (Chairman)	Independent Director	2	₹10,000/-	28 th May, 2012 4 th February, 2013
2	Mr. Dilip Shah	Independent Director	2	₹ 10,000/-	28 th May, 2012 4 th February, 2013
3	Mr. Nakul Kumar	Independent Director	1	₹ 5,000/-	28 th May, 2012

The terms of reference of the Remuneration Committee are as follows:

1. Determine on behalf of the Board and the shareholders, our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment; and
2. Such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Remuneration Policy

Payment of remuneration to the Executive Director is governed by the terms of appointment approved by the Board of Directors and the Members in terms of Schedule XIII to the Companies Act, 1956. His remuneration structure comprises of salary, perquisites, allowances and contribution to provident fund. The non-executive directors are not entitled to any remuneration from the Company other than the sitting fees.

Remuneration paid to Directors during 2012-2013

Remuneration to Executive Director

Mr. Aditya Kapoor is appointed as a Managing Director with effect from 1st April, 2010 for a period of 3 years. The remuneration paid to Mr. Aditya Kapoor, Managing Director of the Company during the year ended 31st March 2013 is as under:

Name	Salary (₹)	Perquisites and allowances (₹)	Commission (₹)	Total (₹)
Mr. Aditya Kapoor	16,80,000	14,65,997	-	31,45,997

The above amount excludes perquisite value as per the Income Tax Act, 1961 amounting to ₹ 28,800.

The Board of Directors at its meeting held on 4th February, 2013, has reappointed Mr. Aditya Kapoor for a period of 3 years w.e.f. 1st April, 2013, subject to the approval of the members in the general meeting. The material terms of Mr. Aditya Kapoor's re-appointment as Managing Director including the remuneration proposed to be paid to him are set out in the Special Business to the Notice convening the ensuing Twenty Eight (28th) Annual General Meeting of the Company.

Remuneration to Non- Executive Directors

Non-Executive Directors are not paid remuneration in any form whether by way of commission or otherwise. They are paid only sitting fees for each meeting attended by them. The fees paid to Non- Executive Directors for the year ended 31st March, 2013 is as under:

Name of Directors	Sitting fees (₹)			Total
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	
Mr. Mahendra Kumar Kapoor	20,000/-	NIL	NIL	20,000/-
Mr. Arvind Kapoor	15,000/-	15,000/-	NIL	30,000/-
Mr. Jayesh Dadia	20,000/-	20,000/-	10,000/-	50,000/-
Mr. Dilip Shah	20,000/-	20,000/-	10,000/-	50,000/-
Mr. Nakul Kumar	15,000/-	Nil	5,000/-	20,000/-

As on March 31, 2013 the Non-Executive Directors held equity shares of the Company as follows:

Name of Directors	Number of shares held
Mr. Mahendra Kumar Kapoor	23,100
Mr. Arvind Kapoor	80,000
Mr. Jayesh Dadia	5,000
Mr. Dilip Shah	NIL
Mr. Nakul Kumar	Nil

As on March 31, 2013 the Executive Director held equity shares of the Company as follows:

Mr. Aditya Kapoor	80,000
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C. Shareholders/ Investors Grievance Committee

Members of the Committee are Mr. Mahendra Kumar Kapoor (Chairman), Mr. Arvind Kapoor. Mr. Nilesh Jain, Company Secretary, is the Secretary to the Committee. The Committee held 6 meetings during the year 2012-2013. The attendance of members was as under:

Sr. No.	Name of the Directors	Designation	Meetings held	Meetings Attended
1	Mr. Mahendra Kumar Kapoor	Chairman	6	6
2	Mr. Arvind Kapoor	Member	6	6

The functions and powers of the Shareholders'/Investors' Grievance Committee include review and redressal of complaints received from shareholders relating to transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transfer and transmission (with or without legal representation) of shares, non-receipt of balance sheet etc.

The Company has designated an e-mail id "investor@puneet.in" exclusively for the purpose of registering complaints by investors electronically. This e-mail id is displayed on the Company's website i.e., www.puneet.in.

None of the complaints/request/letters/queries, which were received from the shareholders, is pending and all have been attended to/resolved within the prescribed period.

Number of Investor Complaints received during the year : 11

Number of Investor Complaints resolved during the year : 11

Number of pending Investor Complaints : 0

The investors' complaint/grievances received by the Company were immediately escalated to the top management and steps are taken to resolve the same immediately.

D. Details of General Meetings

Meeting	27 th Annual General Meeting	26 th Annual General Meeting	25 th Annual General Meeting
Date	21 st August, 2012	23 rd August, 2011	19 th July, 2010
Time	10.00 a.m.	10.00 a.m.	10.00 a.m.
Special Resolution	-	-	1
Venue	Hotel IBIS Nashik, Satpur, Nasik 422 007	Registered Office of the Company situated at W- 75 (A) & W-76 (A), MIDC Industrial Area, Satpur, Nasik 422 007	Registered Office of the Company situated at W- 75 (A) & W-76 (A), MIDC Industrial Area, Satpur, Nasik 422 007

None of the Special resolution/s passed in last three Annual General Meetings were passed by postal ballot. No resolution requiring a Postal ballot is being proposed at the ensuing Annual General Meeting.

E. Unclaimed Dividends

In view of amended Section 205-C of the Companies Act, 1956, followed by the issue of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to a fund called Investor Education and Protection Fund (the fund) set up by the Central Government. No claims shall lie thereafter against the fund or the Company in respect of such amounts transferred. Shareholders are therefore requested to verify their records and send claims, if any, before the respective amounts become due for transfer to the fund. The details of unclaimed dividend are as under: -

Year	No. of Shareholders	Amount (₹)	Due date of transfer to Investor Education and Protection Fund (IEPF)
2009-2010	539	3,40,676.40	24 th August, 2017
2010-2011	552	3,97,450.50	28 th September, 2018
2011-2012	653	4,93,464.10	26 th September, 2019

IV) SUBSIDIARY COMPANIES

The Company does not have any subsidiary Company.

V) DISCLOSURES

A. Disclosure of Materially significant related party transactions

The Company has not entered into any materially significant transactions with its promoters, directors or the management or relatives etc. that may have potential conflict with the interests of the Company at large.

A summary of related party transactions is given elsewhere in the Annual Report.

B. Disclosure of Accounting Treatment

In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India.

C. Board Disclosures- Risk management

The risks associated with the business have been stated in the Management Discussion and Analysis report. The risk assessment and control procedures are reviewed at periodic intervals by the top management.

D. Proceeds from public issues, rights issues, preferential issues etc.

No money has been raised by way of public issue, rights issue or preferential issue.

E. Details of Non-compliance and instances of penalties

The Company has complied with the requirements of the regulatory authorities on matters related to capital markets and no strictures of whatsoever nature have been imposed against the Company by Bombay Stock Exchange or SEBI or any other statutory authority during the last three years.

F. Details of Compliance with mandatory requirements and adoption of non-mandatory requirements

Clause 49 of the Listing agreement requires the Company shall obtain a certificate from either the auditors or practicing Company secretaries regarding compliance of conditions of corporate governance as stipulated in this clause and annex the certificate with the directors' report, which is sent annually to all the shareholders of the Company. The Company has obtained a certificate from its auditors to this effect and the same is given as an annexure to the Directors' report.

The Clause further states that the non-mandatory requirements may be implemented as per the discretion of the Company. However, the disclosures of compliance with mandatory requirement and adoption (and compliance)/ non-adoption of the non-mandatory requirements shall be made on need basis.

