

BOARD OF DIRECTORS

DEVINDER KUMAR JAIN
NARINDER KUMAR JAIN
DARSHAN KUMAR JAIN
PANKAJ JAIN
MANISH JAIN
ARUN JAIN
NEERAJ JAIN
JOGINDER PAL JAIN
MOHAN LAL MANGLA
M. P. GUPTA
SUNIL JAIN
GULSHAN RAI JAIN
RISHA JAIN
VIJAY KUMAR SOOD

CHAIRMAN CUM MANAGING DIRECTOR
MANAGING DIRECTOR
WHOLE TIME DIRECTOR
WHOLE TIME DIRECTOR
WHOLE TIME DIRECTOR
WHOLE TIME DIRECTOR
WHOLE TIME DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

REGISTERED OFFICE

2/8, ROOP NAGAR,
DELHI – 110 007.

BRANCH OFFICES

- 244, BASTI GUZAN, NEAR BABRIK CHOWK, JALANDHAR - 144 002 (PUNJAB)
- SHOP NO. 10 TO 15, 22 & 32, LAXMI NARAYAN COMPLEX, PLOT NO. 3 & 3A, SECTOR-12A, KOPERKHAIRNE, NAVI MUMBAI – 400 079 (MAHARASHTRA)
- E-8, SECTOR-6, NOIDA – 201 301 (U.P.)

WORKS

1688-2/31, RAILWAY ROAD
NEAR RAILWAY STATION
GURGAON – 122 001 (HARYANA)

AUDITORS

M/S MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FLAT NO. 1003, 10TH FLOOR
KAILASH BUILDING, K. G. MARG
NEW DELHI – 110 001

BANKERS

BANK OF INDIA

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NOTICE

Notice is hereby given that the Thirty-Third Annual General Meeting of the Members of Cosco (India) Limited will be held on Saturday the 29th September, 2012 at 10.30 A.M. at AMITABH, E – 23, Bungalow Road, Kamla Nagar, Delhi – 110 007 to transact the following business: -

ORDINARY BUSINESS

Item 1

To receive, consider and adopt the Balance Sheet as at 31st March, 2012, Profit and Loss Account for the year ended on that date and the Reports of the Auditors' and Directors' thereon.

Item 2

To appoint a Director in place of Shri Darshan Kumar Jain who retires by rotation and, being eligible, offers himself for re appointment.

Item 3

To appoint a Director in place of Shri Manish Jain who retires by rotation and, being eligible offers himself for re-appointment.

Item 4

To appoint a Director in place of Shri. Neeraj Jain who retires by rotation and, being eligible offers himself for re-appointment.

Item 5

To appoint a Director in place of Shri Vijay Kumar Sood who retires by rotation and, being eligible offers himself for re appointment.

Item 6

To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

Item 7

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) for the time being in force the approval of the Company, be and is hereby accorded to the reappointment of Shri Devinder Kumar Jain as Chairman cum Managing Director of the Company in the whole time employment of the Company for a period of three years with effect from 16th March 2013 and also to the restructured remuneration with increment effective from 01.04.2012. His remuneration terms and conditions are hereby approved as stated below:

SECTION-I

- | | |
|--------------------------|--|
| i. Salary | ₹ 1,30,000/- per month w.e.f. 01.04.2012 for the current year ending 31st March 2013 and ₹ 1,45,000/- per month w.e.f. 01.04.2013 with annual increment of ₹ 15,000/- per month. |
| ii. House Rent allowance | 50% of Salary w.e.f. 01.04.2012. |

SECTION-II

Shri Devinder Kumar Jain shall also be eligible to the following perquisites which shall not be included in ceiling on remuneration specified in section I above: -

- | | |
|---|--|
| i. Contribution to Provident Fund, Superannuation Fund or Annuity | Contribution to Provident Fund, Superannuation or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act. |
| ii. Gratuity | Gratuity payable at a rate not exceeding half month's salary for each completed year of service. |
| iii. Leave Encashment | Encashment of leave at the end of tenure. |



SECTION –III

In addition Shri Devinder Kumar Jain shall be entitled to the following perquisites:

- | | | |
|------|----------------------------|--|
| i. | Furniture & Furnishing | The Company will provide furniture and furnishing for the residential accommodation. 10% of the cost of furniture and furnishing shall be added for calculation of ceiling for managerial remuneration under the Companies Act, 1956. Similarly 10% of the cost shall be considered perquisite for Income Tax Purposes. |
| ii. | Medical & Hospitalization | Actual Medical expenses including hospitalization for self and dependent members of family. |
| iii. | Accident Insurance Premium | Annual premium within permissible limits, the company being beneficiary under the policy. |
| iv. | Leave Travel Concession | For self and family as permissible in the Income Tax Act and Rules. |
| v. | Club Fees | Fees of Clubs subject to a maximum of two clubs. This will not include admission and life Membership Fees. |
| vi. | Car with Driver | Shall be provided for use for Company's Business. Perquisite value for personal use, if any, shall be as per Income Tax Act and Rules/ other applicable Statutory provisions in force from time to time. In case driver is not provided then the Company shall reimburse the actual expenses incurred by the employee for engaging a driver. |
| vii. | Telephone(s) | Telephone(s) shall be provided at the residence for the benefit of Company's business, the cost of which shall be borne/paid by the Company. Mobile Phone (s) to be provided for Company's business use. |

Explanation: Family means the Spouse and the dependent children, if any, of the appointee.

RESOLVED FURTHER THAT in the event of inadequacy or absence of Profit in any financial year, the remuneration payable to Shri Devinder Kumar Jain shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956, or any statutory amendment/modification thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) or further liberalization/revision by the Central Government to Schedule XIII of the Companies Act, 1956 the Board of Directors and/or Committee thereof be and is hereby authorized to vary and/or increase the remuneration including the Salary, perquisites, allowances etc. within such prescribed limits or ceiling without any further Resolution or consent or reference to the members in General Meeting, subject however to the provisions of Section 302 of the Companies Act, 1956 and subject further to the same falling within the powers of the Remuneration Committee and Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the above Resolution(s)".

Item 8

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) for the time being in force the approval of the Company, be and is hereby accorded to the reappointment of Shri Narinder Kumar Jain as Managing Director of the Company in the whole time employment of the Company for a period of three years with effect from 16th March 2013 and also to the restructured remuneration with increment effective from 01.04.2012. His remuneration terms and conditions are hereby approved as stated below:

SECTION-I

- | | | |
|-----|----------------------|--|
| 1. | Salary | ₹ 1,30,000/- per month w.e.f. 01.04.2012 for the current year ending 31st March 2013 and ₹ 1,45,000/- per month w.e.f. 01.04.2013 with annual increment of ₹ 15,000/- per month. |
| ii. | House Rent allowance | 50% of Salary w.e.f. 01.04.2012. |

SECTION-II

Shri Narinder Kumar Jain shall also be eligible to the following perquisites which shall not be included in ceiling on remuneration specified in section I above: -

- | | | |
|----|---------------------------|--|
| i. | Contribution to Provident | Contribution to Provident Fund, Superannuation or Annuity fund to the extent these |
|----|---------------------------|--|

Fund, Superannuation Fund or Annuity	either singly or put together are not taxable under the Income Tax Act.
ii. Gratuity	Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
iii. Leave Encashment	Encashment of leave at the end of tenure.

SECTION –III

In addition Shri Narinder Kumar Jain shall be entitled to the following perquisites:

i. Furniture & Furnishing	The Company will provide furniture and furnishing for the residential accommodation. 10% of the cost of furniture and furnishing shall be added for calculation of ceiling for managerial remuneration under the Companies Act, 1956. Similarly 10% of the cost shall be considered perquisite for Income Tax Purposes.
ii. Medical & Hospitalization	Actual Medical expenses including hospitalization for self and dependent members of family
iii. Accident Insurance Premium	Annual premium within permissible limits, the company being beneficiary under the policy.
iv. Leave Travel Concession	For self and family as permissible in the Income Tax Act and Rules.
v. Club Fees	Fees of Clubs subject to a maximum of two clubs. This will not include admission and life Membership Fees.
vi. Car with Driver	Shall be provided for use for Company's Business. Perquisite value for personal use, if any, shall be as per Income Tax Act and Rules/ other applicable Statutory provisions in force from time to time. In case driver is not provided then the Company shall reimburse the actual expenses incurred by the employee for engaging a driver.
vii. Telephone(s)	Telephone(s) shall be provided at the residence for the benefit of Company's business, the cost of which shall be borne/paid by the Company. Mobile Phone (s) to be provided for Company's business use.

Explanation: Family means the Spouse and the dependent children, if any, of the appointee.

RESOLVED FURTHER THAT in the event of inadequacy or absence of Profit in any financial year, the remuneration payable to Shri Narinder Kumar Jain shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956, or any statutory amendment/modification thereof."

RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) or further liberalization/revision by the Central Government to Schedule XIII of the Companies Act, 1956 the Board of Directors and/or Committee thereof be and is hereby authorized to vary and/or increase the remuneration including the Salary, perquisites, allowances etc. within such prescribed limits or ceiling without any further Resolution or consent or reference to the members in General Meeting, subject however to the provisions of Section 302 of the Companies Act, 1956 and subject further to the same falling within the powers of the Remuneration Committee and Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the above Resolution(s)".

Item 9

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) for the time being in force the approval of the Company, be and is hereby accorded to the reappointment of Shri Darshan Kumar Jain as Whole Time Director of the Company in the whole time employment of the Company for a period of three years with effect from 16th March 2013 and also to the restructured remuneration with increment effective from 01.04.2012. His remuneration terms and conditions are hereby approved as stated below:

SECTION-I

i. Salary	₹ 1,30,000/- per month w.e.f. 01.04.2012 for the current year ending 31st March 2013 and ₹ 1,45,000/- per month w.e.f. 01.04.2013 with annual increment of ₹ 15,000/- per month.
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- ii. House Rent allowance 50% of Salary w.e.f. 01.04.2012.

SECTION-II

Shri Darshan Kumar Jain shall also be eligible to the following perquisites which shall not be included in ceiling on remuneration specified in section I above: -

- i. Contribution to Provident Fund, Superannuation Fund or Annuity Contribution to Provident Fund, Superannuation or Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act.
- ii. Gratuity Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- iii. Leave Encashment Encashment of leave at the end of tenure.

SECTION –III

In addition Shri Darshan Kumar Jain shall be entitled to the following perquisites:

- i. Furniture & Furnishing The Company will provide furniture and furnishing for the residential accommodation. 10% of the cost of furniture and furnishing shall be added for calculation of ceiling for managerial remuneration under the Companies Act, 1956. Similarly 10% of the cost shall be considered perquisite for Income Tax Purposes.
- ii. Medical & Hospitalization Actual Medical expenses including hospitalization for self and dependent members of family
- iii. Accident Insurance Premium Annual premium within permissible limits, the company being beneficiary under the policy.
- iv. Leave Travel Concession For self and family as permissible in the Income Tax Act and Rules.
- v. Club Fees Fees of Clubs subject to a maximum of two clubs. This will not include admission and life Membership Fees.
- vi. Car with Driver Shall be provided for use for Company's Business. Perquisite value for personal use, if any, shall be as per Income Tax Act and Rules/ other applicable Statutory provisions in force from time to time. In case driver is not provided then the Company shall reimburse the actual expenses incurred by the employee for engaging a driver.
- vii. Telephone(s) Telephone(s) shall be provided at the residence for the benefit of Company's business, the cost of which shall be borne/paid by the Company. Mobile Phone (s) to be provided for Company's business use.

Explanation: Family means the Spouse and the dependent children, if any, of the appointee

RESOLVED FURTHER THAT in the event of inadequacy or absence of Profit in any financial year, the remuneration payable to Shri Darshan Kumar Jain shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956, or any statutory amendment/modification(s) thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) or further liberalization/revision by the Central Government to Schedule XIII of the Companies Act, 1956 the Board of Directors and/or Committee thereof be and is hereby authorized to vary and/or increase the remuneration including the Salary, perquisites, allowances etc. within such prescribed limits or ceiling without any further Resolution or consent or reference to the members in General Meeting, subject however to the provisions of Section 302 of the Companies Act, 1956 and subject further to the same falling within the powers of the Remuneration Committee and Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the above Resolution(s)".

Item 10

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Company be and is hereby accorded to the partial modification(s)/restructuring of the remuneration of Shri Arun Jain, Whole Time Director of the Company, whereby Shri Arun Jain shall be entitled to the

following Remuneration under Section I in lieu of Salary and Commission specified in Section I of the Special Resolution passed in the Annual General Meeting held on 30th September 2011:

Section I

- i. Salary ₹ 1,10,000/- per month w.e.f. 01.04.2012 for the current year ending 31st March 2013 and ₹ 1,20,000/- per month w.e.f. 01.04.2013 with annual increment of ₹ 10,000/- per month.
- ii. House Rent Allowance 50% of Salary w.e.f. 01.04.2012.

His other Perquisites stated in Section II and Section III of the Special Resolution(s) passed in the Annual General Meeting held on 30th September 2011 and other terms and conditions of his appointment including his tenure as approved by the said Resolution(s) shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the above Resolution(s)".

Item 11

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Company be and is hereby accorded to the partial modification(s)/restructuring of the remuneration of Shri Manish Jain, Whole Time Director of the Company, whereby Shri Manish Jain shall be entitled to the following Remuneration under Section I in lieu of Salary and Commission specified in Section I of the Special Resolution passed in the Annual General Meeting held on 30th September 2011:

Section I

- i. Salary ₹ 1,10,000/- per month w.e.f. 01.04.2012 for the current year ending 31st March 2013 and ₹ 1,20,000/- per month w.e.f. 01.04.2013 with annual increment of ₹ 10,000/- per month.
- ii. House Rent Allowance 50% of Salary w.e.f. 01.04.2012.

His other Perquisites stated in Section II and Section III of the Special Resolution(s) passed in the Annual General Meeting held on 30th September 2011 and other terms and conditions of his appointment including his tenure as approved by the said Resolution(s) shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the above Resolution(s)".

Item 12

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Company be and is hereby accorded to the partial modification(s)/restructuring of the remuneration of Shri Pankaj Jain, Whole Time Director of the Company, whereby Shri Pankaj Jain shall be entitled to the following Remuneration under Section I in lieu of Salary and Commission specified in Section I of the Special Resolution passed in the Annual General Meeting held on 30th September 2011:

Section I

- i. Salary ₹ 1,10,000/- per month w.e.f. 01.04.2012 for the current year ending 31st March 2013 and ₹ 1,20,000/- per month w.e.f. 01.04.2013 with annual increment of ₹ 10,000/- per month.
- ii. House Rent Allowance 50% of Salary w.e.f. 01.04.2012.

His other Perquisites stated in Section II and Section III of the Special Resolution(s) passed in the Annual General Meeting held on 30th September 2011 and other terms and conditions of his appointment including his tenure as approved by the said Resolution(s) shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the above Resolution(s)".



Item 13

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Company be and is hereby accorded to the partial modification(s)/restructuring of the remuneration of Shri Neeraj Jain, Whole Time Director of the Company, whereby Shri Neeraj Jain shall be entitled to the following Remuneration under Section I in lieu of Salary and Commission specified in Section I of the Special Resolution passed in the Annual General Meeting held on 30th September 2011:

Section I

- i. Salary ₹ 1,10,000/- per month w.e.f. 01.04.2012 for the current year ending 31st March 2013 and ₹ 1,20,000/- per month w.e.f. 01.04.2013 with annual increment of ₹ 10,000/- per month.
- ii. House Rent Allowance 50% of Salary w.e.f. 01.04.2012.

His other Perquisites stated in Section II and Section III of the Special Resolution(s) passed in the Annual General Meeting held on 30th September 2011 and other terms and conditions of his appointment including his tenure as approved by the said Resolution(s) shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the above Resolution(s)".

NOTES

1. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a Poll on his behalf. A proxy need not be a member of the Company. Proxies in order to be effective must be received at the office of the Registrar of the Company M/s Skyline Financial Services Pvt. Ltd., D – 153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020. Not less than Forty Eight hours before the commencement of the Annual General Meeting.
2. The explanatory statement under section 173 (2) of the Companies Act, 1956 setting out material facts in respect of the business under item Nos. 7 to 13 are annexed hereto.
3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays between 11.0 A.M. – 1.00 P.M. up to the date of the Annual General Meeting.
4. In terms of the Circular No. 2/2011 dated 8th February 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary company are not required to be attached with Balance Sheet/ Annual Report of the Company. The said Documents/details shall be made available upon request to any member of the Company and will be made available for inspection by any member of the Company at the Registered office of the company on all working days except Sundays between 11.0 A.M. – 1.00 P.M. upto the date of Annual General Meeting.
5. Register of Members and the Transfer Books for Equity Shares shall remain closed from 26th September, 2012 to 29th September, 2012 (Both days inclusive) for the purpose of ascertaining the names of Members.
6. Please send all correspondence including requests for transfer/transmission/Demat of Shares, change of address etc. to the Registrar and Share Transfer Agents, M/s Skyline Financial Services Pvt. Ltd., D – 153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020. Phone Nos. 26292682, 26292683.
7. Members holding shares in more than one folio in identical order of names are requested to write to the Registrar and Share Transfer Agents enclosing their share certificates to enable the Company to consolidate their holdings in one folio to facilitate better service.
8. Members seeking any information with regard to accounts or operations are requested to write to the Company latest by 25th September, 2012 so as to enable the management to keep the information ready

Explanatory Statement

Item No. 7

Shri Devinder Kumar Jain was re-appointed as Chairman cum Managing Director in the Annual General Meeting of the Shareholders held on 30th September, 2009 for a further period of 3 years w.e.f. 16th March, 2010. His term will expire on 15th March, 2013.

Shri Devinder Kumar Jain has been managing the affairs of the Company efficiently. The Directors feel that the experience of Shri Devinder Kumar Jain will be of immense help to the Company.

The Board recommends the reappointment of Shri Devinder Kumar Jain as Chairman cum Managing Director of the Company for the further period of 3 years w.e.f. 16th March 2013.

As per the approval granted by the Shareholders in the Annual General Meeting held on 30th September, 2009, Shri Devinder Kumar Jain is entitled to Remuneration comprising of Salary ₹ 1,05,000/- per month w.e.f. 01.04.2012 plus Commission @ 0.75% on sales to be calculated as percentage of sales of previous Financial year to be restricted to 80% of the Annual Salary of the relevant year. This component of the Remuneration is being restructured with reasonable increase as set out in the Resolution(s).

The Board also recommends his restructured remuneration w.e.f. 01.04.2012 with increment upon the terms & condition as set out in the Resolutions(s) and which Remuneration Committee has approved.

Statement giving information pursuant to the requirements of Section II Para 1(B)(iv) of Schedule XIII to the Companies Act, 1956 for appointment and approval of Managerial remuneration is attached to this Notice.

The Board recommends the Resolution(s) for your approval.

Shri Devinder Kumar Jain, Shri Narinder Kumar Jain, Shri Darshan Kuamar Jain, Shri Manish Jain and Shri Arun Jain are concerned or interested in the said Resolution(s).

This may be treated as an abstract to the nature of concern or interest of the Directors pursuant to Section 302 of Companies Act, 1956.

Item No. 8

Shri Narinder Kumar Jain was re-appointed as Managing Director in the Annual General Meeting of the Shareholders held on 30th September, 2009 for a further period of 3 years w.e.f. 16th March, 2010. His term will expire on 15th March, 2013.

Shri Narinder Kumar Jain has been managing the affairs of the Company efficiently. The Directors feel that the experience of Shri Narinder Kumar Jain will be of immense help to the Company.

The Board recommends the reappointment of Shri Narinder Kumar Jain as Managing Director of the Company for the further period of 3 years w.e.f. 16th March 2013.

As per the approval granted by the Shareholders in the Annual General Meeting held on 30th September, 2009, Shri Narinder Kumar Jain is entitled to Remuneration comprising of Salary ₹ 1,05,000/- per month w.e.f. 01.04.2012 plus Commission @ 0.75% on sales to be calculated as percentage of sales of previous Financial year to be restricted to 80% of the Annual Salary of the relevant year. This component of the Remuneration is being restructured with reasonable increase as set out in the Resolution(s).

The Board also recommends his restructured remuneration w.e.f. 01.04.2012 with increment upon the terms & condition as set out in the Resolutions(s) and which Remuneration Committee has approved.

Statement giving information pursuant to the requirements of Section II Para 1(B)(iv) of Schedule XIII to the Companies Act, 1956 for appointment and approval of Managerial remuneration is attached to this Notice.

The Board recommends the Resolution(s) for your approval.

Shri Narinder Kumar Jain, Shri Devinder Kumar Jain, Shri Darshan Kuamar Jain and Shri Neeraj Jain are concerned or interested in the said Resolution(s).

This may be treated as an abstract to the nature of concern or interest of the Directors pursuant to Section 302 of Companies Act, 1956.

Item No. 9

Shri Darshan Kumar Jain was re-appointed as Whole Time Director in the Annual General Meeting of the Shareholders held on 30th September, 2009 for a further period of 3 years w.e.f. 16th March, 2010. His term will expire on 15th March, 2013.

Shri Darshan Kumar Jain has successfully established the local market for the Company's products during his long association with Company. The Directors feel that the experience of Shri Darshan Kumar Jain will be of immense help to the Company.

The Board recommends the reappointment of Shri Darshan Kumar Jain as Whole Time Director of the Company for the further period of 3 years w.e.f. 16th March 2013.

As per the approval granted by the Shareholders in the Annual General Meeting held on 30th September, 2009, Shri Darshan Kumar Jain is entitled to Remuneration comprising of Salary ₹ 1,05,000/- per month w.e.f. 01.04.2012 plus



Commission @ 0.75% on sales to be calculated as percentage of sales of previous Financial year to be restricted to 80% of the Annual Salary of the relevant year. This component of the Remuneration is being restructured with reasonable increase as set out in the Resolution(s).

The Board also recommends his restructured remuneration w.e.f. 01.04.2012 with increment upon the terms & condition as set out in the Resolutions(s) and which Remuneration Committee has approved.

Statement giving information pursuant to the requirements of Section II Para 1(B)(iv) of Schedule XIII to the Companies Act, 1956 for appointment and approval of Managerial remuneration is attached to this Notice.

The Board recommends the Resolution(s) for your approval.

Shri Darshan Kumar Jain Shri Devinder Kumar Jain, Shri Narinder Kumar Jain and Shri Pankaj Jain are concerned or interested in the said Resolution(s).

This may be treated as an abstract to the nature of concern or interest of the Directors pursuant to Section 302 of Companies Act, 1956.

Item No. 10

Shri Arun Jain was re-appointed as Whole Time Director in the Annual General Meeting of the Shareholders held on 30th September, 2011 for a period of 3 years w.e.f. 1st October, 2011. His term will expire on 30th September, 2014.

As per the approval granted by the Shareholders in the Annual General Meeting held on 30th September, 2011, Shri Arun Jain was entitled to Remuneration (under Section I) comprising of Salary ₹ 95,000/- per month w.e.f. 01.04.2012 plus Commission @ 0.75% on sales to be calculated as percentage of sales of previous financial year to be restricted to 80% of the Annual Salary of the relevant year. This component of the Remuneration is being restructured as set out in the Resolution(s). Other Perquisites stated in Section II and Section III as approved by the Special Resolution passed in the Annual General Meeting held on 30th September 2011 and other terms and conditions of his appointment including his tenure shall remain unchanged.

The Board recommends his restructured remuneration w.e.f. 01.04.2012 with increment upon the terms & conditions as set out in the Resolutions(s) and which Remuneration Committee has approved. The other terms and conditions including tenure of his appointment shall remain unchanged.

Statement giving information pursuant to the requirements of Section II Para 1(B)(iv) of Schedule XIII to the Companies Act, 1956 for appointment and approval of Managerial Remuneration is attached to this Notice.

The Board recommends the Resolution(s) for your approval.

Shri Arun Jain , Shri Devinder Kumar Jain and Shri Manish Jain are concerned or interested in the said Resolution(s).

This may be treated as an abstract to the nature of concern or interest of the Directors pursuant to Section 302 of Companies Act, 1956.

Item No. 11

Shri Manish Jain was re-appointed as Whole Time Director in the Annual General Meeting of the Shareholders held on 30th September, 2011 for a period of 3 years w.e.f. 1st October, 2011. His term will expire on 30th September, 2014.

As per the approval granted by the Shareholders in the Annual General Meeting held on 30th September, 2011, Shri Manish Jain was entitled to Remuneration (under Section I) comprising of Salary ₹ 95,000/- per month w.e.f. 01.04.2012 plus Commission @ 0.75% on sales to be calculated as percentage of sales of previous financial year to be restricted to 80% of the Annual Salary of the relevant year. This component of the Remuneration is being restructured as set out in the Resolution(s). Other Perquisites stated in Section II and Section III as approved by the Special Resolution passed in the Annual General Meeting held on 30th September 2011 and other terms and conditions of his appointment including his tenure shall remain unchanged.

The Board recommends his restructured remuneration w.e.f. 01.04.2012 with increment upon the terms & conditions as set out in the Resolutions(s) and which Remuneration Committee has approved. The other terms and conditions including tenure of his appointment shall remain unchanged.

Statement giving information pursuant to the requirements of Section II Para 1(B)(iv) of Schedule XIII to the Companies Act, 1956 for appointment and approval of Managerial Remuneration is attached to this Notice.

The Board recommends the Resolution(s) for your approval.

Shri Manish Jain, Shri Devinder Kumar Jain and Shri Arun Jain are concerned or interested in the said Resolution(s).

This may be treated as an abstract to the nature of concern or interest of the Directors pursuant to Section 302 of Companies Act, 1956.

Item No. 12

Shri Pankaj Jain was re-appointed as Whole Time Director in the Annual General Meeting of the Shareholders held on 30th September, 2011 for a period of 3 years w.e.f. 1st October, 2011. His term will expire on 30th September, 2014.

As per the approval granted by the Shareholders in the Annual General Meeting held on 30th September, 2011, Shri Pankaj Jain was entitled to Remuneration (under Section I) comprising of Salary ₹ 95,000/- per month w.e.f. 01.04.2012 plus Commission @ 0.75% on sales to be calculated as percentage of sales of previous financial year to be restricted to 80% of the Annual Salary of the relevant year. This component of the Remuneration is being restructured as set out in the Resolution(s). Other Perquisites stated in Section II and Section III as approved by the Special Resolution passed in the Annual General Meeting held on 30th September 2011 and other terms and conditions of his appointment including his tenure shall remain unchanged.

The Board recommends his restructured remuneration w.e.f. 01.04.2012 with increment upon the terms & conditions as set out in the Resolutions(s) and which Remuneration Committee has approved. The other terms and conditions including tenure of his appointment shall remain unchanged.

Statement giving information pursuant to the requirements of Section II Para 1(B)(iv) of Schedule XIII to the Companies Act, 1956 for appointment and approval of Managerial Remuneration is attached to this Notice.

The Board recommends the Resolution(s) for your approval.

Shri Pankaj Jain and Shri Darshan Kumar Jain are concerned or interested in the said Resolution(s).

This may be treated as an abstract to the nature of concern or interest of the Directors pursuant to Section 302 of Companies Act, 1956.

Item No. 13

Shri Neeraj Jain was re-appointed as Whole Time Director in the Annual General Meeting of the Shareholders held on 30th September, 2011 for a period of 3 years w.e.f. 1st October, 2011. His term will expire on 30th September, 2014.

As per the approval granted by the Shareholders in the Annual General Meeting held on 30th September, 2011, Shri Neeraj Jain was entitled to Remuneration (under Section I) comprising of Salary ₹ 95,000/- per month w.e.f. 01.04.2012 plus Commission @ 0.75% on sales to be calculated as percentage of sales of previous financial year to be restricted to 80% of the Annual Salary of the relevant year. This component of the Remuneration is being restructured as set out in the Resolution(s). Other Perquisites stated in Section II and Section III as approved by the Special Resolution passed in the Annual General Meeting held on 30th September 2011 and other terms and conditions of his appointment including his tenure shall remain unchanged.

The Board recommends his restructured remuneration w.e.f. 01.04.2012 with increment upon the terms & conditions as set out in the Resolutions(s) and which Remuneration Committee has approved. The other terms and conditions including tenure of his appointment shall remain unchanged.

Statement giving information pursuant to the requirements of Section II Para 1(B)(iv) of Schedule XIII to the Companies Act, 1956 for appointment and approval of Managerial Remuneration is attached to this Notice.

The Board recommends the Resolution(s) for your approval.

Shri Neeraj Jain and Shri Narinder Kumar Jain are concerned or interested in the said Resolution(s).

This may be treated as an abstract to the nature of concern or interest of the Directors pursuant to Section 302 of Companies Act, 1956.

Registered Office :
2/8, Roop Nagar,
Delhi -110007

By order of the Board of Director

Place: Delhi
Date: 3rd September, 2012

Devinder Kumar Jain
Chairman cum Managing Director
DIN : 00191539



Statement forming part of Notice of 33rd Annual General Meeting issued to the Shareholders of the Company pursuant to the requirements of Section II Para 1(B) of Schedule XIII to the Companies Act, 1956 for appointment and approval of Managerial Remuneration as per Agenda Items Nos.7 to 13.

I. General Information:

1.	Nature of industry	The Company manufactures Sports Balls & Sports Ball Bladders and markets Sports Goods and Fitness Equipments & allied items.																																																																																																
2.	Date or expected date of commencement of commercial production	Existing Company. Already in commercial production.																																																																																																
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	<table border="0"> <thead> <tr> <th style="text-align: left;">FINANCIAL RESULTS</th> <th style="text-align: right;">Current Year ended 31.03.2012 (₹ in Lacs)</th> <th style="text-align: right;">Previous Year ended 31.03.2011 (₹ in Lacs)</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td style="text-align: right;">8081.55</td> <td style="text-align: right;">6990.06</td> </tr> <tr> <td>Other Income</td> <td style="text-align: right;">18.06</td> <td style="text-align: right;">11.30</td> </tr> <tr> <td style="text-align: right;">Total Revenue</td> <td style="text-align: right;">8099.61</td> <td style="text-align: right;">7001.36</td> </tr> <tr> <td colspan="3">Expenses :</td> </tr> <tr> <td>(a) Cost of Materials Consumed</td> <td style="text-align: right;">1778.23</td> <td style="text-align: right;">1866.76</td> </tr> <tr> <td>(b) Purchase of Stock-in-Trade</td> <td style="text-align: right;">3788.21</td> <td style="text-align: right;">2556.48</td> </tr> <tr> <td>(c) Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade</td> <td style="text-align: right;">(613.18)</td> <td style="text-align: right;">(186.41)</td> </tr> <tr> <td>(d) Employee Benefit Expense</td> <td style="text-align: right;">767.90</td> <td style="text-align: right;">800.96</td> </tr> <tr> <td>(e) Financial Costs</td> <td style="text-align: right;">237.20</td> <td style="text-align: right;">290.12</td> </tr> <tr> <td>(f) Depreciation</td> <td style="text-align: right;">61.66</td> <td style="text-align: right;">63.49</td> </tr> <tr> <td>(g) Other expenses</td> <td style="text-align: right;">2006.23</td> <td style="text-align: right;">1492.98</td> </tr> <tr> <td style="text-align: right;">Total Expenses</td> <td style="text-align: right;">8026.25</td> <td style="text-align: right;">6884.38</td> </tr> <tr> <td>Profit before Prior Period, exceptional and extraordinary items and Tax</td> <td style="text-align: right;">73.36</td> <td style="text-align: right;">116.98</td> </tr> <tr> <td>Prior Period Adjustments -Charge</td> <td style="text-align: right;">22.31</td> <td style="text-align: right;">1.71</td> </tr> <tr> <td>Exceptional Items- Charge/(Income)</td> <td style="text-align: right;">624.66</td> <td style="text-align: right;">(1.04)</td> </tr> <tr> <td>Profit / (Loss) before extraordinary items and Tax</td> <td style="text-align: right;">(573.61)</td> <td style="text-align: right;">116.31</td> </tr> <tr> <td>Extraordinary Items</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Profit / (Loss) before Tax</td> <td style="text-align: right;">(573.61)</td> <td style="text-align: right;">116.31</td> </tr> <tr> <td colspan="3">Tax Expenses :</td> </tr> <tr> <td>Current Tax</td> <td style="text-align: right;">-</td> <td style="text-align: right;">62.72</td> </tr> <tr> <td>Deferred Tax</td> <td style="text-align: right;">(171.14)</td> <td style="text-align: right;">(18.12)</td> </tr> <tr> <td>Profit / (Loss) for the period from continuing operations</td> <td style="text-align: right;">(402.47)</td> <td style="text-align: right;">71.71</td> </tr> <tr> <td colspan="3">Shareholders Funds</td> </tr> <tr> <td>a) Share Capital</td> <td style="text-align: right;">416.10</td> <td style="text-align: right;">416.10</td> </tr> <tr> <td>b) Reserves and Surplus</td> <td style="text-align: right;">1152.80</td> <td style="text-align: right;">1555.26</td> </tr> <tr> <td>Long Term Borrowings (unsecured)</td> <td style="text-align: right;">1400.00</td> <td style="text-align: right;">1400.00</td> </tr> <tr> <td colspan="3">Short Term Borrowings from Banks (Secured)</td> </tr> <tr> <td>a) Working Capital Loans</td> <td style="text-align: right;">787.72</td> <td style="text-align: right;">1062.54</td> </tr> <tr> <td>b) Others</td> <td style="text-align: right;">-</td> <td style="text-align: right;">11.24</td> </tr> <tr> <td>Short Term Borrowings - Unsecured</td> <td style="text-align: right;">310.41</td> <td style="text-align: right;">181.21</td> </tr> <tr> <td>Investments-Non Current</td> <td style="text-align: right;">0.05</td> <td style="text-align: right;">586.53</td> </tr> </tbody> </table>	FINANCIAL RESULTS	Current Year ended 31.03.2012 (₹ in Lacs)	Previous Year ended 31.03.2011 (₹ in Lacs)	Revenue from operations	8081.55	6990.06	Other Income	18.06	11.30	Total Revenue	8099.61	7001.36	Expenses :			(a) Cost of Materials Consumed	1778.23	1866.76	(b) Purchase of Stock-in-Trade	3788.21	2556.48	(c) Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	(613.18)	(186.41)	(d) Employee Benefit Expense	767.90	800.96	(e) Financial Costs	237.20	290.12	(f) Depreciation	61.66	63.49	(g) Other expenses	2006.23	1492.98	Total Expenses	8026.25	6884.38	Profit before Prior Period, exceptional and extraordinary items and Tax	73.36	116.98	Prior Period Adjustments -Charge	22.31	1.71	Exceptional Items- Charge/(Income)	624.66	(1.04)	Profit / (Loss) before extraordinary items and Tax	(573.61)	116.31	Extraordinary Items	-	-	Profit / (Loss) before Tax	(573.61)	116.31	Tax Expenses :			Current Tax	-	62.72	Deferred Tax	(171.14)	(18.12)	Profit / (Loss) for the period from continuing operations	(402.47)	71.71	Shareholders Funds			a) Share Capital	416.10	416.10	b) Reserves and Surplus	1152.80	1555.26	Long Term Borrowings (unsecured)	1400.00	1400.00	Short Term Borrowings from Banks (Secured)			a) Working Capital Loans	787.72	1062.54	b) Others	-	11.24	Short Term Borrowings - 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5.	5.1 Export performance	FOB Value of Exports (₹ in lacs)	399.37	660.43
	5.2 Net foreign exchange collaborations	Investment in wholly owned Foreign Subsidiary Company (₹ in lacs) Less : Provisions/Write Off : Amount (Net of Provision) (* Equivalent to US\$ 12,95,000)	586.48* 586.48* Nil	586.48* - 586.48
6.	Foreign investments or collaborators, if any	As stated at Sr. No. 5.2		

II. Information about the Appointees and of Whole Time Directors, whose remuneration terms have been revised.

(i) Shri Devinder Kumar Jain – Chairman cum Managing Director

1.	Background details	1.1 Age 1.2 Qualification 1.3 Experience	74 years B.Sc. 51 years of experience
2.	Past Remuneration	Remuneration paid to Shri Devinder Kumar Jain during 2011–12 has been provided in the report on corporate governance forming part of the Annual Report.	
3.	Recognition or awards	-----	
4.	Job profile and his suitability	International Trade and Sourcing of the new product.	
5.	Remuneration proposed	As per details given in the main body of the Resolution(s)	
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	No Industry specific comparative data available.	
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Promoter Director Cum Shareholder of the Company. Related to Shri Narinder Kumar Jain, Managing Director, Shri Darshan Kumar Jain –Whole Time Director, Shri Arun Jain–Whole Time Director and Shri Manish Jain –Whole Time Director. Number of Shares held by him in the Company are 167200 plus 83600 as Karta H.U.F.	

ii) Shri Narinder Kumar Jain – Managing Director

1.	Background details	1.1 Age 1.2 Qualification 1.3 Experience	71 years Graduate and Diploma in International Marketing 46 years of experience
2.	Past Remuneration	Remuneration paid to Shri Narinder Kumar Jain during 2011–12 has been provided in the report on corporate governance forming part of the Annual Report.	
3.	Recognition or awards	-----	
4.	Job profile and his suitability	Finance and Marketing and developing of new products and Public relation.	
5.	Remuneration proposed	As per details given in the main body of the Resolution(s)	
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	No Industry specific comparative data available.	



7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Promoter Director Cum Shareholder of the Company. Related to Shri Devinder Kumar Jain – Chairman Cum Managing Director, Shri Darshan Kumar Jain – Whole Time Director and Shri Neeraj Jain- Whole Time Director. Number of Shares held by him in the Company are 167200 plus 83600 as Karta of H.U.F.
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(iii) Shri Darshan Kumar Jain - Whole Time Director

1.	Background details	1.1 Age 80 years 1.2 Qualification Matriculate. 1.3 Experience 51 Years of Experience
2.	Past Remuneration	Remuneration paid to Shri Darshan Kumar Jain during 2011-12 has been provided in the report on corporate governance forming part of the Annual Report.
3.	Recognition or awards	----
4.	Job profile and his suitability	Vast experience in Trade especially in the marketing of consumer product.
5.	Remuneration proposed	As per details given in the main body of the Resolution(s)
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (In case of expatriates the relevant details would be w.r.t. the country of his origin)	No Industry specific comparative data available.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Promoter Director cum Shareholder of the Company. Related to Shri Devinder Kumar Jain-Chairman & Managing Director, Shri Narinder Kumar Jain, Managing Director and Shri Pankaj Jain-Whole Time Director. Number of Shares held by him in the Company are 167200 plus 83600 as Karta of H.U.F.

(iv) Shri Arun Jain - Whole Time Director

1.	Background details	1.1 Age 47 years 1.2 Qualification B.E., M. Tech 1.3 Experience 20 Years of Experience
2.	Past Remuneration	Remuneration paid to Shri Arun Jain during 2010–11 has been provided in the report on corporate governance forming part of the Annual Report.
3.	Recognition or awards	----
4.	Job profile and his suitability	He has vast experience in Industrial Relations & Management and Research & Development of Rubber & Polymer Products.
5.	Remuneration proposed	As per details given in the main body of the Resolution(s)
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	No Industry specific comparative data available.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Promoter Director Cum Shareholder of the Company. Related to Shri Devinder Kumar Jain – Chairman cum Managing Director and Shri Manish Jain - --Whole Time Director. Number of Shares held by him in the Company are 84,300 plus 500 as Karta of H.U.F.

(v) Shri Manish Jain – Whole Time Director

1.	Background details	1.1 Age 1.2 Qualification 1.3 Experience	42 years Qualified Engineer and MBA 19 Years of Experience
2.	Past Remuneration	Remuneration paid to Shri Manish Jain during 2011-12 has been provided in the report on corporate governance forming part of the Annual Report.	
3.	Recognition or awards	-----	
4.	Job profile and his suitability	Managing Plant Operations and Associated with research and Development of new Products.	
5.	Remuneration proposed	As per details given in the main body of the Resolution(s)	
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	No Industry specific comparative data available.	
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Promoter Director cum Shareholder of the Company. Related to Shri Devinder Kumar Jain-Chairman cum Managing Director and Shri Arun Jain-Whole Time Director. Numbers of Shares held by him in the Company are 91300 plus 12700 as Karta of H.U.F.	

(vi) Shri Pankaj Jain – Whole Time Director

1.	Background details	1.1 Age 1.2 Qualification 1.3 Experience	41 years B.Com and MBA 19 Years of Experience
2.	Past Remuneration	Remuneration paid to Shri Pankaj Jain during 2011-12 has been provided in the report on corporate governance forming part of the Annual Report.	
3.	Recognition or awards	-----	
4.	Job profile and his suitability	Finance and Marketing and Development of new Products.	
5.	Remuneration proposed	As per details given in the main body of the Resolution(s)	
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	No Industry specific comparative data available.	
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Promoter Director cum Shareholder of the Company. Related to Shri Darshan Kumar Jain-Whole Time Director. Numbers of Shares held by him in the Company are 86300 plus 17700 as Karta of H.U.F.	



(vii) Shri Neeraj Jain – Whole Time Director

1.	Background details	1.1 Age 1.2 Qualification 1.3 Experience	40 years B.E. M.Sc. (Polymer Science) & MBA 19 Years of Experience
2.	Past Remuneration	Remuneration paid to Shri Neeraj Jain during 2011-12 has been provided in the report on corporate governance forming part of the Annual Report.	
3.	Recognition or awards	-----	
4.	Job profile and his suitability	International Trade and Sourcing of the new product.	
5.	Remuneration proposed	As per details given in the main body of the Resolution(s)	
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	No Industry specific comparative data available.	
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Promoter Director cum Shareholder of the Company. Related to Narinder Kumar Jain, Managing Director. Numbers of Shares held by him in the Company are 91500 plus 12500 as Karta of H.U.F.	

(viii) Shri Vijay Kumar Sood - Independent Non Executive Director

1.	Background details	1.1 Age 1.2 Qualification 1.3 Experience	70 years Graduate 32 years in Armed Forces. Retired as Lt. Col. Able administrator. About 17 years experience in Event Management and Sports Goods Promotion.
2.	Past Remuneration	Sitting fees as per rules	
3.	Recognition or awards	-----	
4.	Job profile and his suitability	He has vast experience in Armed Forces. Retired as Lt. Col. Able administrator. About 17 years experience in Event Management and Sports Goods Promotion.	
5.	Remuneration proposed	Sitting fees as per rules	
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	No Industry specific comparative data available.	
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	No Industry specific comparative data available.	

III. OTHER INFORMATION

1.	Reasons of loss or inadequate profits	<ul style="list-style-type: none"> > Writing off Amounts due from Wholly Owned Subsidiary Company (WOS), Provisioning of Investment in WOS and Corporate Guarantee Liability; > Increase in prices of Input Materials, Fuel Cost and Manpower Cost; > Competition in Domestic and International Markets.
2.	Steps taken or proposed to be taken for improvement.	<p>Taking following measures on continuous basis: -</p> <ul style="list-style-type: none"> i. Strengthening marketing network to capitalize on 'Cosco' Brand name and expanding trading of health equipments and allied products ; ii. Sourcing good quality product range from China and other countries at competitive prices; iii. Development of new products & designs & product re-engineering iv. Focusing on Cost control & Cost cutting measures; v. Taking remedial measures against grey market operators who are producing duplicate products by using company's brand; Changing packing to check duplication;
3.	Expected increase in productivity and profit in measurable terms.	Barring unforeseen circumstances Sales Turnover during the current year is likely to increase by about 15% and the Company expects to earn about 3% net profits.

IV. DISCLOSURES:

1.	Remuneration packages of the managerial person.	<p>Details of Remuneration packages of Shri Devinder Kumar Jain, Shri Narinder Kumar Jain, Shri Darshan Kumar Jain, Shri Arun Jain, Shri Manish Jain, Sh. Pankaj Jain and Sh. Neeraj Jain requiring Shareholders approval by Special Resolutions is given in the Resolutions under Agenda items No. 7 to 13.</p>
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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting their 33rd Annual Report together with Annual Accounts for the year ended 31st March, 2012. The Balance Sheet as at 31.03.2012 and the Statement of Profit and Loss for the year ended 31st March, 2012 have been prepared as per revised Schedule VI.

FINANCIAL RESULTS	Current Year ended (₹ in lacs)	Previous Year ended (₹ in lacs)
Revenue from operations	8081.55	6990.06
Other Income	18.06	11.30
Total Revenue	8099.61	7001.36
Total Expenses	8026.25	6884.38
Profit before Prior Period, Exceptional and Extraordinary items and Tax	73.36	116.98
Prior Period Adjustments - charges	22.31	1.71
Exceptional Items – charge/(income)	624.66	(1.04)
Profit / (Loss) before Extraordinary items and Tax	(573.61)	116.31
Profit / (Loss) before Tax	(573.61)	116.31
<u>Tax Expenses :</u>		
Current Tax	-	62.72
Deferred Tax	(171.14)	(18.12)
Profit / (Loss) for the period from continuing operations	(402.47)	71.71

PERFORMANCE REVIEW

The Revenue from Sale of Products (net of excise) for the current year ended 31.03.2012 was higher at ₹ 8013.43 lacs against previous year's sales of ₹ 6893.55 lacs – an increase of about 16.25% over the previous year. The Revenue from services for the current year amounted to ₹ 2.36 lacs (Previous year ₹ 2.56 lacs). The other Operating Income, which mainly comprises of export incentives, was lower at ₹ 65.75 lacs (Previous year ₹ 93.95 lacs) due to decline in Exports pursuant to scaling down of manufacturing of non profitable Sports Ball Bladders. The current year exports were ₹ 399.37 lacs (previous year ₹ 660.43 lacs).