VI) MEANS OF COMMUNICATION

1.	Quarterly Results	Published in National and local dailies such as The Economic Times (English) and The Maharashtra Times (Marathi) and in official websites of Bombay Stock Exchange (www.bseindia.com)
2.	Publication in News Papers	Published in National and local dailies such as The Economic Times (English) and The Maharashtra Times (Marathi)
3.	Publications in Websites	www.puneet.in, www.bseindia.com
4.	Displaying of official news releases	www.puneet.in, www.bseindia.com
5.	Reminder to Shareholders	Reminder for unpaid dividend has been sent to shareholders as per records made available by the bankers.

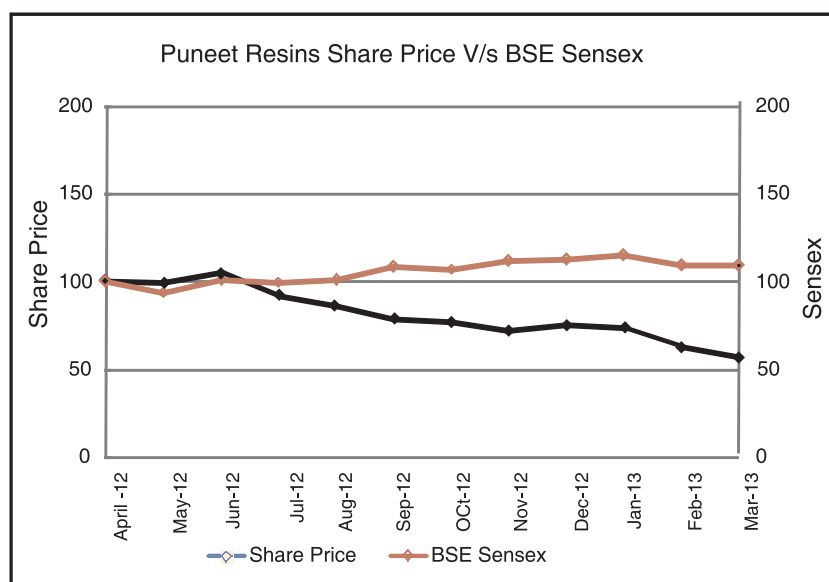
VII) GENERAL SHAREHOLDER INFORMATION

1. **28th Annual General Meeting** : **Day, Date, Time and Venue**
: Monday, 12th day of August, 2013, at 10.00 A.M.
At Hotel IBIS Nashik, Plot No. 9, Nasik Triambakeshwar Road, Village Satpur (Near MIDC Office), Nasik - 422 007
2. **Financial Year** : 1st April 2013 - 31st March 2014
3. **Financial Calendar** : I. Quarter ending 30th June, 2013 - Before 15th August, 2013
II. Half year ending 30th Sept, 2013 - Before 15th Nov, 2013
III. Quarter ending 31st Dec, 2013 - Before 15th Feb, 2014
IV. Quarter ending 31st March, 2014 - Before 30th May, 2014
(along with Audited Annual Results)
Note: The above dates are indicative.
4. **Dates of Book Closure** : 3rd day of August, 2013 to 12th day of August, 2013
(Both days inclusive)
5. **Dividend payment date** : Dividend as declared for the year 2012-2013 will be paid on or after 19th day of August, 2013 but within the statutory time limit of 30 days.
6. **Listing on Stock Exchange at** : Bombay Stock Exchange (BSE)
7. **Stock Code** : 526492
8. **ISIN No.** : INE582D01013
9. **Registrar and Transfer Agents** : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West), Mumbai- 400 078
Phone 022-2596 3838
Email: rnt.helpdesk@linkintime.co.in
10. **Dematerialization of shares** : 88.35 % of the total equity capital is held in Dematerialized form with National Securities Depository Ltd. and Central Depository Services (India) Ltd as on 31st March, 2013.
11. **Outstanding ADRs/ GDRs** : The Company has not issued any ADRs/GDRs

12. Plant Location : (1) W-75 (A) & W-76 (A), MIDC Industrial Area, Satpur, Nasik 422 007
(2) Mumbai-Nasik Highway, Village Wadivare, Taluka, Igatpuri, Nasik
13. Address for correspondence : The Shareholders may send their correspondence relating to transfer/ dematerialization and other correspondence relating to shares of the Company to the Registrar and Transfer Agents of the Company. Shareholders holding shares of Company in dematerialized form should address their correspondence to their respective Depository Participants.
For any other queries, correspondence at corporate office address of the Company, as below, be made
84, Atlanta, Nariman Point, Mumbai - 400 021.
Designated e-mail id for investor correspondence: investor@puneet.in
14. Stock Price Data : High, low Market Price on Bombay Stock Exchange during each month in the last Financial year in comparison with BSE Sensex are as follows:

Rates per Equity share of the face value of ₹ 10/- each

Month	Share Price		BSE 30 Shares Sensex	
	High (₹)	Low (₹)	High	Low
April - 2012	40.00	35.30	17664.10	17010.16
May - 2012	40.70	30.60	17432.33	15809.71
June - 2012	44.85	34.00	17448.48	15748.98
July - 2012	41.00	32.25	17631.19	16598.48
August - 2012	36.00	28.70	17972.54	17026.97
September - 2012	32.70	28.10	18869.94	17250.80
October - 2012	31.05	24.25	19137.29	18393.42
November - 2012	29.90	24.45	19372.70	18255.69
December - 2012	28.90	24.80	19612.18	19149.03
January - 2013	30.80	24.05	20203.66	19508.93
February - 2013	29.60	20.30	19966.69	18793.97
March - 2013	27.95	20.00	19754.66	18568.43



15. Shareholding Pattern and Distribution of Shareholding as on 31st March, 2013:

1. Shareholding Pattern as on quarter ended 31 st March, 2013.			
	Category	No of Shares held	Percentage of Shareholding
A	Promoters Holding		
1	Promoters - Indian Promoters	29,84,637	57.22
	Sub- Total	29,84,637	57.22
B	Non- Promoters Holding		
1	Mutual Funds and UTI	11,700	0.22
2	Private Corporate Bodies	1,47,943	2.84
3	Indian Public	20,09,314	38.53
4	NRIs/OCBs	34,316	0.66
5	Director & Relative	16,800	0.32
6	Clearing member	11,090	0.21
	Sub- Total	22,31,163	42.78
	GRAND TOTAL (A+B)	52,15,800	100.00

2. Distribution of shares					
	(Slab wise) (in ₹)	No. of shareholders	Percentage to total no. of shareholders	Share Amount (in ₹)	Percentage to total Share Capital
	1-5000	2441	78.49	5510290	10.57
	5001-10000	333	10.71	2831120	5.43
	10001-20000	163	5.24	2562810	4.91
	20001-30000	47	1.51	1190390	2.28
	30001-40000	26	0.84	940690	1.80
	40001-50000	24	0.77	1139850	2.19
	50001-100000	35	1.12	2646320	5.07
	100001 & Above	41	1.32	35336530	67.75
	TOTAL	3110	100.00	52158000	100.00

16. Share Transfer System

The shares sent for physical transfer are received at the Registrar & Transfer Agents Office and all valid transfer requests are processed and returned within a maximum period of 15 days from the date of lodgment, provided the transfer deeds are in order and allotment money on the shares have been paid.

17. National Electronic Clearing Service (NECS) Facility:

The Company, with respect to payment of dividend to shareholders shall Endeavour to remit the dividend payment through National Electronic Clearing Service (NECS) to the shareholders having accounts with Branches of Banks covered under CBS (Core Banking Solution).

Equity Shareholders holding shares in physical form, who wish to avail the NECS facility, may send their NECS mandate to the Company's R & T Agents, in the event they have not done so earlier. Equity Shareholders holding shares in electronic mode may send the NECS mandate form to the concerned Depository Participant (DP) directly.

VII) CERTIFICATION

A certificate from Managing Director on the financial statements and cash flow statement was placed before the Board.