During the current year ended 31.03.2012 the Company registered Net Loss of ₹ 402.47 lacs against Previous Year Net Profit of ₹ 71.71 lacs mainly on account of recognition of net Corporate Guarantee Liability for Loans availed by the subsidiary company from Bank and provisioning /write off of Receivables/Advances due from and investments in wholly owned subsidiary company as per details given in Note 34 of Notes on Financial Statements (related party disclosure) read with Note 30 of Notes on Financial Statements. The shares of the subsidiary company and lands, buildings, fixtures and fittings which are part of the buildings stand vested in the Secretary to the Treasury of the Government of Sri Lanka as reported separately hereunder. The Company earned capital gain of ₹ 597.67 lacs from sale of company's land not required for the business operations, which has mitigated the impact of subsidiary losses.

The company registered growth in sales turnover during the financial year ended 31st March 2012 due to good domestic demand. The management is focusing on expanding marketing network of health equipments and allied products as this segment is growing fast to capitalize on Cosco Brand name. Company is taking remedial measures on continuous basis to check the duplication of the Company's branded products and protect 'COSCO' Brand. The Company manufactures/source internationally at competitive prices quality products and develop/source new products on regular basis. The Management is continuously taking effective steps to improve operating margins by cost controls and better resource utilization and improve net margins.

WHOLLY OWNED SUBSIDIARY COMPANY IN SRI LANKA

The business operations of the Wholly Owned Subsidiary Company M/s. Cosco Polymer Lanka Pvt. Ltd, which were suspended due to heavy losses, global recession and unfavorable political situations in Sri Lanka, could not be re-started due

to financial constraints. During the current year ended 31.03.2012 the Wholly Owned Subsidiary Company has reported loss (before writing back amount due to parent company) of INR 257.09 lacs (previous year INR 225.46 lacs) mainly on account of financial expenses, depreciation and exchange loss. After writing back amounts due to the parent company the adjusted net profit for the year is Rs. 45.37 lacs. The accumulated loss as on 31.03.2012 is INR 1482.69 Lacs (Previous year INR 1,547.69 lacs).

The Subsidiary Company is scheduled in the Revival of Underperforming Enterprises or Underutilized Assets Act, No 43 of 2011 (of Sri Lanka), whereby lands, buildings, fixtures and fittings which are part of the buildings stand vested in the Secretary to the Treasury of the Government of Sri Lanka. The Act provides for the appointment of a Competent Authority to control, administrate and manage the assets vested in the Secretary to the Treasury and payment of compensation to the shareholders. The management is exploring various options to realize the assets of the unit /receive compensation to repay bank loans. The Management is under negotiations with the bankers for concessions, waiver of part of Interest/ loans Liabilities and/or One Time Settlement.

DIVIDEND

Directors don't recommend any Dividend due to losses.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that

- a) in the preparation of the Annual Accounts the applicable Accounting Standards have been followed;
- b) the Directors have applied sound accounting policies 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 at the end of the financial year and of the loss of the Company for the period;
- c) the Directors have taken sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the Annual Accounts on a "going concern basis";

FIXED DEPOSIT:

There are no unclaimed / overdue deposits as on 31st March 2012.

DIRECTORS

In accordance with the Articles of Association of the Company, Shri Darshan Kumar Jain, Shri Manish Jain, Shri Neeraj Jain and Shri Vijay Kumar Sood retire by rotation as Directors at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Board recommends their reappointment.

The term of Appointment of Shri Devinder Kumar Jain as Chairman and Managing Director of the Company, Shri Narinder Kumar Jain as Managing Director of the Company and Shri Darshan Kumar Jain as Whole time Director of the Company expires on 15th March, 2013. The Remuneration Committee has revised their remuneration w.e.f. 01.04.2012 and also recommended their reappointment for a further period of 3 years. The Board recommends their Reappointment for a further period of 3 years w.e.f. 16.03.2013 and revised remuneration w.e.f. 01.04.2012 as per the terms and conditions approved by the Remuneration Committee and as set out in the Notice of the ensuing Annual General Meeting.

Sh. Arun Jain, Sh. Manish Jain, Sh. Pankaj Jain and Sh. Neeraj Jain were appointed as Whole Time Directors of the Company for a period of 3 years w.e.f. 01.10.2011 on the terms and conditions and remuneration approved in the Annual General Meeting held on 30th September, 2011. Their term of Appointment as Whole time Directors of the Company expires on 30th September 2014. The Remuneration Committee has revised their remuneration w.e.f. 01.04.2012. Board recommends the revised terms and conditions of their appointment as approved by the Remuneration committee and as set out in the Notice of the ensuing Annual General Meeting.

AUDITORS

M/s Madan & Associates, Chartered Accountants, the present Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The Directors recommend their re-appointment.

AUDITORS' REPORT

The observations of Auditors in their Report read with the relevant Notes on the Financial Statements are self explanatory and do not require further explanation.



COMPLIANCE CERTIFICATE

Compliance Certificate as required under section 383(A) of the Companies Act 1956, issued by Shri Akhil Rohatgi, Company Secretary in Whole Time Practice, is annexed hereto as **Annexure-1**.

DEMATERIALIZATION OF SHARES

The Company shares are being dealt in dematerialized form. Shareholding of the Promoters / Promoter Group has been substantially dematerialized.

LISTING

Your Company is listed with Stock Exchanges at Mumbai and Delhi and Annual Listing fee for the Financial Year 2011-12 and 2012 – 2013 has been paid to them.

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

As required by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 the relevant information and data is given in **Annexure-'A'** annexed hereto and form part of this Report.

CORPORATE GOVERNANCE.

Your Company has taken adequate steps to ensure that mandatory provisions of 'Corporate Governance' as provided in the listing agreement of the Stock Exchanges with which the Company's shares are listed, are duly complied with.

Report on 'Corporate Governance' along with 'Certificate by Practicing Company Secretary' on compliance with the condition of Corporate Governance under clause 49 of the Listing Agreement is annexed hereto as part of this report as **Annexures –'B1 & B2'** respectively.

Report on Management Discussion and Analysis is annexed hereto as **Annexure –'C'** and form part of this report.

PARTICULARS OF EMPLOYEES

During the year under review none of the employees of the Company were drawing remuneration requiring disclosure under provisions of section 217(2A) of the Companies Act, 1956 read with Company (Particulars of Employees) Rules 1975 either for full or part of the year.

INDUSTRIAL RELATIONS

The industrial relations remained cordial during the year.

SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

Cosco Polymer Lanka (Private) Limited is a Wholly Owned Subsidiary Company of Cosco (India) Limited, which is incorporated in Sri Lanka. Statement pursuant to Section 212 of the Companies Act, 1956 is attached as **Annexure-'D'** with this Report.

The Consolidated Financial Statements of the Company and its Wholly Owned Subsidiary, prepared in accordance with Accounting Standards AS-21 and AS-23 issued by The Institute of Chartered Accountants of India, form part of this Report and Accounts. In terms of the Circular No. 2/2011 dated 8th February 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary company are not required to be attached with Balance Sheet/ Annual report of the Company. The said Documents/details shall be made available upon request to any member of the Company and will be made available for inspection by any member of the Company at the Registered office of the company during working hours upto the date of Annual General Meeting. Statement Pursuant to General Exemption granted under Section 212(8) of The Companies Act, 1956 relating to Subsidiary Company is attached with the Consolidated Accounts.

ACKNOWLEDGEMENTS

Your Directors record their sincere appreciation of the contribution made to the organization by Executives, Staff and Workers of the Company. Your Directors also wish to place on record their appreciation for the co-operation received from Bankers, Statutory and Internal Auditors, Government Authorities, Customers, Vendors & Shareholders during the year under review. We greatly value all of you.

Registered Office :
2/8, Roop Nagar,
Delhi -110007

By order of the Board of Director

Place: Delhi
Date: 3rd September, 2012

Devinder Kumar Jain
Chairman cum Managing Director
DIN : 00191539

ANNEXURE TO DIRECTORS' REPORT

Annexure - "A"

Statement of particulars under section 217(1)(e) of the Companies Act, 1956 forming part of the Directors' Report for the year ended 31st March 2012

A. CONSERVATION OF ENERGY

The Company's operation involves high energy consumption, therefore conservation of energy is of utmost importance. Wherever possible efforts to conserve and optimize the use of energy through improved operational methods and other means have been done. Trained manpower has been employed to optimize the use of energy. The Company has conservation of energy, in its working culture. The focus is to conserve energy by eliminating wastages and improving efficiencies and every attempt is made towards this right from the design stage.

Information regarding total energy consumption per unit production as per Form A is not applicable to the Company.

B. TECHNOLOGY ABSORPTION

FORM-B

RESEARCH AND DEVELOPMENT (R & D)

1. Research and Development for achieving higher efficiencies is a continuous process in the company.
2. Benefits derived as a result of above R & D :
 - a. Cost optimization.
 - b. Higher productivity.
3. Future Plans of Action :
 - a. Company will take R&D activities to improve quality of products and reduce wastages.

4. Expenditure on R & D :

Capital	Nil
Recurring	₹ 56956
Total	₹ 56956

Total R&D expenditure as a percentage of net sales is 0.01 %.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Better techniques were evaluated and implemented for quality and productivity improvement.
2. Benefits derived as a result of above
 - (i) Reduction in energy consumption.
 - (ii) Improvement in process efficiency.
3. Imported Technology

(a) Technology imported	None
(b) Year of Import	N.A.
(c) Has technology been fully absorbed	N.A.
(d) If not fully absorbed;	
Reasons and future course of action	N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (i) Foreign Exchange earning during the year ₹ 39936851
- (ii) Foreign Exchange outgo during the year ₹ 286338073



ANNEXURE TO DIRECTORS REPORT

Annexure - "B1"

CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreements with Stock Exchanges, the Company submits the following report on the matters mentioned in the said clause and practices followed by the Company.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.

The Board of Directors and the Management of your Company is committed to

- sound & ethical business practices
- ensure transparency and professionalism in all decisions and transactions of the Company
- build brand value of its products
- good Corporate Governance by conforming to prevalent mandatory guidelines on Corporate Governance.

BOARD OF DIRECTORS

I Composition: The Board of Directors is headed by Shri Devinder Kumar Jain - Chairman Cum Managing Director. Board consisted of the following Directors as on March 31, 2012, categorized as indicated.

(A)	Promoters Group			DIN
	Shri Devinder Kumar Jain	Chairman Cum Mg. Director	ED	00191539
	Shri Narinder Kumar Jain	Managing Director	ED	00195619
	Shri Darshan Kumar Jain	Whole Time Director	ED	00195789
	Shri Pankaj Jain	Whole Time Director	ED	00190414
	Shri Manish Jain	Whole Time Director	ED	00191593
	Shri Neeraj Jain	Whole Time Director	ED	00190592
	Shri Arun Jain	Whole Time Director	ED	01054316
(B)	Independent			
	Shri Mohan Lal Mangla	Director	NED	00311895
	Shri Joginder Pal Jain	Director	NED	00190482
	Prof. M.P. Gupta	Director	NED	00190550
	Shri Sunil Jain	Director	NED	00387451
	Shri Gulshan Rai Jain	Director	NED	00737177
	Smt. Risha Jain	Director	NED	00311938
	Shri Vijay Kumar Sood	Director	NED	01525607

ED – Executive Director, NED – Non Executive Director

II. Attendance at Board Meetings and last Annual General Meeting and details of membership of Directors in other Boards and Board Committees.

(A) Details of Board Meetings held during the year 2011-12

Date of Meetings	Board Strength	No. of Directors Present
April 30, 2011	14	10
May 11, 2011	14	07
July 31, 2011	14	10
September 01, 2011	14	12
September 05, 2011	14	11
October 31, 2011	14	11
January 31, 2012	14	10

(B) Directors' Attendance Record and Directorships held:

Name of the Director	No. of Board Meeting Attended	Whether attended last AGM held on 30th September, 2011	No. of Directorship Public held in other Limited Companies	No. of Committee position held in other Public Limited Companies as a Chairman	No. of Committee position held in other Public Limited Companies as a Member
Shri Devinder Kumar Jain	6	Yes	1	Nil	Nil
Shri Narinder Kumar Jain	7	Yes	1	Nil	Nil
Shri Darshan Kumar Jain	7	Yes	1	Nil	Nil
Shri Pankaj Jain	5	Yes	Nil	Nil	Nil
Shri Manish Jain	5	Yes	Nil	Nil	Nil
Shri Neeraj Jain	6	Yes	Nil	Nil	Nil
Shri Arun Jain	7	Yes	Nil	Nil	Nil
Shri Mohan Lal Mangla	4	No	Nil	Nil	Nil
Shri Joginder Pal Jain	4	No	Nil	Nil	Nil
Prof. M. P. Gupta	4	Yes	Nil	Nil	Nil
Shri Gulshan Rai Jain	4	No	Nil	Nil	Nil
Shri Sunil Jain	4	No	Nil	Nil	Nil
Smt. Risha Jain	4	No	Nil	Nil	Nil
Shri Vijay Kumar Sood	4	Yes	Nil	Nil	Nil

III. Information in respect of appointment /re-appointment of Directors.

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting in pursuance of Clause 49 of the Listing Agreement.

Sl. No.	Name of Director	Brief Resume	Expertise in Specific functional areas	Directorship in other Companies
1.	Shri Devinder Kumar Jain	Aged about 74 years. B.Sc. About 51 years Experience.	Vast Experience in Industrial relation and Research & Development of Rubber Polymer Products.	Cosco Polymer Industries Pvt. Ltd. DDN Polymers Pvt. Ltd. Cosco International Pvt. Ltd. Navendu Investment Co. Pvt. Ltd. Vijay Vallabh Securities Ltd. Radha Phool Fin Investment Pvt. Ltd. Cosco Polymer Lanka (Private) Ltd.
2.	Shri Narinder Kumar Jain	Aged about 71 years. Graduate and Diploma in International Marketing. About 46 years experience.	Vast Experience in National & International Marketing. He also has in-depth knowledge of finance and has excellent administrative qualities.	Cosco Polymer Industries Pvt. Ltd. DDN Polymers Pvt. Ltd. Cosco International Pvt. Ltd. Navendu Investment Co. Pvt. Ltd. Vijay Vallabh Securities Ltd. Radha Phool Fin Investment Pvt. Ltd. Cosco Polymer Lanka (Private) Ltd.



Sl. No.	Name of Director	Brief Resume	Expertise in Specific functional areas	Directorship in other Companies
3.	Shri Darshan Kumar Jain	Aged about 80 years. Matriculate. About 51 years Experience.	Vast Experience in Trade especially in the marketing consumer products.	Cosco Polymer Industries Pvt. Ltd. DDN Polymers Pvt. Ltd. Cosco International Pvt. Ltd. Navendu Investment Co. Pvt. Ltd. Vijay Vallabh Securities Ltd. Radha Phool Fin Investment Pvt. Ltd.
4.	Shri Manish Jain	Aged about 42 years. Qualified Engineer and MBA with about 19 years Experience.	Managing Plant Operations & Production and Associated with research and Development of new Products.	Cosco Polymer Industries Pvt. Ltd. Cosco International Pvt. Ltd.
5.	Shri Neeraj Jain	Aged about 40 years. B.E., M.Sc. (Polymer Science) & MBA. About 18 years Experience.	International Trade & Sourcing of new products.	Cosco Polymer Industries Pvt. Ltd. Cosco International Pvt. Ltd.
6.	Col. Vijay Kumar Sood	Aged about 70 years. Graduate. About 49 years experience.	About 32 years in Armed Forces. Retired as Lt. Col. and 17 years experience in Event Management and Sport Goods Promotion.	NIL

(Refer also statement forming part of Notice of 33rd Annual General Meeting issued to the Shareholders of the Company)

Details of Directors appointed/re-appointed in the last Annual General Meeting held on 30th September 2011.

Sl. No.	Name of Director	Brief Resume	Expertise in Specific functional areas	Directorship in other Companies
1.	Shri Manish Jain	Aged about 42 years. Qualified Engineer and MBA with about 19 years Experience.	Managing Plant Operations & Production and Associated with research and Development of new Products.	Cosco Polymer Industries Pvt. Ltd. Cosco International Pvt. Ltd.
2.	Shri Pankaj Jain	Aged about 41 years. B. Com and MBA. About 19 years experience.	Finance and Marketing and developing of new products for International Market.	Cosco Polymer Industries Pvt. Ltd.
3.	Shri Neeraj Jain	Aged about 40 years. B . E . (P o l y m e r Science) About 18 years experience.	International Trade and Sourcing of new products.	Cosco Polymer Industries Pvt. Ltd. Cosco International Pvt. Ltd.

Sl. No.	Name of Director	Brief Resume	Expertise in Specific functional areas	Directorship in other Companies
4.	Shri Arun Jain	Aged about 47 years. B.E., M. Tech. About 20 years experience	Industrial Relations & Management of Production and Research & Development of Rubber & Polymer Products.	Cosco Polymer Lanka (Private) Limited Cosco Polymer Industries Pvt. Ltd.
5.	Shri M.P. Gupta	Aged about 72 years. Post Graduate-Educationist, Former Head and Dean of Delhi School of Management Studies. About 44 Years Experience.	Vast Knowledge in the areas of Business and Management.	NIL
6.	Shri Sunil Jain	Aged about 57 years. Graduate. About 29 Years Experience.	Industrial Management.	H.B. Velvet (Pvt.) Ltd.
7.	Shri Gulshan Raj Jain	Aged about 62 years. Graduate. About 34 years experience.	Running and Managing Industry.	Jainson Rubber Pvt. Ltd.
8.	Shri Risha Jain	Aged about 45 years. Chartered Accountant. About 19 years experience.	Finance, Accounts and Project Work.	NIL

CODE OF CONDUCT

The Board has laid down a Code of Conduct for the Directors and Senior Management of the Company. All the Board Members and Senior Management personnel have affirmed their compliance with the Code. The Code of Conduct is available on the Company's website viz. www.cosco.in. A declaration to this effect signed by the CEO of your Company forms a part of this Report.

Declaration

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct formulated by the Board of Directors of the Company for the year ended 31st March, 2012.

Registered Office :
2/8, Roop Nagar,
Delhi -110007

By order of the Board of Director

Place: Delhi
Date: 3rd September, 2012

Devinder Kumar Jain
Chairman cum Managing Director
DIN : 00191539



BOARD COMMITTEES

The Board of Directors has constituted the following committees with adequate delegation of powers.

1. AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

Independent Directors	—	Smt. Risha Jain – Chairperson
	—	Prof. M.P. Gupta
	—	Shri Joginder Pal Jain
	—	Shri Sunil Jain

The members of the Audit Committee are well experienced in the field of finance, accounts and management. Two members of the Committee including the Chairperson are Chartered Accountants. The powers and terms of reference of the committee are as contained in Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

The Meetings of the Committee during the year were held on 30th April, 2011, 31st July, 2011, 01st September, 2011, 31st October, 2011 & 31st January, 2012.

(B) Details of Meetings of Audit Committees held during the year 2011-12

Name of the Member	No. of Meetings held	No. of Meetings attended
Smt. Risha Jain	5	4
Shri Joginder Pal Jain	5	4
Prof. M. P. Gupta	5	3
Shri Sunil Jain	5	4

2. REMUNERATION COMMITTEE

The Remuneration Committee consists of following Directors.

Independent Directors	—	Shri Mohan Lal Mangla – Chairman
	—	Shri Gulshan Rai Jain
	—	Shri Sunil Jain

The terms of reference of the committee are as contained in Clause 49 of the Listing Agreement with the Stock Exchanges and as specified in schedule XIII of the Companies Act, 1956.

The Meetings of the committee were held on 4th April, 2011 and 1st September, 2011. The Remuneration Committee approved the remuneration of all the Executive Directors.

The appointment and remuneration of all the Executive Directors have been fixed in terms of Resolutions passed by members in General Meetings.

Remuneration paid to the Executive Directors during the financial year ended 31.03.2012 is given below:

(Amount in ₹)

Name	Designation	Salary	Commission	PF	Medical Exp.	Car Perks**	Other Perks	Contract Period No. of Yrs.
Shri Devinder Kumar Jain	Chairman Cum Mg. Director	1,200,000	912,000	9,360	59,967	39,600	Refer note	3
Shri Darshan Kumar Jain	Whole Time Director	1,200,000	912,000	9,360	178,978	39,600	Refer Note	3
Shri Narinder Kumar Jain	Managing Director	1,200,000	912,000	9,360	35,373	39,600	Refer Note	3
Shri Arun Jain	Whole Time Director	1,020,000	768,000	9,360	85,754	39,600	Refer Note	3
Shri Manish Jain	Whole Time Director	1,020,000	768,000	9,360	62,586	32,400	Refer Note	3
Shri Pankaj Jain	Whole Time Director	1,020,000	768,000	9,360	46,393	32,400	Refer Note	3
Shri Neeraj Jain	Whole Time Director	1,020,000	768,000	9,360	29,709	32,400	Refer Note	3

** Car with Driver partly for personal use valued as per Income Tax Rules.

Note:- Other Perks and Allowances

In addition following Perks and Allowances were permissible / allowed to all the Directors:

- i) Gratuity and Leave encashment as per actuarial valuation
- ii) Telephones provided at Residence for official use.

The sitting fees paid to Non Executive Directors for the year ended on 31st March 2012 are as follows:

Shri Mohan Lal Mangla	:	₹ 6000/-	Shri Sunil Jain	:	₹ 6000/-
Shri Joginder Pal Jain	:	₹ 6000/-	Shri Gulshan Rai Jain	:	₹ 6000/-
Prof. M.P. Gupta	:	₹ 6000/-	Smt Risha Jain	:	₹ 6000/-
Shri Vijay Kumar Sood	:	₹ 6000/-			

Detail of Shareholding of Non-Executive Directors

Name	No. of Equity Shares held	Name	No. of Equity Shares held
Shri Mohan Lal Mangla	: 500	Shri Sunil Jain	: -
Shri Joginder Pal Jain	: 100	Shri Gulshan Rai Jain	: 2,000
Prof. M.P. Gupta	: -	Smt Risha Jain	: -
Shri Vijay Kumar Sood	: -		

3. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Committee consists of following Directors.

Shri Sunil Jain	—	Chairman – Non Executive Director
Shri Darshan Kumar Jain	—	Executive Director
Shri Pankaj Jain	—	Executive Director
Shri Neeraj Jain	—	Executive Director

Shri Pankaj Jain, Director acted as Compliance officer.

The terms of reference of the committee are as specified in Clause 49 of the Listing Agreement with the Stock Exchanges. The Meetings of the Committee were normally held three times in a month during the year 2011–12.

The Committee is looking after the work of Share Transfer/Transmission/Split/ Consolidation of Shares and Investors grievances. Any two of the above are authorized to consider and approve the Share Transfer/Transmission/Split/Consolidation of Shares.

Total No. of Complaints received during the year	:	Nil
No. of unsolved complaints to the satisfaction of Shareholders	:	Nil
No. of transfers pending for registration for more than 30 days	:	Nil

GENERAL BODY MEETINGS

(I) Details of location and time of holding the last three AGMs.

Year	Location	Date & Time
30th AGM – 2009	2/8, Roop Nagar, Delhi- 110 007	30th September, 2009 – 10.30 A.M.
31st AGM – 2010	2/8, Roop Nagar, Delhi- 110 007	30th September, 2010 – 10.30 A.M.
32nd AGM – 2011	2/8, Roop Nagar, Delhi- 110 007	30th September, 2011 – 10.30 A.M.

(a) No other Shareholders' Meeting was held in the last three years.

(b) Some Special Resolutions were approved in the above meetings. There has been no use of Postal Ballot so far.

Unclaimed Dividends

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Dividends declared which remained unpaid or unclaimed for a period of 7 years have already been transferred to Investor Education and Protection Fund of the Central Government as reported in earlier years. The Company has not declared any dividend for the financial years from 2000-01 and onward.

Disclosures

Related party disclosure

Related party disclosures are given at Note No. 34 of in relation to Notes on Accounts to Financial Statements of the Company. The transactions with the related parties were not in conflict with the interests of the Company at large.

The Company has complied with the requirements of the regulatory authorities on capital markets. There have been no instances of non compliance on matters related to capital markets and no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority during the last three years.

CEO/CFO Certification

A Certificate from Chairman cum Managing Director and Finance Head as per the requirements of clause 49. V of the Listing Agreement with the Stock Exchanges was placed before the Board regarding the Financial Statements of the Company,



Specified Transactions, Internal Controls, Significant Changes, if any, in Accounting Policies, for the year ended 31st March, 2012.

Means of Communication

The Quarterly, Half Yearly and Annual Results are regularly submitted to Stock Exchanges and are published in daily newspapers - Pioneer (English) and Veer Arjun (Hindi). The Quarterly, Half Yearly Results were not sent to household of Shareholders.

The Company has not displayed any official news release on the Company's website. No presentations were made to any institutional investors or analysts.

Management Discussion & Analysis

Management Discussion & Analysis forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

a) 33rd Annual General Meeting

Date and Time	:	29th September, 2012 – 10.30 AM
Venue	:	AMITABH, E – 23, Bungalow Road, Kamla Nagar, Delhi – 110 007

b) Financial Calendar

Financial Year	:	1st April to 31st March
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For the year ended 31st March 2012, the quarterly results were announced as under:-

1st Quarter ended 30th June 2011	:	31st July 2011
2nd Quarter ended 30th September 2011	:	31st October 2011
3rd Quarter ended 31st December 2011	:	31st January 2012
4th Quarter ended 31st March 2012	:	30th April 2012

For the year ending 31st March 2013, the schedule of announcement of results is as under:-

1st Quarter ended 30th June 2012	:	31st July 2012 – already announced
2nd Quarter ending 30th September 2012	:	Last week of October 2012
3rd Quarter ending 31st December 2012	:	Last week of January 2013
4th Quarter ended 31st March 2013	:	Last week of April 2013

c) Book Closure Date

From 26th September 2012 to 29th September 2012 (both days inclusive)

d) Dividend Payment Date	:	Dividend not declared.
e) Listing of Equity Shares	:	Delhi and Mumbai

The listing fee has been paid up to date, to both the Stock Exchanges

f) (i) Stock Code	:	Mumbai Stock Exchange : 30545
	:	Delhi Stock Exch : 3177

(ii) Demat ISIN Numbers in NSDL & CDSL
Equity Shares - INE 949B01018

Stock Market Price Data: High low quotations on the Bombay Stock Exchanges during each month for the year 2011 - 2012 & performance in comparison to BSE Index:

Month	Market Price*		BSE INDEX**	
	High (₹)	Low (₹)	High	Low
April, 2011	66.95	50.30	19,811.14	18,976.19
May, 2011	66.50	46.40	19,253.87	17,786.13
June, 2011	75.80	47.25	18,873.39	17,314.38
July, 2011	77.90	57.70	19,131.70	18,131.86
August, 2011	70.65	45.15	18,440.07	15,765.53
September, 2011	63.40	43.00	17,211.80	15,801.01
October, 2011	53.15	39.10	17,908.13	15,745.43
November, 2011	52.70	39.70	17,702.26	15,478.69
December, 2011	42.70	33.50	17,003.71	15,135.86
January, 2012	44.00	35.60	17,258.97	15,358.02
February, 2012	40.85	35.75	18,523.78	17,061.55
March, 2012	43.00	37.70	18,040.69	16,920.61

Distribution of Shareholding as on 31st March, 2012

Cat Code	Category of Shareholder	No. of Share Holders	Total No. of Shares	No. of Shares Held in Demat Form	Total Shareholding As a Percentage of Total Number of Shares	
					% of (A+B)	% of (A+B+C)
(A) SHAREHOLDING OF PROMOTER AND PROMOTER GROUP						
1. INDIAN						
	(a) Individuals/huf	22	1,672,800	0	40.20	40.20
	(b) Central Government/state Government(s)			0	0.00	0.00
	(c) Bodies Corporate	1	1,447,000	0	34.78	34.78
	(d) Financial Institutions/banks			0	0.00	0.00
	(e) Any Others (Specify)					
	Sub Total A (1)	23	3,119,800	0	74.98	74.98
2. FOREIGN						
	(a) Individuals (Non-Residents Individuals/foreign Ind.)	0	0	0	0	0
	(b) Bodies Corporate	0	0	0	0	0
	(c) Institutions	0	0	0	0	0
	(d) Any Others (Specify)	0	0	0	0	0
	Sub Total A (2)	0	0	0	0	0
HOLDING OF PROMOTER AND PROMOTER GROUP						
	A=A(1)+A(2)	23	3,119,800	0	74.98	74.98
(B) PUBLIC SHAREHOLDING						
1. INSTITUTIONS						
	(a) Mutual Funds / UTI	0	0	0	0	0
	(b) Financial Institutions / Banks	0	0	0	0	0
	(c) Central Government/state Government(S)	0	0	0	0	0
	(d) Venture Capital Funds	0	0	0	0	0
	(e) Insurance Companies	0	0	0	0	0
	(f) Foreign Institutional Investors Foreign Venture Capital	0	0	0	0	0
	(g) Investors	0	0	0	0	0
	(h) Any Other (Specify)	0	0	0	0	0
	Sub Total B (1)	0	0	0	0	0
(B)2 NON INSTITUTIONS						
	(a) Bodies Corporate	43	236,800	235,000	5.69	5.69
	(b) Individuals					
	I) Individual Shareholders Holding Share Capital Upto Rs. 1 Lakh.	1,697	448,590	354,129	10.78	10.78
	II) Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh.	16	292,339	292,339	7.03	7.03
	(c) Any Other (NRI)	10	63,471	63,471	1.53	1.53
	Clearing House	0	0	0	0.00	0.00
	Sub Total B (2)	1,766	1,041,200	944,939	25.02	25.02
	TOTAL PUBLIC SHAREHOLDING B= B(1)+B(2)	1,766	1,041,200	944,939	25.02	25.02
	TOTAL OF A+B	1,728	4,161,1000	941,044	100.00	100.00
(C) Shares Held By Custodians And Against Which Depository Receipts Have Been Issued						
		0	0	0	0.00	0.00
	Grant Total (A+B+C)	1,789	4,161,000	944,939	100.00	100.00



Dematerialization of Shares and liquidity

The Shares of the Company are traded in Demat mode. The Company has entered into an agreement with National Securities Depository Limited and Central Depository Services (India) Ltd. The shares of the Company were dematerialized w.e.f. 27th November 2000. Approx. 22.71% of the Equity Shares of the Company have been dematerialized as on March 31st 2011.

REGISTRAR AND TRANSFER AGENTS

Securities Transfer work in respect of both physical and Demat segment are handled by the Registrar and Share Transfer Agents (R & TA) of the Company for all aspects of investor servicing relating to shares. The Share Transfers were approved by the Shareholders/Investors Grievance Committee of the Company.

Plant Location:

The Factory is situated at : 1688-2/31, Railway Road, Near Railway Station, Gurgaon-122001 (Haryana)
Phones: 91-124-2251781, 2251782, 2251783
Email: gurgaon@cosco.in

Address for Correspondence:

For Share Transfer/Demat of Share or any other query relating to Shares:
M/s. Skyline Financial Services Pvt. Ltd
D-153A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020.
Ph. 26292682, 26292683.

Status of compliances of Non mandatory requirements

1. The Board: The Company is headed by an Executive Chairman cum Managing Director.
2. Remuneration Committee: The Company has constituted Remuneration Committee details whereof are given herein above in this report.

The Company has not adopted the non-mandatory requirements of Clause 49 of the Listing Agreement except as stated hereinabove.

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE – 'B2'

CERTIFICATE BY PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

TO THE MEMBERS OF

COSCO INDIA LIMITED

1. We have examined the compliance of conditions of corporate governance by Cosco India Ltd., for the year ended on 31.3.2012, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange(s).
2. The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us, Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.
4. We 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 AKHIL ROHATGI & CO.
Company Secretaries

(AKHIL ROHATGI)
Company Secretary in Practice
C.P. No. 2317
F.C.S. No.: 1600

Place: New Delhi

Date : 3rd September, 2012

**ANNEXURE TO DIRECTORS' REPORT
ANNEXURE - 'C'**

MANAGEMENT DISCUSSION AND ANALYSIS

(MD & A)

This may be read in conjunction with the Directors' Report

Economic Scenario

Global economies including India are facing slowdown in economic growth over the last few years. The Indian economy is growing at about 6% - its slowest pace in three years. The government expects a better growth for the fiscal year 2012-13. The purchasing power of the Public at large is under pressure due to continuing inflation.

Industry structure and developments

Sports Goods Industry in India is more than 100 year old with good base of traditionally skilled manpower. Jalandhar, Meerut and Gurgaon are the main clusters of Sports Industry in India. Very few units are organized. Most of the Sports Industry is in small and tiny sector and is predominantly based on manual processes. The Industry is steadily embracing new technology and adapting its products to keep up with the changing global trends. After the introduction of economic liberalization in India in 1991 and integration of world markets under WTO agreements in 1995, sports goods sector has come under tremendous competition from foreign brands and overseas manufacturers/suppliers from China and other countries.

The Indian Sports Goods & Toys industry is striving hard to maintain the momentum of growth under pressure of global recession. India's contribution to total world import of these items is less than 1%. India's Exports of Sports Goods and Toys increased from ₹ 611 Crores during 2010-11 to ₹ 689 Crores in 2011-12, registering growth of about 13% as per data of the Sports Goods Export Promotion Council. India is exporting Inflatable Balls, Sports Ball Bladders, Cricket Bats, Boxing Equipments, Carrom Boards, Chess, Table Tennis Equipments, General Exercise Equipments etc. The main export destinations are United Kingdom, USA, Australia, South Africa.

Growth potential of Indian Sports Goods & Toys industry is still untapped by the Indian industry. Underdevelopment of Sports due to inadequate infrastructure and anarchical labour laws still pose as major bottlenecks for Sports Goods Industry. The Indian Sports Goods Industry needs to introduce mechanization on major scale for increasing productivity and competitiveness of Indian Sports Goods Sector.

Budgetary allocations for Development of Sports in India have been quite less compared to the expenditure on sports by developed countries. However, Govt. of India and State Governments are gradually increasing budgetary allocations for Sports and taking progressive policy initiatives to promote Sports and Sports Industry.

Opportunities & Threats, Risks and Concerns:

The Sports Industry in India has good network of quality manufacturing units with adequate skilled manpower. Overseas buyers are looking for alternate sources of supply in addition to China. The domestic market is large and expanding.

Our Company has network of branches, distributors and about 800 authorized dealers in India and is one of the leading and most organized Indian Company in Sports Industry. The Company manufactures mainly Sports Balls and Sports Ball Bladders and is marketing wide range of various Sports Goods and Fitness Equipments under 'Cosco Brand'. The company has immense potential to leverage upon its brand, accreditation and quality to increase sales and profitability. The company is expanding its marketing network of Health and Fitness Goods. The company is also exploring new markets for export. The Company has got ISO 9001:2000 accreditation and is also registered under ISO 14001:1996 – for implementing an Environmental Management System and OHSAS 18001:1999 - for implementing Occupational Health & Safety Management System. The products manufactured/traded by the company conform to International Standards. The Company on continuous basis upgrades the quality of its products with in-house R & D. Increasing popularity of sports among masses and awareness about Health & Fitness offers good market opportunity. The company has tie ups and arrangements with international reputed manufacturers/suppliers to meet the challenges.

Segment-wise product-wise performance

The Company's products segments are classified broadly into two segments viz

- Own manufactured products viz Sports Balls & Sports Ball Bladders
- Traded Goods viz Fitness Equipments and other sports goods.

The segment wise performance and relevant information is given in Notes on the Financial Statements (**Refer Note No. 33** of Notes on the Financial Statements – Segment Information)

Outlook

Sports and Fitness is gaining importance at all levels. People are becoming health conscious. The company see promising future of Sports in India due to increase in spending and creation of Sports related infrastructure. The Sports Industry in India is expected to grow at an average annual growth of 5 percent.

Threats

1. Stiff competition from International Brands due to their growing popularity amongst Indian consumers;
2. Low consciousness on international safety and quality standards;
3. Infringement of Company's Brand and Trade mark by grey market operators



4. Manpower constraints & increasing manpower costs;
5. High energy cost and inadequate state power supply;
6. Erosion of purchasing power due to rising Inflation;

Internal control systems and their adequacy.

The internal control systems provide for policies, guidelines, authorizations and approval procedures. Your Company has in place adequate internal control systems and procedures commensurate with size and nature of its business. The Company has appointed Internal Auditors who conduct Internal Audit periodically. Audit Committee reviews Internal Audit Reports and adequacy of internal controls for ensuring checks and balances and that internal control systems are properly followed. The company is gradually enhancing the scope of Internal Audit to include Branches and physical verification of Assets and Stocks.

Discussion on financial performance with respect to operational performance.

The relevant information is given in the Directors' Report under headings Financial Results and Performance Review read with the Financial Statements.

Material developments in Human Resources/Industrial Relations front.

The Management believes in trust, transparency and teamwork. The management believes that Human Resources is the driving force towards progress of the Company and regards it as its most valuable asset. The thrust of the Company is to create responsive and market driven organization. The Company seeks to motivate and provide opportunities to its personnel to grow with the organization. The relations with employees remained cordial and satisfactory.

ANNEXURE TO DIRECTORS' REPORT

Annexure – 'D'

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Company's Interest in Subsidiary Companies

1.	Name of the Company	Cosco Polymer Lanka (Private) Ltd (Incorporated in Sri Lanka)
2.	The Financial year of the subsidiary Company ended on	31.03.2012
3.	Date from which they became subsidiary Company	30.11.2002
4.	(a) Number of shares held by Cosco (India) Limited with its nominees in the subsidiary at the end of the financial year of the subsidiary Company.	1298553 * ordinary shares of face value of Sri Lankan Rs. 100/- each fully paid up.** *Includes 3 ordinary shares of face value of Sri Lankan Rs. 100/- each fully paid up held through Nominees
	(b) Extent of interest of holding Company at the end of the financial year of the subsidiary Company.	100% (Refer Note 1)
5.	The net aggregate amount of the subsidiary Company profit/(loss) so far as it concerns the members of the holding Company	Sri Lankan Rs. 373379133/- (Loss) equivalent to INR 1482.69 Lacs (Loss)
		Note 1 : The Subsidiary Company is scheduled in the Revival of Underperforming Enterprises or Underutilized Assets Act, No 43 of 2011(of Sri Lanka), whereby lands, buildings, fixtures and fittings which are part of the buildings stand vested in the Secretary to the Treasury of the Government of Sri Lanka. The Act provides for the appointment of a Competent Authority to control, administrate and manage the assets vested in the Secretary to the Treasury and payment of compensation to the shareholders.
		Note 2: These losses have been dealt in the holding Company's Account by provisioning /write off of a)Receivables/Advances due from the subsidiary company; b) Investments in the wholly owned subsidiary company c)Recognition of estimated Corporate Guarantee Liability for Loans availed by the subsidiary company from Bank as per details given in Note 34 of Notes on Financial Statements (related party disclosure) read with Note 30 of Notes on Financial Statements.
	(a) Not dealt with in the holding Company's account	Refer Note 2 above
	i) For the financial year ended 31st March, 2012	
	ii) For the previous financial years of the subsidiary Company since it became the holding Company's subsidiary.	Refer Note 2 above
	(b) Dealt with in the holding Company's accounts.	
	i) For the financial year ended 31st March, 2012	Refer Note 2 above
	ii) For the previous financial year of the subsidiary Company since it became the holding Company's subsidiary.	Refer Note 2 above

Compliance Certificate Under Section 383(A) of the Companies Act, 1956

To,
The Members
COSCO (INDIA) LIMITED.
2/8. Roop Nagar,
Delhi-1007.

We have examined the registers, records, books and papers of COSCO (INDIA) LIMITED as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provision contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. The Company was not required to file any forms or returns to the Regional Director, Central Government and Company Law Board during the Financial Year under scrutiny.
3. The Company has a paid up capital of ₹ 4,16,10,000/- (Rupees Four Crores Sixteen Lacs Ten Thousand Only).
4. The Board of Directors duly met seven times on 30.04.2011, 11.05.2011, 31.07.2011, 01.09.2011, 05.09.2011, 31.10.2011 and 31.01.2012, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 26th September, 2011 to 30th September, 2011 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 30.09.2011 after giving due notice to the members of the Company and resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13.
 - i) The Company has delivered all the share certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of Act during the financial year.
 - ii) The company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii) The Company has not posted warrants to any member of the Company as no dividend was declared during the financial year.
 - iv) There has not been any unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
 - v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors or casual directors during the financial year.
15. The Company has not appointed Managing Director/Manager during the financial year. The re-appointment of Whole Time Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Companies Act
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.



18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year as no such securities were issued by the Company.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year.
23. The company has not invited/accepted any deposits falling within the purview of Section 58A during the financial year. However, the Company has taken unsecured loans from Directors and Companies. In our opinion, these loans are exempted under rule 2(b)(ix) and 2(b)(iv) of the Companies (Acceptance of Deposits) Rules 1975.
24. The amount borrowed by the Company from directors, members, financial institutions, banks and other during the financial year is within the borrowing limits of the Company
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. During the year under scrutiny the Registrar of Companies, NCT of Delhi and Haryana, New Delhi has, on the basis of technical scrutiny of Balance Sheet submitted to it by the Company as at 31.03.2007, filed the following criminal complaints against the Company and its Managing / Whole Time Directors under section 629A of the Act in the Court of ACMM (Special Act), Tis Hazari, Delhi:
 - a. C.C. 2/3 for contravention of section 125 of the Act.
 - b. C.C. 3/3 for contravention of section 266F of the Act.
 - c. C.C. 3056/3 for contravention of section 212 of the Act.
 - d. C.C. 3057/3 for contravention of section 297 of the Act.
 - e. C.C. 3058/3 for contravention of section 211 of the Act read with Schedule VI & read with AS-2, 13, 20 & 28
 - f. C.C. 3059/3 for contravention of section 209(1), 209(3)(b) of the Act.The Company and the aforesaid Directors of the Company have filed applications under Section 621A(6) of the Companies Act, 1956 before the Hon'ble Court of ACMM for Compounding of aforesaid offences. There has been no other prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For Akhil Rohatgi & Co.
Company Secretaries

AKHIL ROHATGI
(Company Secretary in Practice)
C.P. No.: 2317
F.C.S. No.: 1600

Place : New Delhi

Date : 3rd September, 2012

Annexure A

REGISTERS MAINTAINED BY THE COMPANY

- a) Register of Members under Section 150
- b) Minutes Book of Meetings of Shareholders, Board of Directors, Audit Committee, Remuneration Committee and Shareholders/Investors Grievance Committee.
- c) Register of Contract in which Directors are interested u/s 301.
- d) Register of Directors, Managing Director, Manager and Secretary under Section 303
- e) Register of Directors' Shareholdings under Section 307
- f) Register of Charges.
- g) Register of Investments
- h) Register of Allotment of shares.
- i) Register of Director's Attendance
- j) Register of Shareholder's Attendance

Annexure B

FORMS, RETURNS AND DOCUMENTS FILED BY THE COMPANY DURING THE FINANCIAL YEAR ENDING ON 31st MARCH, 2012.

- (a) Annual Returns in Form No. 20B on 26/11/2011.
- (b) Balance sheet, etc., under Section 220 in Form No. 23AC & ACA (XBRL) on 30/12/2011
- (c) Compliance Certificate in Form No. 66 on 22/11/2011
- (d) Form 23 on 22/11/2011 in respect of re-appointment of Whole Time Directors.
- (e) Return of re-appointment of Whole Time Directors in Form 25C.
- (f) Form 8 on 11/05/2011 in respect of modification of charge.
- (g) Form 8 on 11/05/2011 in respect of modification of charge.



AUDITORS' REPORT

THE MEMBERS,

COSCO (INDIA) LTD.