By the Order of Board of Directors

Place : Mumbai
Date: 27th May, 2013

Mahendra Kumar Kapoor
Chairman

DECLARATION BY THE MANAGING DIRECTOR CERTIFICATION & CODE OF CONDUCT

- A. I have reviewed financial statements and the cash flow statement for the year ended 31st March 2013 and certify, to the best of our knowledge and belief, that:
- These statements present a true and fair view of the Company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations;
 - These statements do not contain any materially untrue statement, or omit any material fact, or contain statements that might be misleading;
 - No transactions entered into by the Company during the year were fraudulent, illegal or violative of the Company's code of conduct and no instances of fraud took place;
 - I accept responsibility for establishing and maintaining internal controls for financial reporting;
 - I have evaluated the effectiveness of the internal control systems of the Company, and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and have taken steps to rectify the same, wherever found;
 - Significant changes in internal control over financial reporting, as well as changes in accounting policies, if any, have been intimated to the auditors and the Audit Committee, and been disclosed in the notes to the financial statements;
- B. I further declare, in compliance to clause 49 I (D) (ii) to Listing Agreement, that all the Board members and senior management personnel have, for the year ended 31st March 2013, affirmed compliance with the Code of Conduct laid down by the Board of Directors.

For Puneet Resins Limited

Place : Mumbai

Dated : 27th May, 2013

Aditya Kapoor

Managing Director

AUDITORS' CERTIFICATE

ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members
Puneet Resins Limited

We have examined the compliance of conditions of Corporate Governance by Puneet Resins Limited (the Company) for the year ended 31st March 2013 as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. 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, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in revised 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 B. D. Jokhakar & Co.
Chartered Accountants
Firm Reg. No. 104345W

Place: Mumbai

Dated: 27th May, 2013

Raman Jokhakar
Partner

Membership No. 103241

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PUNEET RESINS LIMITED

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

Management's responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account
 - (d) in our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
 - (e) on the basis of the written representations received from the Directors, as on 31st March, 2013 and taken on board by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For B. D. Jokhakar & Co.
Chartered Accountants
Firm Registration No: 104345W

Place: Mumbai
Date: 27th May 2013

Raman Jokhakar
Partner
Membership No. 103241

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, a substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year the Company has not disposed off substantial part of its fixed assets so as to affect its going concern status.
- (ii) (a) As explained to us, the inventories of the Company except stocks in transit have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were 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 inventories. As explained to us, there was no material discrepancies noticed on physical verification.
- (iii) (a) We are informed that during the year, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses 4(iii) (b), 4(iii) (c), 4(iii) (d) of the Order are not applicable.
- (b) We are informed that during the year, the Company had not taken any unsecured loans, secured or unsecured from any parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. Consequently, clauses 4(iii) (e), 4(iii) (f), 4(iii) (g) of the Order are not applicable.
- (iv) In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in such internal control systems.
- v) (a) To the best of our knowledge and belief and according to information and explanations given to us and on examination of records the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are prima facie reasonable having regard to prevailing market prices to the extent available with the Company.
- (vi) According to the information and explanation given to us, the Company has not accepted deposits from the public during the period covered by our audit report.
- (vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management has been commensurate with the size of the Company and nature of its business.
- (viii) We have broadly reviewed the books of account & records maintained by the Company, pursuant to the Companies (Cost Accounting Records) Rules, 2011, as prescribed by the Central Government under Section

209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts & records have been maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

- (ix) (a) The Company has generally been regular in depositing undisputed statutory dues payable in respect of provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues, as applicable, with the appropriate authorities during the year. There were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty, excise duty and cess, service tax outstanding as at the year end.
- (x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses in the current or in the immediately preceding financial year. Therefore, the provisions of clause 4(x) of the order are not applicable to the Company.
- (xi) According to the information and explanations given to us the Company has not defaulted in repayment of dues to banks and financial institutions.
- (xii) According to the information and explanations given to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the order are not applicable to the Company.
- (xiii) The Company is not a chit fund or a nidhi or mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the order are not applicable to the Company.
- (xiv) In our opinion and according to information and explanations given the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the order, are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company during the year have been used for the purpose for which they are obtained.
- (xvii) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis, have prima facie, not been used during the year for long term investments.
- (xviii) According to the information and explanations given to us no preferential allotment of shares has been made by the Company to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

- (xix) The Company has not issued any secured debentures and accordingly the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit during the year.

For B. D. Jikhakar & Co.
Chartered Accountants
Firm Reg. No. 104345W

Place: Mumbai
Dated: 27th May 2013

Raman Jikhakar
Partner
Membership No. 103241

BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No.	As at 31/03/2013 ₹	As at 31/03/2012 ₹
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share Capital	2	52,158,000	52,158,000
b) Reserves & Surplus	3	132,045,838	116,812,874
		<u>184,203,838</u>	<u>168,970,874</u>
2 Non Current Liabilities			
a) Long Term Borrowings	4	152,870	1,466,736
b) Deferred Tax Liabilities (Net)	5	3,293,390	3,905,643
c) Long Term Provisions	6	758,243	625,573
		<u>4,204,503</u>	<u>5,997,952</u>
3 Current Liabilities			
a) Trade Payables	7	61,594,967	111,049,162
b) Other Current Liabilities	8	5,816,481	6,493,613
c) Short Term Provisions	9	9,616,852	11,993,465
		<u>77,028,300</u>	<u>129,536,240</u>
	TOTAL	<u>265,436,641</u>	<u>304,505,066</u>
II ASSETS			
1 Non Current Assets			
a) Fixed Assets			
i) Tangible Assets	10	20,987,372	24,240,838
b) Non Current Investments	11	25,000	25,000
c) Long Term Loans and Advances	12	1,014,210	891,110
d) Other Non - current Assets	13	1,500,000	1,500,000
		<u>23,526,582</u>	<u>26,656,948</u>
2 Current Assets			
a) Current Investments	14	78,035,953	33,336,161
b) Inventories	15	69,913,930	131,699,081
c) Trade Receivables	16	74,251,405	87,867,020
d) Cash and Bank Balances	17	6,756,407	7,405,760
e) Short Term Loans and Advances	18	8,781,819	9,029,168
f) Other Current Assets	19	4,170,545	8,510,928
		<u>241,910,059</u>	<u>277,848,118</u>
	TOTAL	<u>265,436,641</u>	<u>304,505,066</u>
Significant Accounting Policies and Notes are an integral part of the financial statements	1 to 33		

As per our report attached of even date

For and on behalf of the Board

For B. D. Jokhakar & Company
Chartered Accountants
Firm Reg. No. 104345W

Mahendra Kumar Kapoor Chairman

Aditya Arvind Kapoor Managing Director

Raman Jokhakar
Partner
Membership No. 103241

Arvind Kapoor Director

Jayesh Dadia Director

Place :- Mumbai
Dated :- 27th May 2013

Nilesh Jain Company Secretary

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

Particulars	Note No.	2012-13 ₹	2011-12 ₹
INCOME			
I Revenue from Operations (Net)	20	440,213,489	615,015,600
II Other Income	21	4,655,925	2,931,262
III Total Revenue (I + II)		<u>444,869,414</u>	<u>617,946,862</u>
IV EXPENSES			
Cost of Materials Consumed	22	145,173,112	162,386,979
Purchases of Stock-In-Trade	23	174,320,071	342,135,444
Changes in Inventories of Finished Goods			
Work -In- Progress and Stock-In Trade	24	49,393,486	(13,422,170)
Employee Benefits Expense	25	15,301,241	14,898,427
Finance Costs	26	1,659,467	2,531,961
Depreciation and Amortization Expense		3,374,707	3,539,411
Other Expenses	27	21,139,999	18,068,627
Total Expenses		<u>410,362,083</u>	<u>530,138,679</u>
V Profit Before Tax (III-IV)		34,507,331	87,808,183
VI Tax Expenses			
- Current Tax		12,500,000	29,000,000
- Prior Period Tax		63,949	(106,370)
- Deferred Tax		(612,253)	(448,881)
VII Profit for the Year ended (V-VI)		<u>22,555,635</u>	<u>59,363,434</u>
Earnings per Equity Share of face value of ₹10 each			
Basic and Diluted (in ₹)		4.32	11.38
Significant Accounting Policies and Notes are an integral part of the financial statements	1 to 33		