1. We have audited the Balance Sheet of **COSCO (INDIA) LIMITED** ("the Company") as at 31st March, 2012, the statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the Said Order.
4. Further to our comments in the Annexure referred to in the paragraph 3 above, we report as follows:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far, as appears from our examination of the books;
 - c. the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion the Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - f. in our opinion and to the best of our information and according to the explanation given to us, the said financial statements read together with notes thereon (particularly note no. 30.1 reg. Corporate Obligations- Emphasis of Matter) and Accounting Policies, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit & Loss, of the loss of the company for the year ended on that date and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Madan & Associates
Chartered Accountants
Firm's Reg. No.000185N

Place : New Delhi

Date : 3rd September, 2012

(C.A. M.K. Madan)
M.No. 082214
Proprietor

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As informed, the company has a programme of physical verification of all major fixed assets over a period 2-3 years and as per programme, dies, computers & printers, Moulds and Machinery purchased in last three years at Factory were physically verified during the year.
- (c) Since there is no disposal of substantial part of fixed assets during the year, paragraph 4 (i) (c) of the Companies (Auditors' Report) Order, 2003 (hereinafter referred to as the Order) is not applicable.
- (ii) (a) The inventories have been physically verified by the management at close of the year.
- (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 are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. According to the information and explanations given to us, no material discrepancies were noticed on physical verification between the physical stock and the book records.
- (iii) (a) The Company had advanced interest free loan of ₹ 284.88 lacs to its subsidiary company in the earlier years which has been written off during the year due to subsidiary company's continued suffering of operational losses.
- (b) The company has taken loans from companies, Directors and others (shareholders/Directors' relatives) at differential rates of interest. The other terms and conditions of loans are not stipulated. In our opinion the rates of interest are not prima facie prejudicial to the interest of the company. Total no. of parties from whom loans are taken is 9 and the amount outstanding at the year end is ₹ 1710.21 lacs. The maximum amount outstanding during the year was ₹ 1748.36 lacs.
- (c) As stated in para (iii) (b) above, the terms of repayment are not specified. Of the interest outstanding at the beginning of the year of ₹ 188.99 lacs, Company has paid ₹ 130.31 lacs during the year.
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures 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. We have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangement that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) The company has not entered into transactions exceeding value of ₹ 5 lacs each with the parties listed in the register under section 301 of the Companies Act, 1956.
- (vi) The Company has not received public deposits during the year.
- (vii) Company has appointed External Firm of Chartered Accountants as Internal Auditors. Internal Audit has issued Audit Reports in respect of Factory and Head Office on quarterly basis. We have gone through the scope of work, Audit Reports and compliance thereof. In our opinion the Internal Audit needs to be further strengthened to report on Internal controls / checks operating in the organization to make it commensurate with the size and nature of company's business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) According to the information and explanations given to us and according to the records of the company in respect of

statutory dues.:

- (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, tax deducted at source, tax collected at source, professional tax, sales tax, custom duty, excise duty, service tax, octroi charges, property tax, water tax, license fees, works contract tax, cess and other material statutory dues applicable to it. There were no undisputed amounts in respect of the statutory dues referred to above were outstanding as at March 31, 2012 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, Property Tax of ₹ 444854/- has not been deposited as on 31st March, 2012 on account of dispute with Municipal Corporation Gurgaon.
- (x) Company does not have the accumulated losses at the end of the financial year. Company has suffered cash losses of ₹ 340.80 Lacs during the year but NIL in the immediately preceding financial year.
- (xi) As per information given to us, company has not defaulted in repayment of dues to a financial institution or bank or debenture holder.
- (xii) Since the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4 (xii) of the Order is not applicable.
- (xiii) As the company is not a nidhi/mutual benefit fund/society, paragraph 4 (xiii) of the Order is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The company had given guarantee of US \$ 20.05 lacs equivalent to INR of ₹ 1019.92 lacs to State Bank of India Colombo in respect of loans granted by the Bank to Company's subsidiary. In view of the continued sufferings of losses and suspension of operations, underutilized assets of subsidiary as detailed in note no. 12.2 stand vested in the Secretary to the Treasury of Govt. of Sri Lanka under Revival of Underperforming Enterprises or Underutilized Assets Act. No. 43 of 2011. As detailed in note no. 30.1 Company has accounted for 637.67 lacs during the year under Audit. Company is of the view that there may not accrue any further liability of remaining amount in view of realisable value of Subsidiary's net asset and Banker's accepting the one time settlement offer of Company.
- (xvi) During the year the company has not raised term loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, no funds raised on short term basis have been used for long term investments.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) Since the company has not issued any debentures during the year, paragraph 4 (xix) of the Order is not applicable.
- (xx) Since the company has not raised any money during the year by way of public issue, paragraph 4(xx) of the Order is not applicable.
- (xxi) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For Madan & Associates
Chartered Accountants
Firm's Reg. No.000185N

Place : New Delhi

Date : 3rd September, 2012

(C.A. M.K. Madan)
M.No. 082214
Proprietor

**BALANCE SHEET AS AT 31ST MARCH, 2012**

(Amount in ₹)

	NOTE	AS AT 31ST MARCH, 2012	AS AT 31ST MARCH, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	41,610,000	41,610,000
(b) Reserve and Surplus	3	115,280,118	155,526,780
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	140,000,000	140,000,000
(b) Long Term Provisions	5	2,875,225	2,607,880
(c) Other Long Term Liabilities	6	3,727,439	3,353,439
(3) Current Liabilities			
(a) Short Term Borrowings	7	109,813,543	125,499,291
(b) Trade Payables	8	47,329,779	43,515,795
(c) Other Current Liabilities	9	96,422,874	37,133,545
(d) Short Term Provisions	10	14,871,608	14,183,492
Total Equity & Liabilities		571,930,586	563,430,222
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets :	11		
(i) Gross Block		186,678,926	183,779,379
(ii) Depreciation		150,508,046	145,981,249
(iii) Net Block		36,170,880	37,798,130
(iv) Capital Work in Progress		-	95,300
(b) Non-Current Investments	12	5,000	58,652,928
(c) Deferred Tax Assets (Net)	13	17,467,458	353,425
(d) Long term Loans and Advances	14	14,516,169	14,622,192
(e) Other Non-Current Assets	15	1,185,339	41,780,673
(2) Current Assets			
(a) Current Investments	16	302,838	302,188
(b) Inventories	17	338,619,883	278,842,289
(c) Trade Receivables	18	105,465,068	93,823,011
(d) Cash & Cash Equivalents	19	27,277,881	7,123,961
(e) Short term Loans and Advances	20	30,920,070	30,036,125
Total Assets		571,930,586	563,430,222

Significant Accounting Policies
Notes on Financial Statements 1 to 38

As per our report of even date.

FOR MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION NO. : 000185N

(M.K. MADAN)
Proprietor
M.No. 82214

PLACE : New Delhi

DATED : 3rd September, 2012

FOR AND ON BEHALF OF BOARD OF DIRECTORS

D.K. JAIN
Chairman-cum-Mg. Director
DIN : 00191539

N.K. JAIN
Mg. Director
DIN : 00195619



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

	NOTE	FOR THE YEAR ENDED 31ST MARCH, 2012	(Amount in ₹)	FOR THE YEAR ENDED 31ST MARCH, 2011
I. Revenue from operations	21	808,154,413		699,005,817
II. Other Income	22	1,806,441		1,129,970
III. Total Revenue (I+II)		<u>809,960,854</u>		<u>700,135,787</u>
IV. Expenses :				
(a) Cost of materials consumed	23	177,823,452		186,676,173
(b) Purchase of Stock-in-Trade	24	378,820,711		255,648,115
(c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(61,317,990)		(18,641,437)
(d) Employee benefit expense	26	76,789,539		80,095,403
(e) Financial costs	27	23,720,061		29,012,106
(f) Depreciation	11	6,166,168		6,349,187
(g) Other expenses	28	200,623,039		149,297,574
Total Expenses		<u>802,624,980</u>		<u>688,437,121</u>
V. Profit before Prior Period, exceptional and extraordinary items and Tax		7,335,874		11,698,666
VI. Prior Period Adjustments - charges	29	2,230,765		171,301
VII. Exceptional Items - Charge/(Income)	30	62,465,804		(104,023)
VIII. Profit / (Loss) before extraordinary items and Tax		<u>(57,360,695)</u>		<u>11,631,388</u>
IX. Extraordinary Items		-		-
X. Profit / (Loss) before Tax	(VIII-IX)	<u>(57,360,695)</u>		<u>11,631,388</u>
XI. Tax Expenses :				
Current Tax		-	6,272,563	
Deferred Tax	13	<u>(17,114,033)</u>	<u>(1,812,450)</u>	<u>4,460,113</u>
XII. Profit / (Loss) for the period from continuing operations		<u>(40,246,662)</u>		<u>7,171,275</u>
Basic & Diluted Earnings per share	31	(9.67)		1.72
Nominal Value per share (in ₹)		10.00		10.00
Significant Accounting Policies Notes on Financial Statements	1 to 38			

As per our report of even date.

FOR MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION NO. : 000185N

(M.K. MADAN)
Proprietor
M.No. 82214

PLACE : New Delhi

DATED : 3rd September, 2012

FOR AND ON BEHALF OF BOARD OF DIRECTORS

D.K. JAIN
Chairman-cum-Mg. Director
DIN : 00191539

N.K. JAIN
Mg. Director
DIN : 00195619



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

(Amount in ₹)

	YEAR ENDED 31ST MARCH, 2012	YEAR ENDED 31ST MARCH, 2011
A. Cash Flow from Operating Activities :		
Net Profit before tax	(57,360,695)	11,631,388
Adjustments for :		
Add : Depreciation	6,166,168	6,349,187
Finance Cost	22,059,534	26,602,563
Assets written off	3,567	15,829
Business Lose of Subsidiary Operations	58,647,928	-
Diminution in value of Investments in shares	86,388	87,038
Corporate Guarantee Obligation	63,767,200	-
Less: Interest Income	93,972	30,860
Profit on sale of Assets	59,949,324	104,023
Diminution in value of Investments Provision W/back	87,038	73,546
Operating Profit before Working Capital Changes	33,239,756	44,477,576
Adjustments for :		
Trade and Other Receivables	(8,784,565)	(4,717,817)
Inventories	(50,522,711)	(24,615,551)
Loans and Advances	10,591,004	7,639,682
Trade Payables	3,813,984	2,606,318
Other Current Liabilities	33,137,013	282,894
Cash Generated from Operations	21,474,481	25,673,102
Less : Direct Taxes Paid	(17,114,033)	4,460,113
Corporate Guarantee Obligation	63,767,200	-
Net Cash (used in) / Flow From Operating Activities	(25,178,686)	21,212,989
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(5,043,363)	(4,397,407)
Sale of Fixed Assets	60,545,500	274,300
Interest Received	93,972	30,860
Net Cash Flow from / (used in) Investing Activities	55,596,109	(4,092,247)
C. Cash Flow from Financing Activities :		
Proceeds From Borrowings	12,920,122	47,999,687
Repayment of Borrowings	1,124,091	37,517,852
Less : Interest Paid	22,059,534	26,602,563
Net Cash used in Financing Activities	(10,263,503)	(16,120,728)
Increase in Cash and Cash Equivalents (A+B+C)	20,153,920	1,000,014
Opening Cash and Cash equivalents	7,123,961	6,123,947
Closing Cash and Cash equivalents	27,277,881	7,123,961

Note :

Cash flow has been drawn without bifurcating the assets / liabilities into current / non-current in view of non-applicability of revised Schedule VI relating to period prior to 01.04.2010.

As per our report of even date.

FOR MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION NO. : 000185N

(M.K. MADAN)
Proprietor
M.No. 82214

PLACE : New Delhi

DATED : 3rd September, 2012

FOR AND ON BEHALF OF BOARD OF DIRECTORS

D.K. JAIN
Chairman-cum-Mg. Director
DIN : 00191539

N.K. JAIN
Mg. Director
DIN : 00195619



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1. **SIGNIFICANT ACCOUNTING POLICIES**

The Significant Accounting Policies followed by the Company are as stated below :

A. **GENERAL**

The Financial Statements are prepared on Mercantile Basis of Accounting following the Historical Cost Convention and the Principle of going concern. All assets and liabilities have been classified as Current or Non-Current considering the operational cycle of 12 months.

B. **FIXED ASSETS**

Fixed Assets including capital work in progress are stated at cost (net of grants received) including Taxes, Duties, Freight and other incidental expenses incurred in relation to acquisition and installation of the same. Depreciation has been provided on pro-rata basis (completed months of use) by Written Down value Method at the rate and manner prescribed in Schedule XIV of the Companies Act, 1956.

C. **INVENTORIES**

- (1) The inventories other than work-in-progress have been valued at the lower of cost and the net realisable value, cost means weighted average cost determined on FIFO basis.
- (2) The Company is engaged in the manufacturing and trading of various products. The cost of conversion has been worked out for all the products on the basis of weighted average cost derived by preparing the manufacturing account wherein 50% of the fixed production overheads are allocated to the units of production having regard to capacity utilisation which is reviewed after three years and accordingly allocation of overheads is made. For trading goods, cost means direct cost.
- (3) The net realisable value in respect of each category of products has been determined on the basis of list price less the necessary estimated cost to make the sale.
- (4) Work-in-progress is valued at direct cost plus cost of conversion (weighted average cost). The indirect expenses have been allocated on the proportionate basis of raw material lying in work-in-progress to total raw material consumed.
- (5) The net realisable value of finished goods in respect of export surplus balls has been determined consistently as under
 - a) Stock lying for less than two years List price.
 - b) Stock lying for more than two years but less than five years List price less 25%.
 - c) Stock lying for more than five years List price less 40%.

D. **RETIREMENT BENEFITS**

a) **Defined Contribution Plans**

Contributions paid / payable to defined contribution plans comprising of provident fund and pension fund are charged on accrual basis.

b) **Defined Benefit Plan**

Gratuity for employees who have completed two years of service other than Directors in the whole time employment of the Company below 60 years of age is fully covered under the Group Gratuity scheme of Life Insurance Corporation of India. The amount paid to the trust has been charged to Statement of Profit & Loss. In respect of Directors, gratuity is provided during the year on actuarial valuation basis, subject to maximum limit of ₹ 10 lacs (previous year ₹ 3.5 lacs) per director as per the Payment of Gratuity Act, 1972.

c) **Other Long term employee benefits**

Other long term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation carried out in accordance with revised AS 15 as at the end of the year.

E. **FOREIGN EXCHANGE TRANSACTIONS**

Transactions in Foreign Currency including investments made in wholly owned subsidiary abroad are recorded at the exchange rate as on the date of transaction. For all foreign currency liabilities and monetary assets are stated at the exchange rate prevailing as at the date of Balance Sheet or at the contracted rate and the difference taken to Statement of Profit & Loss as exchange fluctuation loss or gain except in respect of liabilities, if any, for acquisition of fixed assets, in which case such exchange difference is adjusted in the carrying cost of the respective fixed assets.

F. **INVESTMENT**

Investments are classified into current and long term investments. Current investments are stated at lower of cost or fair market value. Long Term Investments are valued at cost. Provision is made for diminution in value to recognise decline if any other than that of temporary nature.

G. **REVENUE / EXPENDITURE**

The Company is following mercantile system of accounting but certain items, i.e., over due Bank Interest on export and domestic sales realisation, insurance claims and interest in respect of import under usance LC other than Buyer's Credit are accounted for on actual / receipt basis.

H. **EXPORT SALES**

Export Sales are accounted for on the basis of date of shipment irrespective of the date of invoice as per Impex Policy.

I. **BORROWING COST**

Borrowing costs that are attributable to acquisition / construction of qualifying assets within the meaning of AS-16 issued by The Institute of Chartered Accountants of India are capitalised as a part of total cost of such assets. All other borrowing costs are charged to revenue. During the year ₹ nil (previous year ₹ nil) has been capitalised.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Amount in ₹)	
	AS AT 31ST MARCH, 2012	AS AT 31ST MARCH, 2011
2. SHARE CAPITAL		
AUTHORISED :		
100,00,000 Equity Shares of ₹ 10/- each	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP :		
41,61,000 Equity Shares of ₹ 10/- each	41,610,000	41,610,000
2.1 Equity Shares of ₹ 10/- each	No. of Shares	No. of Shares
At beginning of the year	4,161,000	4,161,000
Shares allotted during the year	-	-
	<u>41,610,000</u>	<u>41,610,000.00</u>
Shareholder holding more than 5% Shares in the company:		
<u>Name of Shareholder</u>	<u>No. of Shares</u>	<u>%</u>
Navendu Investment Co. Pvt. Ltd.	1,447,000	34.78
	%	<u>No. of Shares</u>
		1,447,000
		34.78
3 RESERVES & SURPLUS		
A Securities Premium Reserve		
As per last Balance Sheet	31,230,000	31,230,000
Addition during the period	-	-
Total (B)	<u>31,230,000</u>	<u>31,230,000</u>
B. Other Reserves		
General Reserve		
As per last Balance Sheet	115,796,780	108,625,505
Addition during the period	-	7,171,275
Total (A)	<u>115,796,780</u>	<u>115,796,780</u>
C. Surplus in Statement of Profit & Loss		
As per last Balance Sheet	8,500,000	8,500,000
Add/(Deduct) : Transfer from Statement of Profit & Loss	(40,246,662)	-
Total (C)	<u>(31,746,662)</u>	<u>8,500,000</u>
Total (A+B+C)	<u>115,280,118</u>	<u>155,526,780</u>
4 LONG TERM BORROWINGS		
(Unsecured)		
From Related Parties		
i) Companies	40,000,000	40,000,000
ii) Directors	100,000,000	100,000,000
	<u>140,000,000</u>	<u>140,000,000</u>
4.1 Out of the total Unsecured Borrowings from related parties aggregating ₹ 17,10,41,320/- (previous year ₹ 15,81,21,199/-), a sum of ₹ 14,00,00,000/- (previous year ₹ 14,00,00,000/-) has been classified as long term borrowing(s) as per stipulation of the bank for availing credit limits. The balance amount has been considered short term borrowing(s).		
5. LONG TERM PROVISIONS		
Gratuity	1,699,367	1,434,973
Leave Encashment	1,175,858	1,172,907
	<u>2,875,225</u>	<u>2,607,880</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	AS AT 31ST MARCH, 2012	AS AT 31ST MARCH, 2011
6. OTHER LONG TERM LIABILITIES		
Security Deposits from Customers	3,628,500	3,254,500
Other Payables	98,939	98,939
	<u>3,727,439</u>	<u>3,353,439</u>
6.1	It is considered that security deposits will not be paid to customers within 12 months from the Balance Sheet date.	
6.2	Other Payables include Expense Creditors.	
7. SHORT TERM BORROWINGS		
a) Secured		
From Banks		
i) WORKING CAPITAL LOANS		
Rupee Loans	67,974,717	92,881,236
Foreign Currency Loans	10,797,506	13,372,764
ii) OTHER LOANS	-	1,124,091
b) Unsecured		
From Related Parties (Refer note no.4.1)		
i) Companies	12,385,421	6,637,564
ii) Directors	18,655,899	11,483,636
	<u>109,813,543</u>	<u>125,499,291</u>
7.1	Working Capital Loans are secured against hypothecation of all moveable properties including plant & equipments, stocks of raw materials, semi-finished goods and manufactured goods and all book debts, bills and claims receivables. The loans from banks are collaterally secured against equitable mortgage of factory land/building & guaranteed by Executive Directors.	
7.2	Other loans from banks ₹ Nil (previous year ₹ 11.24 lacs) are secured against hypothecation of vehicles.	
8. TRADE PAYABLES		
Micro, Small and Medium Enterprises	9,997,407	10,973,256
Others	37,332,372	32,542,539
	<u>47,329,779</u>	<u>43,515,795</u>
The above information regarding micro, small and medium enterprise have been determined to the extent such parties are identified on the basis of information available with the Company, which has been relied upon by the Auditors.		
9. OTHER CURRENT LIABILITIES		
For Expenses		
Salary, Wages & Bonus	4,719,549	4,266,822
For Statutory Dues		
Sales Tax / VAT	2,080,574	1,385,858
Provident Fund & Pension Fund	732,531	711,209
Income Tax Deducted At Source	2,287,152	2,025,530
Other Statutory Dues	959,283	550,131
Interest Accrued But Not Due	66,831	73,003
Other Liabilities (Refer note no.9.1)	85,576,954	28,120,992
	<u>96,422,874</u>	<u>37,133,545</u>
9.1	Other Liabilities include ₹ 1,93,72,674/- (previous year ₹ 1,88,70,322/-) towards Interest Payable on unsecured short and long term borrowings and ₹ 6,37,67,200/- (previous year ₹ nil) towards Corporate Guarantee obligation on behalf of the wholly owned subsidiary company.	
10. SHORT TERM PROVISIONS		
Income Tax	10,508,050	10,877,870
Gratuity	3,049,697	3,044,898
Leave Encashment	300,751	260,724
Excise Duty on Closing Stock of finished goods	1,013,110	-
	<u>14,871,608</u>	<u>14,183,492</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

11. FIXED ASSETS

(Amount in ₹)

SR. NO.	DESCRIPTION	GROSS BLOCK OF ASSETS (AT COST)				ACCUMULATED DEPRECIATION				NET BLOCK	
		BALANCE AS AT 1ST APRIL, 2011	ADDITIONS	DISPOSALS	BALANCE AS AT 31ST MARCH, 2012	BALANCE AS AT 1ST APRIL, 2011	ON DISPOSALS	DEPRECIATION CHARGE FOR THE YEAR	BALANCE AS AT 31ST MARCH, 2012	BALANCE AS AT 31ST MARCH, 2011	BALANCE AS AT 31ST MARCH, 2012
I.	Tangible Assets										
1.	Freehold Land (Refer foot note 11.2)	557,634		232,878	324,756					324,756	557,634
2.	Buildings - Factory	28,727,867			28,727,867	22,430,041		629,783		5,668,043	6,297,826
3.	Buildings - Other than Factory	11,384,565			11,384,565	5,204,560		309,000		5,871,005	6,180,005
4.	Temporary Shed	540,831	86,007	48,281	578,557	540,831	48,281	86,007		-	-
5.	Plant and Equipments (Refer foot note 11.1)	85,824,953	1,973,341	152,536	87,645,758	69,771,608	147,461	2,373,569		15,648,042	16,053,346
6.	Mould	29,862,843	848,090		30,710,933	28,371,970		760,573		1,578,390	1,490,873
7.	Dies	1,562,202	233,578		1,795,780	1,373,226		100,635		321,919	188,976
8.	Computer	4,704,672	373,711	222,287	4,856,096	4,330,609	221,259	223,971		522,775	374,063
9.	Office Equipments	4,591,788	306,675	65,337	4,833,126	3,270,522	62,798	231,395		1,394,007	1,321,266
10.	Furniture and Fixtures	6,984,381	20,447	8,512	6,996,316	5,874,556	8,512	206,595		923,677	1,109,825
11.	Vehicles	9,037,643	1,087,387	1,514,358	8,610,672	4,813,326	1,151,060	1,232,640		3,715,766	4,224,316
		183,779,379	4,929,236	2,244,189	186,464,426	145,981,249	1,639,371	6,154,168		35,968,380	37,798,130
II.	Intangible Assets										
1.	Computer Software (Refer foot note 11.3)		214,500		214,500			12,000		202,500	-
	Total	183,779,379	5,143,736	2,244,189	186,678,926	145,981,249	1,639,371	6,166,168		36,170,880	37,798,130
	Previous Year	180,610,921	4,794,256	1,625,797	183,779,380	141,071,754	1,439,691	6,349,187		37,798,130	
III	Capital Work in Progress										95,300

11.1 The Company has taken certain plant & equipments on lease from a company under the same management and this machinery as per technical opinion obtained by the company is of immovable nature and permanently attached to the earth. The Company's future lease rentals under the operating lease arrangements as at the year end are as under :

	31.03.2012	31.03.2011
Future Lease Rentals		
Within 1 year	600,000	600,000
Over 1 year but less than 5 years	600,000	600,000
Amount Charged to Statement of Profit & Loss (as part of rent)	600,000	600,000

11.2 The lease term contains an option given to Company to renew the lease or purchase the equipments.
The possession of land, belonging to the company, bearing Khaira No.420, total area measuring 1 bigha, 19 biswas and 3 biswansi situated at village Gurgaon, is in dispute and company has filed a suit for getting possession of the same.

11.3 Computer Software amortised @40% on WDV basis considering it as part of computers.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	AS AT 31ST MARCH, 2012	AS AT 31ST MARCH, 2011
12. NON-CURRENT INVESTMENT		
Government and other securities Unquoted		
6 years National Savings Certificate (Non-Trade)	5,000	5,000
In Ordinary Shares of Wholly Owned Subsidiary Company; Unquoted fully paid up (Trade)		
(12,98,553) 12,98,553 Cosco Polymer Lanka Pvt. Ltd. of 100 Sri Lankan Rs. each	58,647,928	58,647,928
Less : Business Loss of Subsidiary Operations	<u>58,647,928</u>	-
	<u>5,000</u>	<u>58,652,928</u>
12.1 The National Saving Certificate of ₹ 5,000/- shown as investment is in the name of a Director of the Company and the same is pledged with the Sales Tax Authorities, Mumbai.		
12.2 Due to continued suffering of losses, operation of subsidiary company were discontinued and underutilised assets comprising of land, building, fixtures and fitting which are part of the building stand vested in the Secretary to the Treasury of Government of Sri Lanka under "Revival of Underperforming Enterprises of Underutilised Assets Act No. 43 of 2011". Under section 4 of the Act, the company is entitled to get compensation in lieu of the vesting of the assets. State Bank of India, Colombo, Sri Lanka, (lender of the subsidiary company) has got the valuation of assets of the Subsidiary done and in terms of the report, the forced sale value of the various assets has been estimated at ₹ 2,77,97,000 against liability of State Bank of India, Colombo of ₹ 9,15,64,200 (considering one time settlement of USD 1.80 Millions). Keeping in view the stated facts, company is not likely to get any compensation and therefore investment of ₹ 5,86,47,928 made in the subsidiary company has become nil. The amount of ₹ 5,86,47,928 is charged to Statement of Profit & Loss as Business Loss of subsidiary.		
13 DEFERRED TAX ASSET		
(a) <u>Deferred Tax Assets</u>		
(i) Related to other timing differences	728,862	1,937,802
(ii) Related to carry forward loss	<u>18,200,640</u>	-
(b) <u>Deferred Tax Liability</u>		
(i) Related to fiscal allowance on fixed assets	<u>1,462,044</u>	1,584,377
	<u>17,467,458</u>	<u>353,425</u>
14. LONG TERM LOANS & ADVANCES		
Advance for Immovable Properties (Refer note 14.1)	12,624,129	12,624,129
Capital Advances	45,228	51,251
Security Deposits	<u>1,846,812</u>	<u>1,946,812</u>
	<u>14,516,169</u>	<u>14,622,192</u>
14.1 Long Term Loans & Advances include advance for Immovable Properties aggregating ₹ 1,26,24,129/- in respect of which the Builder/Developer has earmarked three flats at Diamond Harbour Road, Kolkata at a transfer price of ₹. 69,00,000/-. On payment of registration charges these properties shall be physically handed over and registered in the name of the company. As certified by the builder/developer the properties for the balance amount shall be allocated in due course. In view of the above the advance is considered good for recovery.		
15. OTHER NON-CURRENT ASSETS		
Trade Receivables	2,330,316	6,038,243
Less : Provision for doubtful debts	<u>1,459,748</u>	<u>2,310,183</u>
Loans & Advances	314,771	28,797,730
Inventories :		
(a) Raw Material	-	6,076,293
(b) Stock-in-Trade	-	1,554,661
(c) Stores	-	1,623,929
	<u>1,185,339</u>	<u>41,780,673</u>
15.1 Refer note no. 1(c) of Significant Accounting Policies, regarding valuation of inventories.		
15.2 Slow moving/non-moving stocks of ₹ 92.55 lacs (previous year) have been valued in the current year at scrap value and included in Note No. 17		

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	AS AT 31ST MARCH, 2012	(Amount in ₹) AS AT 31ST MARCH, 2011
16. CURRENT INVESTMENT		
In Mutual Fund - Unquoted (11,319.211) 11,319.211 units UTI Master Share Unit Scheme (Growth) of ₹ 10/-each	290,000	290,000
Other Investments (Non Trade)		
In Equity Shares-Quoted, fully paid-up		
(5,000)5,000 Antarctica Ltd. of ₹ 1/- each	5,000	5,000
(4,750) 4,750 Marksans Pharma Ltd. of ₹ 1/-each	94,226	94,226
	<u>99,226</u>	<u>99,226</u>
Less : Prov.for Diminution in value of Investment	<u>86,388</u>	<u>87,038</u>
	<u>12,838</u>	<u>12,188</u>
Aggregate Cost of Quoted Investments	<u>302,838</u>	<u>302,188</u>
Aggregate Market Value of Quoted Investments	<u>99,226</u>	<u>99,226</u>
	<u>12,838</u>	<u>12,188</u>
16.1 Other investments (current) are valued at lower of cost or net realisable value.		
17. INVENTORIES		
(As taken, valued and certified by the Management)		
(a) Raw Material	25,937,548	26,849,237
(b) Raw Material in Transit	2,101,900	1,852,833
	<u>28,039,448</u>	<u>28,702,070</u>
Less : Provision for Non Moving Stocks	<u>203,663</u>	<u>203,663</u>
(c) Work in Progress	44,779,991	59,382,838
(d) Finished Goods	90,248,321	86,801,000
(e) Stock-in-Trade	168,946,175	94,917,998
(f) Stores	6,809,611	9,242,046
	<u>338,619,883</u>	<u>278,842,289</u>
17.1 Refer note no.1(C) of Significant Accounting Policies, regarding valuation of inventories.		
17.2 Refer note No. 15.2.		
17.3 During the year the defective items of health & fitness equipments and spares ₹ 54.51 lacs (previous year) included in stock-in-trade have been valued at scrap value.		
17.4 During the year the company has changed the method of valuation of synthetic panel sets, included in finished goods, from estimated sale price to lower of net realisable value or conversion cost. As a result of the change the loss of the company is reduced by ₹91.81 lacs.		
18. TRADE RECEIVABLES		
More than six months	783,059	86,029,068
Others	104,927,252	7,853,943
	<u>105,710,311</u>	<u>93,883,011</u>
Less : Provision for Doubtful Debts	<u>245,243</u>	<u>60,000</u>
	<u>105,465,068</u>	<u>93,823,011</u>
18.1 Unsecured and considered good	105,465,068	93,823,011
Considered Doubtful	245,243	60,000
	<u>105,710,311</u>	<u>93,883,011</u>
19. CASH & CASH EQUIVALENTS		
Balances with Banks	25,255,300	4,755,221
Cash on hand	2,022,581	2,368,740
	<u>27,277,881</u>	<u>7,123,961</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	AS AT 31ST MARCH, 2012	(Amount in ₹) AS AT 31ST MARCH, 2011
20. SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received :		
Duty Drawback Claim Refundable	1,324,362	2,888,935
Product Focus Scheme Receivable	2,521,200	1,550,000
Output Tax Receivable	13,994	88,702
Others Considered good	9,512,262	16,759,478
Security Deposits	170,000	230,000
Advance Tax Paid	17,378,252	8,519,010
	<u>30,920,070</u>	<u>30,036,125</u>

20.1 Advances recoverable include ₹ 25,311/- recoverable from directors on account of expenses.

20.2 In the opinion of the board, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

	FOR THE YEAR ENDED 31ST MARCH,2012	FOR THE YEAR ENDED 31ST MARCH,2011
21. REVENUE FROM OPERATIONS		
Sale of Products gross of Excise Duty (including trading items & export)	805,092,687	689,632,339
Less : Excise Duty Paid	3,749,239	277,255
Sale of Products net of Excise Duty	<u>801,343,448</u>	<u>689,355,084</u>
Sale of Services	236,420	256,211
Other Operating Income	6,574,545	9,394,522
	<u>808,154,413</u>	<u>699,005,817</u>
21.1 Products		
i) Rubber Moulded Sports Balls	223,926,529	176,185,961
ii) Synthetic Sports Balls	131,240,128	139,881,833
iii) Latex Bladders for Sports Balls	18,695,602	55,288,342
iv) Health Equipments & Fitness Accessories	217,929,616	171,979,615
v) T.T.Equipments	36,758,192	30,158,715
vi) Rackets	74,655,886	59,085,075
vii) Cricket Equipments, Tennis Balls, Skates & others	98,137,495	56,775,543
	<u>801,343,448</u>	<u>689,355,084</u>
21.2 EARNINGS IN FOREIGN EXCHANGE		
FOB value of Exports	39,936,851	66,042,841
21.3 Other operating income includes ₹ 3,535,633 as Duty Drawback and ₹ 2,521,200 towards value of licence granted by DGFT subsequent to the date of Balance Sheet, on account of exports made during the year under Product Focus Scheme. Income being in the nature of Export Incentive has been accounted for in terms of AS-9 issued by ICAI.		
22. OTHER INCOME		
Interest received	93,972	30,860
Net Gain from foreign currency transactions	-	427,840
Other Non-operating Income	1,712,469	671,270
	<u>1,806,441</u>	<u>1,129,970</u>

22.1 Other Non-Operating income includes ₹ 16,25,826 towards Provision for Doubtful Debts, Doubtful Advances, Taxation and Diminution in value of Investment Written back.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	FOR THE YEAR ENDED 31ST MARCH,2012	FOR THE YEAR ENDED 31ST MARCH,2011		
23. RAW MATERIAL CONSUMED				
(Refer note no.32)				
Rubber	69,399,906	91,204,852		
Cloth	40,938,118	32,036,248		
Ball Covering Materials	12,334,724	13,735,774		
Chemicals & Solvent	31,727,967	32,909,914		
Nylon Yarn	3,589,891	3,777,922		
H.T.Labels	6,205,699	4,297,570		
Accessories, Fevicols and other materials	13,627,147	8,713,893		
	<u>177,823,452</u>	<u>186,676,173</u>		
24. PURCHASE OF STOCK-IN-TRADE				
Health Equipments & Fitness Accessories	187,675,655	144,720,431		
T.T.Equipments	38,418,935	19,980,513		
Rackets	77,253,418	37,394,848		
Cricket Equipments, Tennis Balls, Skates and others	75,472,703	53,552,323		
	<u>378,820,711</u>	<u>255,648,115</u>		
25. CHANGES IN INVENTORIES				
OPENING STOCKS				
Finished Goods	86,801,000	101,569,068		
Stock-in-Trade	96,472,659	65,826,702		
Work in Progress	<u>59,382,838</u>	<u>56,619,290</u>		
	242,656,497	224,015,060		
CLOSING STOCKS				
Finished Goods	90,248,321	86,801,000		
Stock-in-Trade	168,946,175	96,472,659		
Work in Progress	<u>44,779,991</u>	<u>59,382,838</u>		
	303,974,487	242,656,497		
	<u>(61,317,990)</u>	<u>(18,641,437)</u>		
25.1 Details of stock in trade acquired for trading :				
	Opening Stock	Closing Stock	Opening Stock	Closing Stock
Health Equipments & Fitness Accessories	58,071,235	78,819,854	36,129,532	58,071,235
T.T.Equipments	8,707,790	23,289,905	8,600,925	8,707,790
Rackets	10,911,383	39,659,613	10,717,537	10,911,383
Cricket Equipments, Tennis Balls, Skates & others	18,782,251	27,176,803	10,378,708	18,782,251
	<u>96,472,659</u>	<u>168,946,175</u>	<u>65,826,702</u>	<u>96,472,659</u>
26. EMPLOYEE BENEFITS EXPENSES				
Salaries and Wages including bonus		64,812,470		67,580,758
Contribution to Provident & Other Funds		7,324,603		7,618,046
Gratuity		1,161,092		1,150,355
Staff Welfare		3,491,374		3,746,244
		<u>76,789,539</u>		<u>80,095,403</u>

26.1 Staff Welfare includes ₹ 498,763 medical expenses reimbursed to Directors (previous year ₹ 492,392).

26.2 EMPLOYEE BENEFITS

As per Accounting Standard AS-15 (Revised), the disclosures of Employee benefits as defined in the Accounting Standard are given below:-

Defined Contribution Plans

The Company makes contribution towards provident fund and pension fund. These funds are administered by Government of India. Under the schemes; the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit. Contribution to Defined Contribution Plan, recognised as expense for the year are as under:-



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	FOR THE YEAR ENDED 31ST MARCH, 2012	FOR THE YEAR ENDED 31ST MARCH, 2011
Employer's contribution to provident fund	1,544,756	1,634,555
Employer's contribution to pension fund	2,996,354	3,283,483

Defined Benefit Plan

Gratuity

The Company provides the gratuity benefit to its employees through annual contributions to a Gratuity trust which in turn contributes to Life Insurance Corporation of India which administers the plan and determines the contributions required to be paid by the trust. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

Gratuity (Funded)

I. Change in the benefit obligation		
Defined benefit obligation at beginning of the year	8,630,654	7,906,165
Current service cost	619,366	591,468
Interest cost	690,452	632,493
Benefits paid	864,533	246,476
Actuarial (Gain) / Loss on obligations	753,961	(252,996)
Defined benefit obligation at the end of the year	9,829,900	8,630,654
II. Change in plan assets		
Fair value of plan assets at the beginning of the year	10,055,503	9,076,462
Expected return on plan assets	902,687	822,348
Employer Contribution	497,534	403,169
Benefits paid	864,533	246,476
Fair value of plan assets at the year end	10,591,191	10,055,503
Actual return on plan assets	902,687	822,348
III. Reconciliation of fair value of assets and obligations		
Fair value of plan assets at the end of the year	10,591,191	10,055,503
Present value of obligation at the end of the year	9,829,900	8,630,654
Funded Status	761,291	1,424,849
Net Asset / (Liability)	761,291	1,424,849
IV. Expenses recognised during the year		
Current Service Cost	619,366	591,468
Interest Cost	690,452	632,493
Expected return on plan assets	902,687	822,348
Net actuarial (Gain) / Loss	753,961	(252,996)
Expenses charged to Statement of Profit & Loss	1,161,092	1,150,355
V. Actuarial Assumptions		
Discount Rate	8% p.a	8% p.a
Salary Escalation	6% p.a	6% p.a
Expected return on plan assets	8% p.a	8% p.a

The management of funds is entrusted with Life Insurance Corporation of India. The detail of investments made by them are not available.

Leave Encashment

It is an unfunded defined benefit plan for which the obligation is recognised on actuarial valuation basis. A sum of ₹ 42,978/- has been provided and included in Salaries & Wages.

26. Minimum Bonus provision under The Payment of Bonus Act, 1965 for the year has been made on estimated basis and any adjustment on account of final liability will be made in the subsequent year.

26.4 No provision has been made for leave encashment in respect of directors as it is decided that actual leave will be granted.

27. FINANCIAL COSTS

Interest Expenses		
On Long Term Borrowings	13,600,000	10,650,054
On Short Term Borrowings	8,552,289	15,962,583
Bank Charges	1,567,772	2,399,469
	<u>23,720,061</u>	<u>29,012,106</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	FOR THE YEAR ENDED 31ST MARCH,2012	FOR THE YEAR ENDED 31ST MARCH,2011
28. OTHER EXPENSES		
Power & Fuel	22,565,964	25,691,555
Job Work Charges	31,134,116	27,561,928
Stores Consumed	24,672,020	20,030,461
Repairs to Machineries	5,885,173	6,971,401
Central Excise Duty	4,570,411	267,682
Repairs to Building	1,231,929	870,724
Repairs to Others	3,290,377	3,572,758
Rent	4,135,788	2,870,279
Rates & Taxes (Refer note no.28.2) (excluding taxes on income)	910,084	1,242,515
Insurance	1,087,265	1,167,056
Travelling Expenses (Refer note no.28.1)	5,595,186	5,030,793
Auditor's Remuneration : (including Service Tax & Education Cess)		
For Audit	258,428	273,544
For Tax Representation	129,007	110,300
For Other Services	6,618	128,716
Reimbursement of expenses	54,204	29,323
Advances Written Off	28,535,308	81,607
Transportation, Shipping & Packing Charges	17,752,694	16,442,484
Commission, Discounts and Rebates	16,965,715	13,502,750
Provision for Doubtful Debts	521,989	2,065,619
Bad Debts written off	4,830,092	1,591,696
Miscellaneous Expenses	26,490,464	19,794,383
	<u>200,623,039</u>	<u>149,297,574</u>
28.1 Travelling Expenses include Directors' Travelling ₹ 1796529/- (previous year ₹ 1230012/-).		
28.2 House Tax Assessment Notice dated 15.07.2010 received from Municipal Corporation Gurgaon (MCG) during 2009 2010 assessed the annual house tax at ₹ 777089/- on the proposed assessment of annual value, which was objected by the company for difference in rate of land, type of construction and age of building in the assessment notice. Accordingly as per company's assessment the liability of ₹ 444854/- towards house tax was provided as on 31.03.2010 for the period 01.07.2008 to 31.03.2010 as against ₹ 1395906/- as per MCG assessment. Since no fresh demand has been raised as yet by MCG against objections raised by the company, therefore house tax liability for the year 2010-11 & 2011-12 has not been provided for.		
28.3 EXPENDITURE IN FOREIGN CURRENCY		
Travelling	427,467	494,859
Commission	60,025	314,469
Sales Promotion	-	45,719
Royalty	2,234,460	2,112,795
Subscription	33,693	113,043
Rebate	776,746	89,652
Ball Testing fees	459,534	225,022
Advertisement & Publicity	-	20,839
Interest & Swap Charges on Foreign Currency Loans	1,234,818	744,402
	<u>5,226,743</u>	<u>4,160,800</u>
28.4 VALUE OF IMPORTS ON C.I.F. BASIS		
Raw Material	11,399,165	10,967,226
Stores Goods	1,932,350	763,611
Traded goods	292,651,083	201,466,531
Capital Goods	236,679	-
29. PRIOR PERIOD ADJUSTMENTS (CHARGE)		
Purchase of Stock-in-Trade	1,156,280	116,142
Salary, Wages and Bonus	265,935	-



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	FOR THE YEAR ENDED 31ST MARCH,2012	FOR THE YEAR ENDED 31ST MARCH,2011
Power & Fuel	805,728	-
Staff Welfare	-	5,000
Misc. Expenses	<u>2,822</u>	<u>50,159</u>
	<u>2,230,765</u>	<u>171,301</u>
30. EXCEPTIONAL ITEMS		
Expenditure		
Business Loss of Subsidiary Operations	58,647,928	-
Corporate Guarantee obligation	<u>63,767,200</u>	-
Total (A)	<u>122,415,128</u>	-
Income		
Profit on sale of Fixed Asset	<u>59,949,324</u>	<u>104,023</u>
	<u>59,949,324</u>	<u>104,023</u>
Total (A-B)	<u>62,465,804</u>	<u>(104,023)</u>
30.1	<p>The company has given Corporate Guarantee to State Bank of India, Colombo, Sri Lanka to secure the various loans granted by the bank to M/s Cosco Polymer Lanka Private Limited, a wholly owned subsidiary of the company. The subsidiary company has closed its unit in Sri Lanka due to losses suffered by it. The bank has demanded the repayment of its loans from the Borrower/ Guarantor(s)). The management is under negotiation with the bank for One Time Settlement (OTS). The company has offered USD 1.55 Million for OTS. The bank requires further improvement in the offer and is agreeable to consider offer of USD 1.8 Million Having regard to the within stated facts, the Net Guarantee Liability has been provided at USD 12,53,557(INR 6,37,67,200) after deducting USD 546446 (INR 2,77,97,000), the Estimated Net Realisable Value of the Assets of the unit charged to the bank as per last valuation report of the Bank on record from OTS offer amount of USD 1.8 Million (INR 9,15,64,200) acceptable to the bank.</p>	
31. EARNING PER SHARE		
Net Profit After Tax	(40,246,662)	7,171,275
Weighted Average No. of Equity Share	4,161,000	4,161,000
Nominal Value of Equity Per Share	10.00	10.00
Basic Earning per Share	(9.67)	1.72
Diluted Earning per Share	(9.67)	1.72
32. The value of consumption of imported and indigenously obtained raw materials, stores and spares and the percentage of each to the total consumption :		
	%	%
i) Raw Materials		
Imported	8	14,059,517
Indegenous	92	163,763,935
ii) Stores & Spares		
Imported	3	1,416,362
Indegenous	97	47,011,888
		7
		93
		1
		99
		13,736,221
		172,939,952
		315,825
		45,540,020
33. Segment Information:		
<p>The company has identified two segments viz. Own Manufactured Products and Traded Goods. Segments have been identified and reported taking into account nature of products and services, the differing risk and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting :</p>		
(a)	<p>Expenses have been identified to a segment on the basis of sale of the respective segment to the total sale of the company. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".</p>	
(b)	<p>Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".</p>	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(i) Primary Segment Information

(Amount in ₹)

SR. NO.	DESCRIPTION	Own Manufactured Products		Traded Goods		Unallocable		Total	
		For The Year Ended on		For The Year Ended on		For The Year Ended on		For The Year Ended on	
		31st Mar., 2012	31st Mar., 2011	31st Mar., 2012	31st Mar., 2011	31st Mar., 2012	31st Mar., 2011	31st Mar., 2012	31st Mar., 2011
1	Segment Revenue								
	Sales	375,492,678	376,501,128	425,850,770	312,853,956			801,343,448	689,355,084
	Sale of Services			236,420				236,420	
	Other Income	7,052,261	9,752,626	796,108	843,373			7,848,369	10,595,999
		382,544,939	386,253,754	426,883,298	313,697,329	-	-	809,428,237	699,951,083
2	Segment Results								
	Profit / (Loss) Before Interest & Tax	(27,311,983)	(1,235,909)	57,835,300	41,838,572			30,523,317	40,602,663
	Less : Interest Expense	11,114,721	15,845,376	12,605,340	13,166,730			23,720,061	29,012,106
	Add : Interest/Dividend/Other Income					532,618	104,406	532,618	104,406
	Profit / (Loss) before Prior Period, exceptional and extraordinary items and Tax	(38,426,704)	(17,081,285)	45,229,960	28,671,842	532,618	104,406	7,335,874	11,694,963
	Less : Prior Period Adjustments - charges					2,230,765	-	2,230,765	171,301
	Exceptional Items - Charge/(Income)					62,465,804	-	62,465,804	-
	Profit/(Loss) Before Tax & Extraordinary Items							(57,360,695)	11,866,264
	Less : Extraordinary Items							-	-
	Profit / (Loss) Before Tax							(57,360,695)	11,866,264
	Less : Tax							-	-
	Current Tax							-	-
	Deferred Tax						6,272,563	-	6,272,563
	Net Profit / (Loss) After Tax					(17,114,033)	(1,812,450)	(17,114,033)	(1,812,450)
								(40,246,662)	7,406,151
3	Other Information								
A.	Segment Assets	249,762,106	298,279,269	238,527,964	156,437,034	83,640,516	108,713,919	571,930,586	563,430,222
B.	Segment Liabilities	95,039,295	68,445,209	67,245,574	32,275,939	112,755,599	73,003	275,040,468	100,794,151
	Capital Expenditure	3,906,319	3,289,444	1,142,117	1,159,213			5,048,436	4,448,657
	Depreciation	4,879,924	5,317,732	1,286,244	1,031,455			6,166,168	6,349,187
C.	Working Capital (A-B)	154,722,811	229,834,060	171,282,390	124,161,095	(29,115,083)	108,640,916	296,890,118	462,636,071



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(ii) Secondary Segment Information

(Amount in ₹)

Sr. No.	Particulars	AS AT 31st Mar., 2012	AS AT 31st Mar., 2011
1	Segment Revenue		
	- Within India	769,484,196	633,801,160
	- Outside India	39,944,041	66,149,923
	Total Revenue	809,428,237	699,951,083
2	Segment Assets		
	- Within India	570,805,378	469,650,658
	- Outside India	1,125,208	93,770,564
	Total Assets	571,930,586	563,430,222
3	Segment Liabilities		
	- Within India	275,040,468	100,794,151
	- Outside India		
	Total Liabilities	275,040,468	100,794,151
4	Capital Expenditure		
	- Within India	5,048,436	4,448,657
	- Outside India		
	Total Expenditure	5,048,436	4,448,657

34. Related Party Disclosure

As per Accounting Standard 18 issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related parties as defined in the Accounting Standard are given below :

(i) List of Parties with whom transactions entered during the year

Wholly owned subsidiary Company

- 1 Cosco Polymer Lanka (P) Ltd.