As per our report attached of even date

For and on behalf of the Board

For B. D. Jokhakar & Company
Chartered Accountants
Firm Reg. No. 104345W

Mahendra Kumar Kapoor Chairman

Aditya Arvind Kapoor Managing Director

Raman Jokhakar
Partner
Membership No. 103241

Arvind Kapoor Director

Jayesh Dadia Director

Place :- Mumbai
Dated :- 27th May 2013

Nilesh Jain Company Secretary

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

Particulars	2012-2013 ₹	2011-2012 ₹
A CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before taxes	34,507,331	87,808,183
Adjusted for		
-Dividend Expenses	(32,000)	-
-Depreciation	3,374,707	3,539,411
-Changes in carrying value of current investments	2,042,900	223,541
-Interest Expenses	287,993	669,919
-Dividend Received	(640,314)	(1,641,427)
-Interest Received	(282,869)	(570,552)
-Profit on sale of Fixed Assets	-	(67,322)
-Short Term Gain on sale of Investments	(669,287)	(14,617)
-Long Term Gain on sale of Investments	(840,136)	-
-Unrealised Foreign Exchange (Gain) / Loss	(121,422)	674,037
	<u>3,119,571</u>	<u>2,812,990</u>
Operating profit before working capital changes	37,626,903	90,621,173
Adjustment for		
-(Increase) / Decrease in Inventories	61,785,151	(7,209,534)
-(Increase) / Decrease in Receivables/Advances	17,941,352	(45,921,379)
-Increase / (Decrease) in Trade payables, Current Non Current Liabilities & Provisions	(49,770,838)	17,065,042
	<u>29,955,665</u>	<u>(36,065,871)</u>
Cash generated from operation	67,582,568	54,555,302
-Less :- Taxes paid (Net)	12,553,449	28,965,946
Net Cash from Operating Activities (A)	<u>55,029,119</u>	<u>25,589,356</u>
B CASH FLOW FROM INVESTING ACTIVITIES :		
-Sales of Fixed Assets	-	144,444
-Purchase of Fixed Assets	(121,241)	(1,136,696)
-Interest received	282,869	570,552
-Dividend received	640,314	1,641,427
-Purchase of Investments	(117,010,282)	(131,458,340)
-Sales of Investments	72,061,995	107,913,253
Net cash used in/from Investing Activities (B)	<u>(44,146,345)</u>	<u>(22,325,360)</u>
C CASH FLOW FROM FINANCING ACTIVITIES :		
-Proceeds of acceptance of Long Term & other borrowings	-	493,000
-Repayment of Long Term & other borrowings	(1,389,354)	(1,160,973)
	<u>(1,389,354)</u>	<u>(667,973)</u>
-Interest Expenses	(287,993)	(669,919)
-Dividend Including dividend Tax paid	(9,854,780)	(8,681,291)
Net cash used in/from Financing Activities (C)	<u>(11,532,127)</u>	<u>(10,019,183)</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(649,353)</u>	<u>(6,755,187)</u>
Cash & Cash Equivalents as at the beginning of the year	7,405,760	14,160,947
Cash & Cash Equivalents as at the end of the year	<u>6,756,407</u>	<u>7,405,760</u>
	<u>(649,353)</u>	<u>(6,755,187)</u>

As per our report attached of even date

For B. D. Jokhakar & Company

Chartered Accountants

Firm Reg. No. 104345W

Raman Jokhakar

Partner

Membership No. 103241

Place :- Mumbai

Dated :- 27th May 2013

For and on behalf of the Board

Mahendra Kumar Kapoor

Chairman

Aditya Arvind Kapoor

Managing Director

Arvind Kapoor

Director

Jayesh Dadia

Director

Nilesh Jain

Company Secretary

Notes on Financial Statement for the Year ended 31st March, 2013

NOTE NO.

1. SIGNIFICANT ACCOUNTING POLICIES :

(I) Basis of accounting and preparation of financial statements:

The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the provisions of Companies Act, 1956 and the accounting principles generally accepted in India and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006. All Income and expenditures having material bearing on the financial statements are recognised on accrual basis.

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumption that affects the reported amounts of assets and liabilities and disclosure of contingent liability on the date of financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

(II) Valuation of Inventories:

Stock of raw Materials is valued at lower of cost or net realisable value, cost of which include duties and taxes except those subsequently recoverable from the government authorities. However materials and other items held for use in the productions of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Packing Materials is valued at lower of cost or net realisable value. Work in Progress and Finished goods including stock in trade are valued at lower of cost and net realisable value. Finished goods and work in progress includes cost of conversion and other cost incurred in bringing the inventories to its present location and condition. Cost of inventories are computed on a weighted-average basis.

(III) Depreciation and Amortisation:

Tangible Assets

Depreciation on Fixed Assets has been provided on the following basis:

- a. Straight Line Method basis for Vadivare unit at the rates and in the manner prescribed under Schedule XIV of Companies Act, 1956.
- b. Written Down Value basis for Satpur Unit at the rates and in the manner prescribed under Schedule XIV of Companies Act, 1956.
- c. Lease hold Land is being amortized over the period of lease.

(IV) Revenue Recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (a) Revenue from sale of goods is recognized when all the significant risk and rewards of ownership of the products are passed on to the customer. The sale value is exclusive of excise duty, sales tax, trade discounts, sales returns and liquidated damages if any.
- (b) Revenue in respect of service is recognised when services are performed in accordance with the terms of contract with customers.
- (c) Dividend income is recognized when the right to receive dividend is established.
- (d) Interest income is recognized on the time proportion basis, taking into account the amount outstanding and the rate applicable.

(V) Fixed Assets :- Tangible assets

Tangible assets (excluding leasehold land which is carried at cost) are stated at cost of acquisition or construction less accumulated depreciation. Cost includes the construction/purchase/acquisition cost and other directly attributable cost to bring the assets to its present working condition reduced by duties subsequently recoverable. Direct costs are capitalised until fixed assets are ready to use.

(VI) Foreign Currency Transactions :

Transaction in foreign currency are recorded in rupees by applying the exchange rate on the date of transaction. The exchange differences arising on actual settlement of the transactions are recognized in

the statement of Profit and Loss during the year. Monetary assets and liabilities in foreign currencies, which are outstanding as at the year end, are translated at the closing rate and the resulting exchange differences are recognized in statement of profit and loss.

Derivative Instruments

Derivative contracts are entered into by the company based on underlying transactions.

(VII) Accounting of Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current Investments are valued at lower of cost or realisable value determined on individual basis. Long term investments are stated at cost less provision, if any, for decline other than temporary in their value.

(VIII) Employees' Benefits:

a) Short Term:

Short term employee benefits are recognised in the statement of profit and loss as expenses at the undiscounted amount in the period during which the services have been rendered.

b) Long Term:

Defined Contribution Plan.

Employees benefits in the form of employees provident scheme and employees state insurance scheme are recognised in the statement of profit and loss on accrual basis.

Defined Benefit Plan:

Retirement Gratuity for employees, is funded through a scheme of Life Insurance Corporation of India. The excess/ shortfall in the fair value of the plan assets and/or the present value of obligation calculated as per actuarial method as at balance sheet dates is recognised as a gain/ loss in the Statement of Profit and Loss. Leave encashment liability is provided at the year end on account of unavailed earned leave as per the actuarial valuation as per Projected Unit Credit Method.

(IX) Borrowing costs :

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(X) **Leases : Operating Lease** Assets used under lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

(XI) Earning per share :

The basic earnings per share is calculated by dividing the profit attributable to the shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

(XII) Taxes on Income:

Tax expenses comprises of current tax and deferred tax (charge or credit). Current income tax is measured at the amount expected to be paid to the authorities in accordance with the Income -Tax Act, 1961. Deferred tax expenses or benefits is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognised only to the extent that there is virtual certainty that sufficient taxable income will be available to realise these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets. At each Balance Sheet date, the carrying value of amount of deferred tax assets are reviewed to reassure realisation.

(XIII) Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date for indicators of impairment based on an internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling Price and

value in use. In assessing the value in use, the estimated future cash flows are discounted to present values, based on their market rates of borrowing. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on the changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

(XIV) Provisions and contingencies:

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical evaluation and past experience. A Contingent Liability is disclosed when the Company has a future or present obligation & where it is not probable that an outflow resources will be required to settle it. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect correct management estimate. Contingent assets are neither recognised nor disclosed.

2. SHARE CAPITAL

Particulars	As at 31/03/2013		As at 31/03/2012	
	Number of Shares	₹	Number of Shares	₹
Authorised				
5% Cumulative Redeemable Preference Shares of ₹100 each	75,000	7,500,000	75,000	7,500,000
Equity Share of ₹ 10 each	6,000,000	60,000,000	6,000,000	60,000,000
Issued, Subscribed & Fully paid up				
Equity Share of ₹10 each	5,215,800	52,158,000	5,215,800	52,158,000
Total	5,215,800	52,158,000	5,215,800	52,158,000

2.1 Reconciliation of Number of Equity Shares

Particulars	As at 31/03/2013		As at 31/03/2012	
	Number of Shares	₹	Number of Shares	₹
Balance as at beginning of the year	5,215,800	52,158,000	5,215,800	52,158,000
Add : Shares issued during the year	-	-	-	-
Balance at the end of the year	5,215,800	52,158,000	5,215,800	52,158,000

2.2 Rights, Preferences and restrictions attached to each class of shares:

Equity Shares: The company has one class of equity shares having a par value of ₹10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.3 The details of shareholders holding more than 5% equity shares

Name of Shareholders	As at 31/03/2013		As at 31/03/2012	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Rishirop Holding Pvt Ltd	1,055,500	20.24	1,055,000	20.23
Rishirop Polymers Pvt Ltd	1,082,037	20.75	1,008,363	19.33
Rishirop Investments & Trading Co. Pvt. Ltd	305,700	5.86	305,700	5.86

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

3. RESERVE AND SURPLUS

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Capital Reserve		
As per Last Balance sheet	10,870,860	10,870,860
General Reserve		
As per Last Balance sheet	14,500,000	7,000,000
Add : Transferred from Surplus in Statement of Profit and Loss	1,000,000	7,500,000
Total	15,500,000	14,500,000
Surplus in the Statement of Profit & Loss		
As per Last Balance sheet	91,442,014	49,883,866
Add : Profit for the year	22,555,635	59,363,434
Less : Appropriation		
Transfer to General Reserve	1,000,000	7,500,000
Proposed Dividend on Equity Shares (Dividend per share ₹ 1.20 (P.Y. ₹ 1.70)	6,258,960	8,866,860
Tax on Proposed Dividend	1,063,711	1,438,426
Total	105,674,978	91,442,014
	132,045,838	116,812,874

4. NON CURRENT LIABILITIES

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
LONG TERM BORROWINGS		
Secured		
Term Loans		
From Banks (Secured by Hypothecation of Motor Car)	152,870	1,419,141
From Others (Secured by Hypothecation of Motor Car)	-	47,595
Total	152,870	1,466,736

5. DEFERRED TAX LIABILITY

Particulars	As at 31/03/2012 ₹	During the year ₹	As at 31/03/2013 ₹
(A) Deferred Tax Liability			
Difference between net block as per Book and Income Tax	3,905,643	(612,253)	3,293,390
(B) Deferred Tax Assets			
Unabsorbed Depreciation & Carried Forward Losses	-	-	-
Deferred Tax (Asset) / Liability Net (A-B)	3,905,643	(612,253)	3,293,390

6. LONG TERM PROVISIONS

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Provisions for Employee Benefits		
Leave Salary	758,243	625,573
Total	<u>758,243</u>	<u>625,573</u>

7. TRADE PAYABLES

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Micro, Small and Medium Enterprises	819,220	985,161
Others	60,775,747	110,064,001
Total	<u>61,594,967</u>	<u>111,049,162</u>

7.1 Micro, Small & Medium Enterprises disclosure

The below information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
1. Amount payable to "suppliers" under MSMED Act.		
Principle	819,220	985,161
Interest	57,223	52,312
2. Amount paid to "suppliers" under MSMED Act.		
Principle	5,044,196	8,484,093
Interest	-	-
3. Amount of interest due/payable on delayed principle which has already been paid during current year (Without interest or with part interest)	-	-
4. Amount accrued and remaining unpaid at the end of Accounting year	57,223	52,312
5. Amount of interest which is due and payable which is carried forward from previous year.	52,312	47,871

8. OTHER CURRENT LIABILITIES

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Current maturities of long-term debt	1,315,125	1,390,613
Other current liabilities		
(a) Unclaim Dividends *	1,231,591	781,085
(b) Advances from Customers	8,852	-
(c) Employees benefits	1,029,944	1,879,356
(d) Duties & Taxes	1,245,572	1,285,089
(e) Excise duty payable on Closing Stock	526,429	700,259
(f) Other Payables	458,968	457,211
Total	<u>5,816,481</u>	<u>6,493,613</u>

* There are no amounts due and outstanding to be credited to the Investor-Education and Protection Fund as at 31st March, 2013 under section 205C of the Companies Act, 1956.

9. SHORT TERM PROVISIONS

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
(a) Provisions for Employee Benefits		
Leave Salary	33,524	30,643
Gratuity	31,580	-
(b) Provisions for Tax		
Income Tax (Net)	2,229,077	1,657,536
(c) Proposed Dividend	6,258,960	8,866,860
(d) Tax on proposed Dividend	1,063,711	1,438,426
Total	9,616,852	11,993,465

10. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 01/04/2012	Additions During the year	Deductions/ Adjustments during the year	Balance as at 31/03/2013	Balance as at 01/04/2012	Depreciation for the year	Deductions/ Adjustments during the year	Balance as at 31/03/2013	Balance as at 31/03/2013	Balance as at 31/03/2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Lease Hold Land	107,894	-	-	107,894	30,103	1,136	-	31,239	76,655	77,791
Free Hold Land	406,329	-	-	406,329	-	-	-	-	406,329	406,329
Building	9,334,944	-	-	9,334,944	5,563,900	311,821	-	5,875,721	3,459,223	3,771,044
Plant & Machinery	49,292,874	-	-	49,292,874	37,066,371	1,969,040	-	39,035,411	10,257,463	12,226,503
Furniture & Fixtures	1,487,084	-	-	1,487,084	630,674	152,641	-	783,315	703,769	856,410
Electrical Installations	1,560,362	-	-	1,560,362	1,325,248	55,655	-	1,380,903	179,459	235,114
Office Equipments	255,308	23,531	-	278,839	108,839	24,604	-	133,443	145,396	146,469
Laboratory Equipments	757,411	20,118	-	777,529	311,269	63,231	-	374,500	403,029	446,142
Other Equipments	383,424	-	-	383,424	148,279	33,886	-	182,165	201,259	235,145
Computers	383,563	77,592	-	461,155	293,498	45,300	-	338,798	122,357	90,065
Vehicles	6,911,421	-	-	6,911,421	1,222,777	717,393	-	1,940,170	4,971,251	5,688,644
Moulds & Jigs	1,228,512	-	-	1,228,512	1,167,330	-	-	1,167,330	61,182	61,182
Total	72,109,126	121,241	-	72,230,367	47,868,288	3,374,707	-	51,242,995	20,987,372	24,240,838
Previous Year	71,497,231	1,136,696	524,801	72,109,126	44,776,556	3,539,411	447,679	47,868,288	24,240,838	-