Companies under the same Management

- 1 Cosco Polymer Industries (P) Ltd.
- 2 Navendu Investment Co. (P) Ltd.

Key Management Personnel

- | | | |
|---|---------------------|---------------------------------|
| 1 | Devinder Kumar Jain | Chairman Cum. Managing Director |
| 2 | Narinder Kumar Jain | Managing Director |
| 3 | Darshan Kumar Jain | Whole Time Director |
| 4 | Pankaj Jain | Whole Time Director |
| 5 | Manish Jain | Whole Time Director |
| 6 | Neeraj Jain | Whole Time Director |
| 7 | Arun Jain | Whole Time Director |

Relatives of Key Management Personnel

- | | | |
|---|---------------------|-----|
| 1 | Devinder Kumar Jain | HUF |
| 2 | Narinder Kumar Jain | HUF |
| 3 | Prabha Jain | |
| 4 | Veena Jain | |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

(ii) **Disclosure of transactions between the company and related parties and the status of outstanding balance as on 31st March 2012 :**

	<u>2011-12</u>	<u>2010-11</u>
Wholly owned Subsidiary Company		
Contribution towards		
Investment in Ordinary Share Capital (through nominee)	150	150
Investment in Ordinary Share Capital (12,98,550 ordinary shares of SLR 100/- amounting to USD 12,95,000)	58,647,778	58,647,778
Less : Business Loss of Subsidiary Operations	<u>58,647,778</u>	<u>-</u>
		58,647,778
Corporate Guarantee (to secure fund based & non-fund based limits from Bank aggregating to USD 20,05,000) (Previous Year USD 20,05,000)	101,992,345	88,721,250
Less : Liability recognised in the Statement of Profit & Loss	<u>63,767,200</u>	<u>-</u>
	38,225,145	88,721,250
Amount receivable at the year end against sales (USD 71664.01)	3,171,132	3,171,132
Less : Amount Written off	<u>3,171,132</u>	<u>-</u>
		3,171,132
Purchase Advance receivable at the year end (USD 429640)	19,011,569	19,011,569
Less : Amount Written off	<u>19,011,569</u>	<u>-</u>
		19,011,569
Amount receivable on account of expenses	9,476,876	9,476,876
Less : Amount Written off	<u>9,476,876</u>	<u>-</u>
		9,476,876
Companies under the same Management		
Inter Corporate Deposits		
Received during the year	7,458,857	-
Repaid during the year	1,711,000	9,830,000
Outstanding at the year end	52,385,421	46,637,564
Interest paid / credited	4,161,426	4,254,796
Guarantee	100,000	100,000
Sales Advance received outstanding at the year end (Cr.)	-	54,714
Lease Rent	600,000	600,000
Key Management Personnel		
Remuneration	13,757,193	15,289,989
Rent	279,996	76,716
Deposits		
Received during the year	22,060,626	47,240,000
Repaid during the year	14,888,363	21,369,471
Outstanding at the year end	118,655,899	111,483,636
Interest Paid / Credited	10,876,213	8,568,376
Key Management Personnel's Relatives		
Rent	320,004	87,684



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

			<u>(Amount in ₹)</u>	
			<u>2011-12</u>	<u>2010-11</u>
35. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF				
(i) Claims against the company not acknowledged as debt :				
Cases against the Company in Labour Court & High Court by ex-employees		3,490,078		3,684,721
(ii) <u>Guarantee</u>				
(a) Outstanding Letters of Credit		23,825,975		37,366,860
(b) To Sales Tax Authorities :				
for group concerns		100,000		100,000
for others		527,303		527,303
(c) To State Electricity Board :				
for others		Not Ascertainable		Not Ascertainable
(d) To Others		5,132,099		5,132,099
(e) To Bank on behalf of Cosco Polymer Lanka Pvt. Ltd., wholly owned subsidiary company to secure fund based & non-fund based limits (USD 20,05,000)	101,992,345		88,721,250	
Less : Corporate Guarantee obligation provided	63,767,200	38,225,145	-	88721250

36. As per Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, the company has presented consolidated financial statements separately in this annual report.

37. No impairment loss is recognised as on 31.03.2012 since the present value of estimated future cash flows over a period of five years exceeds the carrying value of assets of the Company's cash generating units.

38. The previous year figures have been regrouped / rearranged, wherever considered necessary to make them comparable with those of current year figure and also figures have been rounded off to nearest rupee.

As per our report of even date.

FOR MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION NO. : 000185N

(M.K. MADAN)
Proprietor
M.No. 82214

PLACE : New Delhi

DATED : 3rd September, 2012

FOR AND ON BEHALF OF BOARD OF DIRECTORS

D.K. JAIN
Chairman-cum-Mg. Director
DIN : 00191539

N.K. JAIN
Mg. Director
DIN : 00195619

AUDITORS' REPORT

The Board of Directors
Cosco (India) Ltd.,
2/8, Roop Nagar,
Delhi

We have examined the attached Consolidated Balance Sheet of Cosco (India) Ltd. and its subsidiary as at 31-03-2012, the Consolidated Statement of Profit & Loss and also the Consolidated Cash Flow Statement for the year then ended.

The Financial statements are the responsibility of Cosco (India) Ltd's management. Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with the identified financial reporting framework and are free from material mis-statements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe our audit provides a reasonable basis of our opinion.

We did not audit the financial statements of the subsidiary Cosco Polymer Lanka (Private) Ltd., whose financial statements reflect total assets of ₹ 305.24 lacs (₹ 362.46 lacs) as at 31.03.2012 and total turnover of ₹ Nil (₹ Nil) for the year then ended. These financial statements have been prepared and presented in accordance with Sri Lanka Accounting standards and audited by other auditors' whose report has been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors'.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Cosco (India) Ltd. and its subsidiary, included in the Consolidated Financial Statements.

Based on our audit and on consideration of reports of other Auditor, and to the best of our information and according to explanation given to us, we are of the opinion that subject to the following remarks of subsidiary Auditors/Accounting Policies of subsidiary company

1. Since the company is not in operation no evidence was available to substantiate the recover ability of the carrying value of property plant and equipment.
2. The Company has discontinued its operations due to loss of its key customers and suffered recurring losses from operations over the past several years. The financial statements do not include any adjustments that might result from the imminent closure of the company.
3. The Company is scheduled in the Revival of Underperforming Enterprises or Underutilized Assets Act, No.43 of 2011, whereby lands, buildings, fixtures and fittings which are part of the buildings stand vested in the Secretary to the Treasury of the Government of Sri Lanka. The Act provides for the appointment of a Competent Authority to control, administrate and manage the assets vested in the Secretary to the Treasury and payment of compensation to the shareholders. However the effects of these changes have not been considered in presenting the financial statements.
 - a) the Consolidated Balance Sheet gives a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of Cosco (India) Ltd. and its subsidiary as at 31.03.12
 - (b) the Consolidated Statement of Profit & Loss gives a true and fair view of the consolidated results of operations of Cosco (India) Ltd. and its subsidiary for the year ended on that date; and
 - (c) in case of Consolidated Cash Flow Statement, of the consolidated cash flow of the company and its subsidiary for the year then.

For Madan & Associates
Chartered Accountants
Firm's Reg. No.000185N

Place : New Delhi

Date : 3rd September, 2012

(C.A. M.K. Madan)
M.No. 082214
Proprietor



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	NOTE	AS AT 31ST MARCH, 2012	(Amount in ₹) AS AT 31ST MARCH, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	41,610,000	41,610,000
(b) Reserve and Surplus	3	80,913,579	(1,696,762)
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	140,000,000	140,000,000
(b) Long Term Provisions	5	2,875,225	2,607,880
(c) Other Long Term Liabilities	6	3,727,439	3,353,439
(3) Current Liabilities			
(a) Short Term Borrowings	7	214,055,217	213,039,671
(b) Trade Payables	8	59,887,430	55,025,397
(c) Other Current Liabilities	9	43,083,719	46,235,641
(d) Short Term Provisions	10	14,871,608	14,183,492
Total Equity & Liabilities		601,024,217	514,358,758
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets :	11		
(i) Gross Block		256,958,703	254,980,137
(ii) Depreciation		193,318,694	184,011,458
(iii) Net Block		63,640,009	70,968,679
(iii) Goodwill Arising on Consolidation		-	6,420,126
(iv) Capital Work in Progress		-	95,300
(b) Non-Current Investments	12	5,000	5,000
(c) Deferred Tax Assets (Net)	13	17,467,458	353,425
(d) Long term Loans and Advances	14	14,516,169	14,622,192
(e) Other Non-Current Assets	15	1,185,339	10,120,497
(2) Current Assets			
(a) Current Investments	16	302,838	302,188
(b) Inventories	17	338,619,883	278,842,289
(c) Trade Receivables	18	105,840,328	94,203,690
(d) Cash & Cash Equivalents	19	27,292,053	7,138,314
(e) Short term Loans and Advances	20	32,155,140	31,287,058
Total Assets		601,024,217	514,358,758

Significant Accounting Policies
Notes on Financial Statements 1 to 36

As per our report of even date.

FOR MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION NO. : 000185N

(M.K. MADAN)
Proprietor
M.No. 82214

PLACE : New Delhi

DATED : 3rd September, 2012

FOR AND ON BEHALF OF BOARD OF DIRECTORS

D.K. JAIN
Chairman-cum-Mg. Director
DIN : 00191539

N.K. JAIN
Mg. Director
DIN : 00195619



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	NOTE	FOR THE YEAR ENDED 31ST MARCH, 2012	FOR THE YEAR ENDED 31ST MARCH, 2011
I. Revenue from operations	21	808,154,413	699,005,817
II. Other Income	22	1,806,441	2,867,198
III. Total Revenue (I+II)		809,960,854	701,873,015
IV. Expenses :			
(a) Cost of materials consumed	23	177,823,452	186,461,062
(b) Purchase of Stock-in-Trade	24	378,820,711	255,648,115
(c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(61,317,990)	(18,824,713)
(d) Employee benefit expense	26	76,789,539	80,095,403
(e) Financial costs	27	27,213,845	33,415,855
(f) Depreciation	11	11,428,840	11,927,705
(g) Other expenses	28	191,424,708	166,206,994
Total Expenses		802,183,105	714,930,421
V. Profit before Prior Period, exceptional and extraordinary items and Tax		7,777,749	(13,057,406)
VI. Prior Period Adjustments - charges	29	2,230,765	171,301
VII. Exceptional Items - Charge/(Income)	30	59,949,324	104,023
VIII. Profit / (Loss) before extraordinary items and Tax		65,496,308	(13,124,684)
IX. Extraordinary Items		-	-
X. Profit / (Loss) before Tax	(VIII-IX)	65,496,308	(13,124,684)
XI. Tax Expenses :			
Current Tax		-	6,272,563
Deferred Tax	13	(17,114,033)	(1,812,450)
XII. Profit / (Loss) for the period from continuing operations		82,610,341	(17,584,797)
Basic & Diluted Earnings per share	31	19.85	(4.23)
Nominal Value per share (in ₹)		10.00	10.00
Significant Accounting Policies Notes on Financial Statements	1 to 36		

As per our report of even date.

FOR MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION NO. : 000185N

(M.K. MADAN)
Proprietor
M.No. 82214

PLACE : New Delhi
DATED : 3rd September, 2012

FOR AND ON BEHALF OF BOARD OF DIRECTORS

D.K. JAIN
Chairman-cum-Mg. Director
DIN : 00191539

N.K. JAIN
Mg. Director
DIN : 00195619



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

	YEAR ENDED 31ST MARCH, 2012	(Amount in ₹) YEAR ENDED 31ST MARCH, 2011
A. Cash Flow from Operating Activities :		
Net Profit before tax	65,496,308	(13,124,684)
Adjustments for :		
Add : Depreciation	11,428,840	11,927,705
Finance Cost	25,553,318	27,540,263
Assets written off	3,567	15,829
Diminution in value of Investments in shares	86,388	87,038
Less: Interest Income	93,972	30,860
Profit on sale of Assets	59,949,324	104,023
Diminution in value of Investments Provision W/back	87,038	73,546
Operating Profit before Working Capital Changes	42,438,087	26,237,722
Adjustments for :		
Trade and Other Receivables	(11,950,877)	(5,143,761)
Inventories	(50,522,711)	(8,388,859)
Loans and Advances	(17,881,578)	7,586,167
Trade Payables	4,862,033	2,562,948
Other Current Liabilities	(15,717,497)	3,798,878
Cash Generated from Operations	(48,772,543)	26,653,095
Less : Direct Taxes Paid	(17,114,033)	4,460,113
Net Cash (used in) / Flow From Operating Activities	(31,658,510)	22,192,982
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(5,525,596)	(4,798,169)
Sale of Fixed Assets	67,886,608	911,715
Interest Received	93,972	30,860
Net Cash Flow from / (used in) Investing Activities	62,454,984	(3,855,594)
C. Cash Flow from Financing Activities :		
Proceeds From Borrowings	16,034,674	47,999,687
Repayment of Borrowings	1,124,091	37,795,854
Less : Interest Paid	25,553,318	27,540,263
Net Cash used in Financing Activities	(10,642,735)	(17,336,430)
Increase in Cash and Cash Equivalents (A+B+C)	20,153,739	1,000,958
Opening Cash and Cash equivalents	7,138,314	6,137,356
Closing Cash and Cash equivalents	27,292,053	7,138,314

Note :

Cash flow has been drawn without bifurcating the assets / liabilities into current / non-current in view of non-applicability of revised Schedule VI relating to period prior to 01.04.2010.

As per our report of even date.

FOR MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION NO. : 000185N

(M.K. MADAN)
Proprietor
M.No. 82214

PLACE : New Delhi

DATED : 3rd September, 2012

FOR AND ON BEHALF OF BOARD OF DIRECTORS

D.K. JAIN
Chairman-cum-Mg. Director
DIN : 00191539

N.K. JAIN
Mg. Director
DIN : 00195619

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET & STATEMENT OF PROFIT & LOSS

A. Principles of Consolidation

The consolidated financial statements relate to Cosco (India) Limited (the Company) and its subsidiary company. The consolidated financial statements have been prepared on the following basis -

- i) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard AS-21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
- ii) All assets and liabilities of the foreign subsidiary are converted at rate prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the profit and loss account except in cases where these relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.
- iii) The difference between the cost of investment in the subsidiary company over its net assets is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

B. Other Significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Unconsolidated Financial Statements of Cosco (India) Limited and its subsidiary company.

C. The subsidiary company considered in the financial statements is :

Name of the subsidiary	Country of Incorporation	Proportion of ownership interest
Cosco Polymer Lanka (Private) Limited	Sri Lanka	100%

	AS AT 31ST MARCH, 2012		AS AT 31ST MARCH, 2011	
(Amount in ₹)				
2. SHARE CAPITAL				
AUTHORISED :				
100,00,000 Equity Shares of ₹ 10/- each		100,000,000		100,000,000
		100,000,000		100,000,000
ISSUED, SUBSCRIBED AND PAID UP :				
41,61,000 Equity Shares of ₹ 10/- each		41,610,000		41,610,000
2.1 Equity Shares of ₹ 10/- each	No. of Shares		No. of Shares	
At beginning of the year	4,161,000	41,610,000	4,161,000	41,610,000
Shares allotted during the year		-		-
		41,610,000		41,610,000
2.2 Shareholder holding more than 5% Shares in the company :				
Name of Shareholder	No. of Shares	%	No. of Shares	%
Navendu Investment Co. Pvt. Ltd.	1,447,000	35	1,447,000	35
3. RESERVES & SURPLUS				
A. Securities Premium Reserve				
As per last Balance Sheet		31,230,000		31,230,000
Addition during the period		-		-
Total (B)		31,230,000		31,230,000
B. Other Reserves				
General Reserve				
As per last Balance Sheet		(41,426,762)		(23,841,965)
Addition during the period		-		(17,584,797)
Total (A)		(41,426,762)		(41,426,762)



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	AS AT 31ST MARCH, 2012	(Amount in ₹) AS AT 31ST MARCH, 2011
C. Surplus in Statement of Profit & Loss		
As per last Balance Sheet	8,500,000	8,500,000
Add : Transfer from Statement of Profit & Loss	82,610,341	-
Total (C)	<u>91,110,341</u>	<u>8,500,000</u>
Total (A+B+C)	<u>80,913,579</u>	<u>(1,696,762)</u>
4. LONG TERM BORROWINGS		
(Unsecured)		
From Related Parties		
i) Companies	40,000,000	40,000,000
ii) Directors	100,000,000	100,000,000
	<u>140,000,000</u>	<u>140,000,000</u>
4.1 Out of the total Unsecured Borrowings from related parties aggregating ₹ 17,10,41,320/- (previous year ₹ 15,81,21,199/ a sum of ₹ 14,00,00,000/- (previous year ₹ 14,00,00,000/-) has been classified as long term borrowing(s) as per stipulation of the bank for availing credit limits. The balance amount has been considered short term borrowing(s).		
5. LONG TERM PROVISIONS		
Gratuity	1,699,367	1,434,973
Leave Encashment	1,175,858	1,172,907
	<u>2,875,225</u>	<u>2,607,880</u>
6. OTHER LONG TERM LIABILITIES		
Security Deposits from Customers	3,628,500	3,254,500
Other Payables	98,939	98,939
	<u>3,727,439</u>	<u>3,353,439</u>
6.1 It is considered that security deposits will not be paid to customers within 12 months from the Balance Sheet date.		
6.2 Other Payables include Expense Creditors.		
7. SHORT TERM BORROWINGS		
a) Secured		
From Banks		
i) WORKING CAPITAL LOANS (Refer note no.7.1)		
Bank of India, India		
Rupee Loans	67,974,717	92,881,236
Foreign Currency Loans	10,797,506	13,372,764
State Bank of India, Colombo		
Bank Overdraft	79,746,989	66,160,248
ii) TERM LOANS (Refer note no.7.4)		
State Bank of India, Colombo		
Term Loan No.1	9,665,017	8,436,089
(Repayable within one year ₹ 96.65 lacs)		
Term Loan No.2	6,792,443	5,928,769
(Repayable within one year ₹ 67.92 lacs)		
Term Loan No.3	8,037,225	7,015,274
(Repayable within one year ₹ 80.37 lacs)		
iii) OTHER LOANS	-	1,124,091
b) Unsecured		
From Related Parties (Refer note no.4.1)		
i) Companies	12,385,421	6,637,564
ii) Directors	18,655,899	11,483,636
	<u>214,055,217</u>	<u>213,039,671</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

- 7.1 Working Capital Loans are secured against hypothecation of all moveable properties including plant & equipments, stocks of raw materials, semi-finished goods and manufactured goods and all book debts, bills and claims receivables. The loans from banks are collaterally secured against equitable mortgage of factory land/building & guaranteed by Executive Directors.
- 7.2 Other loans from banks ₹ Nil (previous year ₹ 11.24 lacs) are secured against hypothecation of vehicles.
- 7.3 Bank overdraft is secured by primary mortgage over stock in trade and other movables.
- 7.4 All Term Loans are secured against primary mortgage over leasehold land, building and immovable plant and machinery.

	AS AT 31ST MARCH, 2012	AS AT 31ST MARCH, 2011
8. TRADE PAYABLES		
Micro, Small and Medium Enterprises	9,997,407	10,973,256
Others	<u>49,890,023</u>	<u>44,052,141</u>
	59,887,430	55,025,397

The above information regarding micro, small and medium enterprises have been determined to the extent such parties are identified on the basis of information available with the Company, which has been relied upon by the Auditors.

9. OTHER CURRENT LIABILITIES

For Expenses			
Salary, Wages & Bonus		4,719,549	4,266,822
For Statutory Dues			
Sales Tax / VAT	2,080,574		1,385,858
Provident Fund & Pension Fund	732,531		711,209
Income Tax Deducted At Source	2,287,152		2,025,530
Other Statutory Dues	<u>959,283</u>	6,059,540	550,131
Interest Accrued But Not Due		66,831	73,003
Other Liabilities (Refer note no.9.1)		<u>32,237,799</u>	<u>37,223,088</u>
		43,083,719	46,235,641

- 9.1 Other Liabilities include ₹ 1,93,72,674/- (previous year ₹ 1,88,70,322/-) towards Interest Payable on unsecured short and long term borrowings.