11. NON CURRENT INVESTMENTS

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Long Term Investments		
Non-Trade (Valued at Cost)		
Unquoted		
2500 Equity Shares of Saraswat Co-op Bank Ltd of ₹10/- each fully paid (P.Y.2500 Shares of ₹10/- each fully paid)	25,000	25,000
Total	25,000	25,000

12. LONG TERM LOANS AND ADVANCES

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Unsecured Considered Good		
Security Deposits	1,014,210	891,110
Total	1,014,210	891,110

13. OTHER NON - CURRENT ASSETS

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Balance with Banks:		
In Deposit Account	1,500,000	1,500,000
(As Margin Money against Letter of Credits)		
Total	1,500,000	1,500,000

CURRENT ASSETS

14. CURRENT INVESTMENTS

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Trade Investment (Valued lower of cost or fair value)		
In Mutual Fund - Quoted Fully Paid up		
1. Birla Sunlife Dynamic Bond Fund-Retail (Dividend Plan)	-	10,263,942
Units Nil (P.Y. 906004.325 Units of ₹ 11.5449/-)		
Market Value Nil (P.Y. ₹ 1,02,63,942/-)		
Cost Value Nil (P.Y. ₹ 1,04,59,716/-)		
2. Pramerica Short Term Fund (Dividend Plan)	-	5,086,593
Units Nil (P.Y. 5075.930 Units of ₹ 1007.5712/-)		
Market Value Nil (P.Y. ₹ 50,86,593/-)		
Cost Value Nil (P.Y. ₹ 51,14,361/-)		
3. JM Money Manager Fund-SPP (Growth Plan)	5,132,896	-
Units 327128.143 of ₹ 15.6908/- (P.Y Units Nil)		
Market Value ₹ 54,35,332/- (P.Y. Nil)		
Cost Value Nil (P.Y. ₹ 51,32,896/- (P.Y. Nil)		
4. DWS Cash Opp Fund-Reg. Plan (Dividend Plan)	5,107,634	-
Units 509383.005 of ₹ 10.0271/- (P.Y Units Nil)		
Market Value ₹ 51,07,634/- (P.Y. Nil)		
Cost Value ₹ 51,07,634/- (P.Y. Nil)		

5. DWS Cash Opp Fund-Regular (Growth Plan) Units 323408.9890 of ₹ 15.4603/- (P.Y. Units Nil) Market Value ₹ 50,50,387/- (P.Y. Nil) Cost Value ₹ 50,00,000/- (P.Y. Nil)	5,000,000	-
6. Tempelton India Ultra-Short Bond Fund (Dividend Plan) Units 1118306.893 of ₹ 10.0172/- (P.Y. Units Nil) Market Value ₹ 1,12,03,198- (P.Y. Nil) Cost Value ₹ 1,12,02,306/- (P.Y. Nil)	11,202,306	-
7. Reliance Short Term Fund (Growth Plan) Units 194580.921 of ₹ 20.557/- (P.Y. Units Nil) Market Value ₹ 42,54,690/- (P.Y. Nil) Cost Value ₹ 40,00,000/- (P.Y. Nil)	4,000,000	-
8. Reliance Medium Term Fund-Retail (Growth Plan) Units 659045.683 of ₹ 22.9972/- (P.Y. Units Nil) Market Value ₹ 1,60,35,965/- (P.Y. Nil) Cost Value ₹ 1,51,56,210/- (P.Y. Nil)	15,156,210	-
9. Kotak Gilt Investment Regular (Growth Plan) Units 50813.525 of ₹ 39.3596/- (P.Y. Units Nil) Market Value ₹ 20,63,182/- (P.Y. Nil) Cost Value ₹ 20,00,000/- (P.Y. Nil)	2,000,000	-
10. JM Money Manager Fund (Dividend Plan) Units 519800.011 of ₹ 10.006/- (P.Y. Units Nil) Market Value ₹ 52,01,116/- (P.Y. Nil) Cost Value ₹ 52,03,347/- (P.Y. Nil)	5,201,116	-
11. Pramerica Ultra Short Term Bond Fund (Dividend Plan) Units Nil (P.Y. 7981.159 Units of ₹ 1000.5722/-) Market value Nil (P.Y. ₹ 79,88,700/-) Cost Value Nil (P.Y. ₹ 79,85,726/-)	-	7,985,726
12. Birla Sun Life India Gen Next Fund (Growth Plan) Units 157678.966 of ₹ 29.40/- (P.Y. Units Nil) Market Value ₹ 46,35,762/- (P.Y. Nil) Cost Value ₹ 50,00,000/- (P.Y. Nil)	4,635,762	-
13. Reliance Dynamic Bond Fund (Growth Plan) Units 326409.108 of ₹ 15.3182/- (P.Y. Units Nil) Market Value ₹ 51,22,665/- (P.Y. Nil) Cost Value ₹ 50,00,000/- (P.Y. Nil)	5,000,000	-
14. SBI MSFU Emerging Business Fund (Growth Fund) Units 155740.277 of ₹ 53.7559/- (P.Y. Units Nil) Market Value ₹ 83,71,969/- (P.Y. Nil) Cost Value ₹ 95,00,000/- (P.Y. Nil)	8,371,959	-
15. ICICI Prudential Banking & Financial Fund (Growth Plan) Units 350877.193 of ₹ 22.60/- (P.Y. Units Nil) Market Value ₹ 72,28,070/- (P.Y. Nil) Cost Value ₹ 80,00,000/- (P.Y. Nil)	7,228,070	-
16. UTI Short Term Income Bond Fund - Instit. (Growth Plan) Units Nil (P.Y. 817619.865 Units of ₹ 12.2305/-) Market Value Nil (P.Y. ₹ 1,02,37,092/-) Cost Value Nil (P.Y. ₹ 99,99,900/-)	-	9,999,900
Total	78,035,953	33,336,161
Aggregate cost of Quoted Investment	80,302,393	33,559,703
Aggregate Market Value of Quoted Investment	79,709,970	33,576,328
Diminution in value of Investments	2,042,900	223,541

15. INVENTORIES

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
(Refer Note No. II of Significant accounting policies)		
a) Raw Materials (Goods in Transit ₹ 1,34,43,151/- P.Y. ₹ 2,46,56,652/-)	38,619,539	41,987,581
b) Work in Process	43,122	48,649
c) Finished Goods	4,785,568	6,365,786
d) Stock-in trade (Goods in Transit ₹ 1.00,40,030/- P.Y. ₹ 1.89,72,516/-)	26,264,273	83,004,500
e) Packing Materials	201,428	292,565
Total	69,913,930	131,699,081

16. TRADE RECEIVABLE

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Unsecured, Considered Good Outstanding for a period exceeding six months from the date they are due for payment	51,969	-
Others	74,199,436	87,867,020
Total	74,251,405	87,867,020

17. CASH AND BANK BALANCES

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Cash on Hand	30,700	37,075
Balance with Banks :		
a) In Current Account	3,430,623	4,515,100
b) In Deposit Account (As Margin Money against Letter of Credits)	2,063,493	2,072,500
c) Unpaid Dividend Account	1,231,591	781,085
Total	6,756,407	7,405,760

18. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Unsecured, Considered Good		
Cenvat Credit	7,692,654	7,727,194
Prepaid Expenses	980,332	1,145,517
Earnest Money Deposit	-	100,000
Others	108,833	56,457
Total	8,781,819	9,029,168

19. OTHER CURRENT ASSETS

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Unsecured, Considered Good		
Advances to Supplier	31,927	-
DEPB Licence	4,138,618	8,433,314
Others	-	77,614
Total	4,170,545	8,510,928

20. REVENUE FROM OPERATION

Particulars	2012-13 ₹	2011-12 ₹
Sale of Products (Gross)	449,965,886	625,138,127
Less: Excise Duty Recovered	10,172,896	10,269,417
Sale of Products (Net)	439,792,990	614,868,710
Sale of Service		
Commission Received	420,499	146,890
Total	440,213,489	615,015,600
a) Particulars of Products sold		
Finished Goods		
Polymer Compounds	193,786,100	238,504,258
Traded Goods		
Synthetic Rubbers and others	246,006,890	376,364,452
Total	439,792,990	614,868,710

21. OTHER INCOME

Particulars	2012-13 ₹	2011-12 ₹
1. Interest		
a) Fixed Deposit with Banks	281,162	381,780
b) Others	1,707	188,772
2. Dividend		
a) Current Investments	635,314	1,636,427
b) Others	5,000	5,000
3. Foreign Exchange gain	1,961,881	636,399
4. Short Term Gain on Sale of Investments	669,287	14,617
4. Long Term Gain on Sale of Investments	840,136	-
5. Others	261,438	-
6. Other Non Operative Income		
Net gain on Sale of Assets	-	67,322
Others	-	945
Total	4,655,925	2,931,262

22. COST OF MATERIALS CONSUMED

Particulars	2012-13 ₹	2011-12 ₹
PARTICULARS OF RAW MATERIAL AND PACKING MATERIAL CONSUMED		
RAW MATERIALS		
1. Synthetics Rubbers	96,359,368	118,764,437
2. P.V.C.	20,736,119	20,499,635
3. Others	26,605,553	21,505,937
Total	143,701,040	160,770,009
PACKING MATERIALS		
Total	1,472,072	1,616,970
Total	145,173,112	162,386,979

23. PURCHASE OF STOCK - IN - TRADE

Particulars	2012-13 ₹	2011-12 ₹
1. Synthetics Rubbers	172,587,682	338,813,877
2. Others	1,732,389	3,321,567
Total	174,320,071	342,135,444

24. CHANGES IN INVENTORIES

Particulars	2012-13 ₹	2011-12 ₹
Closing Stock		
1. Finished Goods	4,785,568	6,365,786
2. Stock - in - Trade	16,224,243	64,031,984
3. Work in Progress	43,122	48,649
Total	21,052,933	70,446,419
Opening Stock		
1. Finished Goods	6,365,786	13,168,804
2. Stock - in - Trade	64,031,984	43,827,516
3. Work in Progress	48,649	27,929
Total	70,446,419	57,024,249
(Increase)/Decrease in Stock	49,393,486	(13,422,170)

25. EMPLOYEE BENEFITS EXPENSES

Particulars	2012-13 ₹	2011-12 ₹
1. Salary, Wages, Allowances & Bonus	13,588,115	13,201,754
2. Contribution to Provident, Gratuity and Other Funds	1,414,714	1,152,529
3. Staff Welfare	298,412	544,144
Total	15,301,241	14,898,427

25.1 Employee Benefits

The Company has a defined benefit plan. Every employee who has completed five years or more of service gets a Gratuity based on the 15 days last drawn basic salary for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has a defined unfunded obligation for leave encashment. Generally the leave encashment is paid to employees as and when claimed.

The following tables summarise :

Particulars	2012-13		2011-12	
	₹	₹	₹	₹
The amounts Recognised in the Balance Sheet :	Leave Encashment	Gratuity	Leave Encashment	Gratuity
Present value of funded obligations	Nil	1,458,366	Nil	1,089,732
Fair value of plan assets	Nil	Nil	Nil	Nil
Present value of unfunded obligations	791,767	(191,808)	656,217	(160,227)
Unrecognised past service cost	Nil	Nil	Nil	Nil
Net Liability	791,767	(191,808)	656,217	(160,227)
Amounts in the balance sheet				
Liabilities	791,767	1,650,173	656,217	1,249,959
Assets	Nil	1,458,366	Nil	1,089,732
Net Liability	791,767	191,808	656,217	160,227
Amounts Recognised in the statement of Profit & Loss Account:				
Current service cost	125,488	217,219	106,867	180,115
Interest on obligation	46,696	102,176	36,942	76,958
Expected return on plan assets	Nil	(110,741)	Nil	(80,919)
Net actuarial losses (gains) recognised in the year	177,063	200,150	121,383	126,450
Past service cost	Nil	Nil	Nil	Nil
Losses (gains) on curtailments and settlement	Nil	Nil	Nil	Nil
Total included in employee benefit expenses	349,247	408,804	265,191	302,605
Changes in the present value of the defined benefit obligation representing reconciliation of opening & closing balances thereof :				
Opening defined obligation as on 01/04/2012	656,217	1,249,959	447,779	932,826
Service cost for the year	125,488	217,219	106,867	180,115
Interest cost	46,696	10,176	36,942	76,958
Actuarial losses (gains)	177,063	176,588	121,383	107,137
Losses (gains) on curtailments				
Benefit paid	(213,697)	(95,769)	(56,753)	(47,077)
Closing defined benefit obligation as on 31/03/2013	791,767	1,650,173	656,217	1,249,959
Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof :				
Opening fair value of plan assets	Nil	1,089,732	Nil	1,007,914
Expected return	Nil	110,741	Nil	80,919
Actuarial gains and (losses)	Nil	(23,562)	Nil	(19,313)
Assets distributed on settlements	Nil	(95,769)	Nil	(284,918)
Contribution by employer	Nil	377,224	Nil	305,130
Closing balance of Fund	Nil	1,458,366	Nil	1,089,732

Principal actuarial assumptions at the balance sheet date :				
(Expressed as weighted averages)				
Discount rate (p.a.) %	8.20%	8.20%	8.00%	9.00%
Expected return on plan assets (p.a) %	Nil	9.00%	Nil	9.00%
Proportion of employee opting early retirement	Nil	Nil	Nil	Nil
Annual increase in salary costs %	6.00%	6.00%	6.00%	6.00%
Amount for the current and previous periods :				
Defined benefit obligation	791,767	Nil	656,217	Nil
Plan assets	Nil	Nil	Nil	Nil
Surplus/(deficit)	(791,767)	Nil	(656,217)	Nil

26. FINANCE COST

Particulars	2012-13	2011-12
	₹	₹
Interest Expenses	287,993	669,919
Bank Charges	1,371,474	1,862,042
Total	1,659,467	2,531,961

27. OTHER EXPENSES

Particulars	2012-13	2011-12
	₹	₹
1. Power, Water and Fuel	2,117,772	2,107,972
2. Rent	1,460,608	1,657,540
3. Rates & Taxes	128,780	118,348
4. Insurance	713,825	882,352
5. Directors Sittings Fees	170,000	160,000
6. Payment to Auditors	375,136	336,881
7. Legal & Professional Fees	1,258,641	968,939
8. Export Expenses	6,013,136	5,249,896
9. Excise duty on Finished Goods *	(173,830)	(529,638)
10. Brokerage & Commission	212,983	669,058
11. Carriage & Freight	1,716,221	1,682,843
12. Repairs & Maintenance	266,860	666,159
13. Changes in carrying value of Current Investments	2,042,900	223,541
14. Travelling	1,374,160	1,127,437
15. Miscellaneous Expenses	3,462,807	2,747,299
Total	21,139,999	18,068,627

* Excise Duty shown under other expenses represents the difference between Excise Duty on opening and closing stock of Finished Goods.

27.1 Consumption of Raw Materials, Packing Materials and Stores & Spares

Particulars	2012-2013		2011-2012	
	%	₹	%	₹
Raw Materials				
a) Imported Raw Material	93	134,089,780	86	137,667,765
b) Indigenous Raw Material	7	9,611,260	14	23,102,244
	100	143,701,040	100	160,770,009
Stores & Spares Indigenous	100	89,651	100	61,452
Packing Materials Indigenous	100	1,472,072	100	1,616,970

27.2 CIF Value of Imports

Particulars	2012-2013 ₹	2011-2012 ₹
Raw Material	103,080,240	126,335,457
Stock in Trade	178,343,241	267,891,397

27.3 Payment to Auditors As :

Particulars	2012-2013 ₹	2011-2012 ₹
(a) Audit Fees	130,000	120,000
(b) Tax Audit Fees	35,000	30,000
(c) Certification & Review	35,000	30,000
(d) MVAT Audit	20,000	20,000
(e) Expenses Reimbursed	155,136	136,881
Total	375,136	336,881

27.4 Expenditure in Foreign currency :

Particulars	2012-2013 ₹	2011-2012 ₹
Commission	Nil	457,647

27.5 In view of insufficient profit during the year no commission is paid to Manager Director as per the provisions of section 198 and section 269 of the Companies Act, 1956.

28. Earning Per Share

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
Profit after tax as per Statement of Profit & Loss (A)	22,555,635	59,363,434
No. of Equity Shares (B)	5,215,800	5,215,800
Basic and diluted Earning Per Share (A/B)	4.32	11.38
Nominal Value per Share	10.00	10.00
The basic earning per share ("EPS") is calculated by dividing the Profit after Tax by the number of Equity Shares outstanding.		

29. Earning in Foreign Currency :

Particulars	2012-2013 ₹	2011-2012 ₹
F O B Value of Export of Goods	106,993,319	140,109,765

30. Related Party Information :

As per AS-18 issued by the Institute of Chartered Accountants of India, the Company's related parties are as under:

1. (a) Key Management personnel and their relatives

1. Mahendra Kumar Kapoor	Chairman
2. Arvind M Kapoor	Director
3. Aditya Arvind Kapoor	Managing Director

(b) Enterprises under significant influence of key management personnel

1. Rishiroop Polymers Pvt Ltd.	4. Rishichem Distributers Pvt Ltd	7. Rishichem Mid- East Ltd
2. Rishiroop Rubber (International) Ltd.	5. Rishiroop Investments & Trading Co. Pvt Ltd	8. Rishi Foods Pvt Ltd
3. Devi Organics Pvt Ltd	6. Rishiroop Holding Pvt Ltd	9. Puneet Polymers

2. Transactions with related parties

Particulars	2012-13		2011-12	
	Referred in 1 (a) above ₹	Referred in 1 (b) above ₹	Referred in 1 (a) above ₹	Referred in 1 (b) above ₹
Managerial Remuneration	3,145,997		4,404,320	
Purchase of Goods				
Rishiroop Rubber (International) Ltd.,		9,314,261		4,621,407
Rishichem Mid-East Ltd		5,142,060		
Sales of Car				
Puneet Polymers		Nil		112,500
Sales of Goods				
Rishiroop Rubber (International) Ltd.,		Nil		989,406
Rishichem Distributers Pvt Ltd		Nil		3,400,323
Closing Balance as on 31.03.13		Nil		Nil

31. LEASES

The company has taken office premise under leave and licence agreement. The leave and licence agreement is generally renewable or cancellable at the option of the Company or the Lessor. The lease payment on account of office amounting to ₹ 14,60,608 (P.Y. ₹ 16.57,540) is recognised in the Statement of Profit and Loss. Future commitments in respect of minimum lease payments payable for non cancellable operating leases entered in to by the Company,

Particulars	2012-13 ₹	2011-12 ₹
a. Payable not later than one year for Premise	576,781	674,160
b. Payable later than one year but not later than five years Premise	Nil	Nil

32. SEGMENT INFORMATION

The Company is engaged in the one business segment i.e. Polymers and Compounds

33. DERIVATIVE INSTRUMENTS

The Company enters into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter party such forward contracts is a bank. These contracts are entered to hedge the foreign currency risks on the firm commitments. Details of forward contract outstanding as at the year end.

Particulars	At the year ended Exposure to buy / sell	INR	Foreign Currency US Dollars
Forward Contract	Nil (P.Y. Buy)	Nil (P.Y. 12,822,761/-)	Nil (P.Y. 259,307.60)

33.1 Foreign currency exposure at the year end not hedged by derivative instruments.

Particulars	2012-13		2011-12	
	USD / GBP	INR	USD / GBP	INR
Payable against Import of goods USD	1,019,377	58,628,237	2,065,220	105,935,598
Receivable against Export of goods & Services USD	461,250	24,916,725	627,030	35,597,886
GBP	2,423	197,441	1,892	153,060

As per our report attached of even date

For and on behalf of the Board

For B. D. Jokhakar & Company
Chartered Accountants
Firm Reg. No. 104345W

Mahendra Kumar Kapoor Chairman

Aditya Arvind Kapoor Managing Director

Raman Jokhakar
Partner
Membership No. 103241

Arvind Kapoor Director

Jayesh Dadia Director

Place :- Mumbai
Dated :- 27th May 2013

Nilesh Jain Company Secretary



PUNEET RESINS LIMITED

Registered Office: W-75(A) & W-76(A), MIDC Industrial Area, Satpur, Nashik 422 007.

Corporate Office: 84, Atlanta, Nariman Point, Mumbai- 400 021.

28th Annual General Meeting

PROXY FORM

DP ID *	
Client ID *	

Folio No.	
No. of Shares	

I /We.....
of
being Member/s of **PUNEET RESINS LIMITED**, hereby appoint

of.....or failing him
of..... as my/ our proxy to vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on **Monday, 12th Day of August , 2013 at 10.00 a.m.**, at Hotel IBIS Nashik, Plot No. 9, Nashik Triambakeshwar Road, Village Satpur (Near MIDC Office), Nasik 422 007 or at any adjournment thereof.

Signed at..... this day of2013.

Affix Revenue Stamp of ₹1

Note : The form duly completed and signed must be deposited at the Registered Office of the Company not later than 48 hours before the Meeting.

* Applicable for investors holding shares in electronic form.

.....Tear Here



PUNEET RESINS LIMITED

Registered Office: W-75(A) & W-76(A), MIDC Industrial Area, Satpur, Nashik 422 007.

Corporate Office: 84, Atlanta, Nariman Point, Mumbai- 400 021.

28th Annual General Meeting

ATTENDANCE SLIP

(To be handed at the entrance of the Meeting Hall)

DP ID *	
Client ID *	

Folio No.	
No. of Shares	

I, Certify that I am a registered Member/ Proxy for the registered Member of the Company and I hereby record my presence at the 28th Annual General Meeting of the Company held at **Monday, 12th Day of August, 2013 at 10.00 a.m.**, at Hotel IBIS Nashik, Plot No. 9, Nashik Triambakeshwar Road, Village Satpur (Near MIDC Office), Nasik 422 007.

Full Name of Member (in BLOCK LETTERS)

Name of the Proxy (in BLOCK LETTERS)
(To be filled in if the Proxy attends instead of Member)

Member's/Proxy's Signature

* Applicable for investors holding shares in electronic form.







Orient Press Ltd.

Corp. Off.: 84, Atlanta, Nariman Point, Mumbai - 21 | **Tel :** 022 - 4095 2002 | **Fax :** 022 - 2287 2796 | **Website :** www.puneet.in