10. SHORT TERM PROVISIONS

Income Tax	10,508,050	10,877,870
Gratuity	3,049,697	3,044,898
Leave Encashment	300,751	260,724
Excise Duty on Closing Stock of finished goods	<u>1,013,110</u>	-
	14,871,608	14,183,492

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012
11. FIXED ASSETS

(Amount in ₹)

SR. NO.	DESCRIPTION	GROSS BLOCK OF ASSETS (AT COST)				ACCUMULATED DEPRECIATION				NET BLOCK	
		BALANCE AS AT 1ST APRIL, 2011	ADDITIONS	DISPOSALS	BALANCE AS AT 31ST MARCH, 2012	BALANCE AS AT 1ST APRIL, 2011	ON DISPOSALS	DEPRECIATION CHARGE FOR THE YEAR	BALANCE AS AT 31ST MARCH, 2012	BALANCE AS AT 31ST MARCH, 2011	
I.	Tangible Assets										
1.	Land - Freehold (Refer foot note 11.2) - Leasehold	557,634		232,878	324,756					324,756	557,634
		2,049,290		25,985	2,023,305					2,023,305	2,049,290
2.	Buildings - Factory	47,010,232		231,825	46,778,407	27,812,501	68,250	1,532,310	29,276,561	17,501,846	19,197,731
3.	Buildings - Other than Factory	11,384,565			11,384,565	5,204,560		309,000	5,513,560	5,871,005	6,180,005
4.	Temporary Shed	540,831	86,007	48,281	578,557	540,831	48,281	86,007	578,557	-	-
5.	Plant and Equipments (Refer foot note 11.1)	133,240,996	1,973,341	771,922	134,442,415	98,966,296	517,659	6,733,714	105,182,351	29,260,064	34,274,700
6.	Mould	29,862,843	848,090		30,710,933	28,371,970		760,573	29,132,543	1,578,390	1,490,873
7.	Dies	1,562,202	233,578		1,795,780	1,373,226		100,635	1,473,861	321,919	188,976
8.	Computer	5,445,403	373,711	231,680	5,587,434	5,071,340	230,652	223,971	5,064,659	522,775	374,063
9.	Office Equipments	5,891,562	306,675	79,788	6,118,449	4,410,173	77,249	231,395	4,564,319	1,554,130	1,481,389
10.	Furniture and Fixtures	8,038,454	20,447	23,908	8,034,993	7,088,753	23,908	206,595	7,271,440	763,553	949,701
11.	Vehicles	9,396,125	1,087,387	1,518,903	8,964,609	5,171,808	1,155,605	1,232,640	5,248,843	3,715,766	4,224,317
II.	Intangible Assets										
1.	Computer Software (Refer foot note 11.3)	254,980,137	4,929,236	3,165,170	256,744,203	184,011,458	2,121,604	11,416,840	193,306,694	63,437,509	70,968,679
			214,500		214,500			12,000	12,000	202,500	-
	Total	254,980,137	5,143,736	3,165,170	256,958,703	184,011,458	2,121,604	11,428,840	193,318,694	63,640,009	70,968,679
	Previous Year	250,385,059	6,220,875	1,625,797	254,980,137	172,886,029	1,439,691	12,565,120	184,011,458	70,968,679	
III.	Capital Work in Progress										95,300

11.1 The Company has taken certain plant & equipments on lease from a company under the same management and this machinery as per technical opinion obtained by the company is of immovable nature and permanently attached to the earth. The Company's future lease rentals under the operating lease arrangements as at the year end are as under :

31.03.2012 **31.03.2011**

Future Lease Rentals

Within 1 year **600,000**

Over 1 year but less than 5 years **600,000**

Amount Charged to Statement of Profit & Loss (as part of rent) **600,000**

The lease term contains an option given to Company to renew the lease or purchase the equipments.

11.2 The possession of land, belonging to the company, bearing Kharsa No.420, total area measuring 1 bigha, 19 biswas and 3 biswansi situated at village Gurgaon, is in dispute and company has filed a suit for getting possession of the same.

11.3 Computer Software amortised @40% on WDV basis considering it as part of computers.

11.4 Disposals of Gross Block includes ₹ 920,981 (previous year - addition to Gross Block included ₹ 14,26,620) and Accumulated Depreciation on Disposals include ₹ 482,233 as exchange Rate difference on consolidation.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	AS AT 31ST MARCH, 2012	AS AT 31ST MARCH, 2011
12. NON-CURRENT INVESTMENT		
Government and other securities Unquoted (Non-Trade)		
6 years National Savings Certificate	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
12.1 The National Saving Certificate of ₹ 5,000/- shown as investment is in the name of a Director of the Company and the same is pledged with the Sales Tax Authorities, Mumbai.		
13. DEFERRED TAX ASSET		
(a) <u>Deferred Tax Assets</u>		1,937,802
(i) Related to other timing differences	728,862	
(ii) Related to carry forward loss	<u>18,200,640</u>	-
(b) <u>Deferred Tax Liability</u>		1,937,802
(i) Related to fiscal allowance on fixed assets	1,462,044	1,584,377
	<u>17,467,458</u>	<u>353,425</u>
14. LONG TERM LOANS & ADVANCES		
Advance for Immovable Properties (Refer note 14.1)	12,624,129	12,624,129
Capital Advances	45,228	51,251
Security Deposits	<u>1,846,812</u>	<u>1,946,812</u>
	<u>14,516,169</u>	<u>14,622,192</u>
14.1 Long Term Loans & Advances include advance for Immovable Properties aggregating ₹ 1,26,24,129/- in respect of which the Builder/ Developer has earmarked three flats at Diamond Harbour Road, Kolkata at a transfer price of ₹ 69,00,000/- . On payment of registration charges these properties shall be physically handed over and registered in the name of the company. As certified by the builder / developer the properties for the balance amount shall be allocated in due course. In view of the above the advance is considered good for recovery.		
15. OTHER NON-CURRENT ASSETS		
Trade Receivables	2,330,316	2,866,512
Less : Provision for doubtful debts	<u>1,459,748</u>	<u>2,310,183</u>
Loans & Advances	314,771	309,285
Inventories :		
(a) Raw Material	-	6,076,293
(b) Stock-in-Trade	-	1,554,661
(c) Stores	-	1,623,929
	<u>1,185,339</u>	<u>10,120,497</u>
15.1 Refer note no.1(C) of Significant Accounting Policies, regarding valuation of inventories.		
15.2 Slow moving / non-moving stocks of ₹ 92.55 lacs (previous year) have been valued in the current year at scrap value and included in Note no.17.		
16. CURRENT INVESTMENT		
In Mutual Fund - Unquoted		
(11,319.211) 11,319.211units UTI Master Share Unit Scheme (Growth) of ₹ 10 each	290,000	290,000
Other Investments (Non Trade)		
In Equity Shares-Quoted, fully paid-up		
(5,000)5,000 Antarctica Ltd. of ₹ 1 each	5,000	5,000
(4750)4750 Marksans Pharma Ltd.of ₹ 1 each	<u>94,226</u>	<u>94,226</u>
	<u>99,226</u>	<u>99,226</u>
Less:Prov.for Diminution in value of Investment	<u>86,388</u>	<u>87,038</u>
	<u>12,838</u>	<u>12,188</u>
	<u>302,838</u>	<u>302,188</u>
Aggregate Cost of Quoted Investments	99,226	99,226
Aggregate Market Value of Quoted Investments	12,838	12,188
16.1 Other investments (current) are valued at lower of cost or net realisable value.		



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	AS AT 31ST MARCH, 2012	AS AT 31ST MARCH, 2011
17. INVENTORIES		
(As taken, valued and certified by the Management)		
(a) Raw Material	25,937,548	26,849,237
(b) Raw Material in Transit	<u>2,101,900</u>	<u>1,852,833</u>
	28,039,448	28,702,070
Less : Provision for Non Moving Stocks	<u>203,663</u>	<u>203,663</u>
(c) Work in Progress	44,779,991	59,382,838
(d) Finished Goods	90,248,321	86,801,000
(e) Stock-in-Trade	168,946,175	94,917,998
(f) Stores	6,809,611	9,242,046
	<u>338,619,883</u>	<u>278,842,289</u>
17.1 Refer note no.1(C) of Significant Accounting Policies, regarding valuation of inventories.		
17.2 Refer note no.15.2.		
17.3 During the year the defective items of health & fitness equipments and spares of ₹ 54.51 lacs (previous year) included in stock-in-trade have been valued at scrap value.		
17.4 During the year the company has changed the method of valuation of synthetic panel sets, included in finished goods from estimated sale price to lower of net realisable value or conversion cost. As a result of the change the loss of the company is reduced by ₹ 91.81 lacs.		
18. TRADE RECEIVABLES		
More than six months	1,158,319	86,409,747
Others	<u>104,927,252</u>	<u>7,853,943</u>
	106,085,571	94,263,690
Less : Provision for Doubtful Debts	<u>245,243</u>	<u>60,000</u>
	<u>105,840,328</u>	<u>94,203,690</u>
18.1 Unsecured and considered good	105,840,328	94,203,690
Considered Doubtful	<u>245,243</u>	<u>60,000</u>
	<u>106,085,571</u>	<u>94,263,690</u>
19. CASH & CASH EQUIVALENTS		
Balances with Banks	25,268,770	4,768,863
Cash on hand	<u>2,023,283</u>	<u>2,369,451</u>
	<u>27,292,053</u>	<u>7,138,314</u>
20. SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received :		
Duty Drawback Claim Refundable	1,324,362	2,888,935
Product Focus Scheme Receivable	2,521,200	1,550,000
Output Tax Receivable	936,348	1,022,902
Others Considered good	9,512,262	16,759,478
Security Deposits	482,716	546,733
Advance Tax Paid	17,378,252	8,519,010
	<u>32,155,140</u>	<u>31,287,058</u>
20.1 Advances recoverable include ₹ 25,311/- recoverable from directors on account of expenses.		
20.2 In the opinion of the board, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.		

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	FOR THE YEAR ENDED 31ST MARCH,2012	FOR THE YEAR ENDED 31ST MARCH,2011
21. REVENUE FROM OPERATIONS		
Sale of Products gross of Excise Duty (including trading items & export)	805,092,687	689,632,339
Less : Excise Duty Paid	<u>3,749,239</u>	<u>277,255</u>
Sale of Products net of Excise Duty	801,343,448	689,355,084
Sale of Services	<u>236,420</u>	<u>256,211</u>
Other Operating Income	<u>6,574,545</u>	<u>9,394,522</u>
	<u>808,154,413</u>	<u>699,005,817</u>
22. OTHER INCOME		
Interest received	93,972	30,860
Other Non-operating Income	<u>1,712,469</u>	<u>2,836,338</u>
	<u>1,806,441</u>	<u>2,867,198</u>
22.1 Other Non-Operating income includes ₹ 16,25,826/- towards Provision for Doubtful Debts, Doubtful Advances, Taxation and Diminution in value of Investment Written back.		
23. RAW MATERIAL CONSUMED		
Rubber	69,399,906	90,989,741
Cloth	40,938,118	32,036,248
Ball Covering Materials	12,334,724	13,735,774
Chemicals & Solvent	31,727,967	32,909,914
Nylon Yarn	3,589,891	3,777,922
H.T.Labels	6,205,699	4,297,570
Accessories, Fevicol and other materials	<u>13,627,147</u>	<u>8,713,893</u>
	<u>177,823,452</u>	<u>186,461,062</u>
24. PURCHASE OF STOCK-IN-TRADE		
Health Equipments & Fitness Accessories	187,675,655	144,720,431
T.T.Equipments	38,418,935	19,980,513
Rackets	77,253,418	37,394,848
Cricket Equipments, Tennis Balls, Skates and others	<u>75,472,703</u>	<u>53,552,323</u>
	<u>378,820,711</u>	<u>255,648,115</u>
25. CHANGES IN INVENTORIES		
OPENING STOCKS		
Finished Goods	86,801,000	71,089,850
Stock-in-Trade	96,472,659	96,472,660
Work in Progress	<u>59,382,838</u>	<u>65,600,118</u>
Less : Stocks written off	-	9,330,844
	<u>242,656,497</u>	<u>223,831,784</u>
CLOSING STOCKS		
Finished Goods	90,248,321	86,801,000
Stock-in-Trade	168,946,175	96,472,659
Work in Progress	<u>44,779,991</u>	<u>59,382,838</u>
	<u>303,974,487</u>	<u>242,656,497</u>
	<u>(61,317,990)</u>	<u>(18,824,713)</u>
26. EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages including bonus	64,812,470	67,580,758
Contribution to Provident & Other Funds	7,324,603	7,618,046
Gratuity	1,161,092	1,150,355
Staff Welfare	<u>3,491,374</u>	<u>3,746,244</u>
	<u>76,789,539</u>	<u>80,095,403</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	FOR THE YEAR ENDED 31ST MARCH,2012	FOR THE YEAR ENDED 31ST MARCH,2011
26.1 Staff Welfare includes ₹ 498763/- medical expenses reimbursed to Directors (previous year ₹ 492392/-).		
27. FINANCIAL COSTS		
Interest Expenses :		
On Long Term Borrowings	13,600,000	10,650,054
On Short Term Borrowings	12,046,073	16,900,283
Bank Charges	1,567,772	5,865,518
	<u>27,213,845</u>	<u>33,415,855</u>
28. OTHER EXPENSES		
Power & Fuel	22,565,964	25,691,555
Job Work Charges	31,134,116	27,561,928
Stores Consumed	24,672,020	20,030,461
Repairs to Machineries	5,885,173	6,971,401
Central Excise Duty	4,570,411	267,682
Repairs to Building	1,231,929	870,724
Repairs to Others	3,290,377	3,572,758
Rent	4,135,788	2,870,279
Rates & Taxes (Refer note no.28.2) (excluding taxes on income)	910,084	1,250,822
Insurance	1,087,265	1,273,340
Travelling Expenses (Refer note no.28.1)	5,595,186	5,030,793
Auditor's Remuneration : (including Service Tax & Education Cess)		
For Audit	276,788	291,930
For Tax Representation	129,007	110,300
For Other Services	6,618	128,716
Reimbursement of expenses	54,204	29,323
Advances Written Off	46,863	81,607
Transportation, Shipping & Packing Charges	17,752,694	16,442,484
Commission, Discounts and Rebates	16,965,715	13,502,750
Provision for Doubtful Debts	521,989	2,065,619
Net Loss from foreign currency transactions	27,023,340	-
Bad Debts written off	1,658,961	1,591,696
Miscellaneous Expenses	21,910,216	36,570,826
	<u>191,424,708</u>	<u>166,206,994</u>

28.1 Travelling Expenses include Directors' Travelling ₹ 11,17,134 (previous year ₹ 25,20,298).

28.2 House Tax Assessment Notice dated 15.07.2010 received from Municipal Corporation Gurgaon (MCG) during 2009 2010 assessed the annual house tax at ₹ 7,77,089 on the proposed assessment of annual value, which was objected by the company for difference in rate of land, type of construction and age of building in the assessment notice Accordingly as per company's assessment the liability of ₹ 4,44,854 towards house tax was provided as on 31.03.2010 for the period 01.07.2008 to 31.03.2010 as against ₹ 13,95,906 as per MCG assessment. Since no fresh demand has been raised as yet by MCG against objections raised by the company, therefore house tax liability for the year 2010-11 & 2011-12 has not been provided for.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	FOR THE YEAR ENDED 31ST MARCH,2012	FOR THE YEAR ENDED 31ST MARCH,2011
29. PRIOR PERIOD ADJUSTMENTS (CHARGE)		
Purchase of Stock-in-Trade	1,156,280	116,142
Salary, Wages and Bonus	265,935	-
Power & Fuel	805,728	-
Staff Welfare	-	5,000
Misc. Expenses	2,822	50,159
	<u>2,230,765</u>	<u>171,301</u>
30. EXCEPTIONAL ITEMS		
Income		
Profit on sale of Fixed Asset	59,949,324	104,023
	<u>59,949,324</u>	<u>104,023</u>
31. EARNING PER SHARE		
Net Profit After Tax	82,610,341	(17,584,797)
Weighted Average No. of Equity Share	4,161,000	4,161,000
Nominal Value of Equity Per Share	10.00	10.00
Basic Earning per Share	19.85	(4.23)
Diluted Earning per Share	19.85	(4.23)

32. Segment Information:

The company has identified two segments viz. Own Manufactured Products and Traded Goods. Segments have been identified and reported taking into account nature of products and services, the differing risk and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting :

- a) Expenses have been identified to a segment on the basis of sale of the respective segment to the total sale of the company. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- (b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(i) Primary Segment Information

(Amount in ₹)

SR. NO.	DESCRIPTION	Own Manufactured Products		Traded Goods		Unallocable		Total	
		For The Year Ended on	31st Mar., 2011	For The Year Ended on	31st Mar., 2011	For The Year Ended on	31st Mar., 2011	For The Year Ended on	31st Mar., 2011
1	Segment Revenue								
	Sales	375,492,678	376,501,128	425,850,770	312,853,956			801,343,448	689,355,084
	Sale of Services			236,420				236,420	
	Other Income	7,052,261	11,489,854	796,108	843,373			7,848,369	12,333,227
		382,544,939	387,990,982	426,883,298	313,697,329			809,428,237	701,688,311
2	Segment Results								
	Profit / (Loss) Before Interest & Tax	(23,376,325)	(21,664,826)	57,835,300	41,838,571			34,458,975	20,173,745
	Less : Interest Expense	14,608,504	20,249,125	12,605,340	13,166,730			27,213,844	33,415,855
	Add : Interest/Dividend/Other Income					532,618	184,704	532,618	184,704
	Profit/(Loss) before Prior Period, exceptional and extraordinary items and Tax	(37,984,829)	(41,913,951)	45,229,960	28,671,841	532,618	184,704	7,777,749	(13,057,406)
	Less : Prior Period Adjustments - Charge					2,230,765	171,301	2,230,765	171,301
	Exceptional Items - Charge/(Income)					59,949,324	104,023	59,949,324	104,023
	Profit/(Loss) Before Tax & Extraordinary Items							65,496,308	(13,124,684)
	Less : Extraordinary Items							-	-
	Profit / (Loss) Before Tax							65,496,308	(13,124,684)
	Less : Tax							-	-
	Current Tax							-	6,272,563
	Deferred Tax							(17,114,033)	(1,812,450)
	Net Profit / (Loss) After Tax					(17,114,033)	(1,812,450)	82,610,341	(17,584,797)
3	Other Information								
A.	Segment Assets	277,407,074	309,694,488	238,727,385	156,389,744			601,024,217	514,358,758
B.	Segment Liabilities	80,352,814	89,056,907	41,150,551	32,275,939	84,889,758	48,274,526	338,500,638	121,405,849
	Capital Expenditure	3,906,319	4,716,064	1,142,117	1,159,213	216,997,273	73,003	5,048,436	5,875,277
	Depreciation	10,142,596	10,896,248	1,286,244	1,031,457			11,428,840	11,927,705
C.	Working Capital (A-B)	197,054,260	220,637,581	197,576,834	124,113,805	(132,107,515)	48,201,523	262,523,579	392,952,909

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(ii) Secondary Segment Information

(Amount in ₹)

Sr. No.	Particulars	AS AT 31st Mar., 2012	AS AT 31st Mar., 2011
1	Segment Revenue		
	- Within India	769,484,196	635,538,388
	- Outside India	39,944,041	66,149,923
	Total Revenue	809,428,237	701,688,311
2	Segment Assets		
	- Within India	569,579,181	479,549,039
	- Outside India	31,445,036	34,809,719
	Total Assets	601,024,217	514,358,758
3	Segment Liabilities		
	- Within India	325,942,987	109,896,247
	- Outside India	12,557,651	11,509,602
	Total Liabilities	338,500,638	121,405,849
4	Capital Expenditure		
	- Within India	5,048,436	5,875,277
	- Outside India	-	-
	Total Expenditure	5,048,436	5,875,277

33. Related Party Disclosure

As per Accounting Standard 18 issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related parties as defined in the Accounting Standard are given below :

(i) List of Parties with whom transactions entered during the year

Companies under the same Management

- 1 Cosco Polymer Industries (P) Ltd.
- 2 Vijay Vallabh Securities Ltd.

Key Management Personnel

- | | | |
|---|---------------------|---------------------------------|
| 1 | Devinder Kumar Jain | Chairman Cum. Managing Director |
| 2 | Narinder Kumar Jain | Managing Director |
| 3 | Darshan Kumar Jain | Whole Time Director |
| 4 | Pankaj Jain | Whole Time Director |
| 5 | Manish Jain | Whole Time Director |
| 6 | Neeraj Jain | Whole Time Director |
| 7 | Arun Jain | Whole Time Director |

Relatives of Key Management Personnel

- | | | |
|---|---------------------|-----|
| 1 | Devinder Kumar Jain | HUF |
| 2 | Narinder Kumar Jain | HUF |
| 3 | Prabha Jain | |
| 4 | Veena Jain | |



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

	2011-12	2010-11
(ii) Disclosure of transactions between the company and related parties and the status of outstanding balance as on 31st March 2012 :		
Companies under the same Management		
<u>Inter Corporate Deposits</u>		
Received during the year	7,458,857	-
Repaid during the year	1,711,000	9,830,000
Outstanding at the year end	52,385,421	46,637,564
Interest paid / credited	4,161,426	4,254,796
Guarantee	100,000	100,000
Sales Advance received outstanding at the year end (Cr.)	-	54,714
Lease Rent	600,000	600,000
Key Management Personnel		
Remuneration	13,757,193	15,289,989
Rent	279,996	76,716
<u>Deposits</u>		
Received during the year	22,060,626	47,240,000
Repaid during the year	14,888,363	21,369,471
Outstanding at the year end	118,655,899	111,483,636
Interest Paid / Credited	10,876,213	8,568,376
Key Management Personnel's Relatives		
Rent	320,004	87,684

34. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

(i) Claims against the company not acknowledged as debt :		
Cases against the Company in Labour Court & High Court by ex-employees	3,490,078	3,684,721
(ii) <u>Guarantee</u>		
(a) Outstanding Letters of Credit	23,825,975	37,366,860
(b) To Sales Tax Authorities :		
for group concerns	100,000	100,000
for others	527,303	527,303
(c) To State Electricity Board :		
for others	Not Ascertainable	Not Ascertainable
(d) To Others	5,132,099	5,132,099

35. As per Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, the company has presented consolidated financial statements separately in this annual report.

36. The previous year figures have been regrouped / rearranged, wherever considered necessary to make them comparable with those of current year figure and also figures have been rounded off to nearest rupee.

As per our report of even date.

FOR MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION NO. : 000185N

(M.K. MADAN)
Proprietor
M.No. 82214

PLACE : New Delhi

DATED : 3rd September, 2012

FOR AND ON BEHALF OF BOARD OF DIRECTORS

D.K. JAIN
Chairman-cum-Mg. Director
DIN : 00191539

N.K. JAIN
Mg. Director
DIN : 00195619



Statement Pursuant to General Exemption granted under section 212 (8) of the Companies Act, 1956 relating to subsidiary company

Particulars	Name of the Subsidiary Company	
	Cosco Polymer Lanka (Pvt.) Ltd.	
	LKR	INR
Share Capital	129,855,300	51,565,540
Reserves and Surplus	(373,379,133)	(148,268,854)
Total Assets	76,867,425	30,524,054
Total Liabilities	320,391,258	127,227,369
Investments other than Investment in Subsidiary	-	-
Turnover	-	-
Profit Before Taxation	11,426,105	4,537,306
Provision For Taxation	-	-
Profit After Taxation	11,426,105	4,537,306
Proposed Dividend	-	-

Conversion Rate : 1 LKR = 0.3971 INR

FOR AND ON BEHALF OF BOARD OF DIRECTORS

D.K. JAIN
Chairman-cum-Mg. Director
DIN : 00191539

N.K. JAIN
Mg. Director
DIN : 00195619

PLACE : New Delhi
DATED : 3rd September 2012



COSCO (INDIA) LIMITED

Regd. Office : 2/8, Roop Nagar, Delhi-110007

PROXY FORM

DP Id		Client Id	
Regd. Folio No.*		No. of Shares	

I/We

Name(s) in full

Father/Husband's Name

Address as Regd. with the Company

Being a member of Cosco (India) Limited, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our Proxy to attend and vote for me/us on my/our behalf at the Thirty Third Annual General Meeting of the Company schedule to be held on Saturday the 29th September, 2012 at 10.30 A.M at AMITABH, E – 23, Bunglow Road, Kamla Nagar, Delhi – 110 007 or/and at any adjournment there of.

AS WITNESS me/our hand on this _____ day of _____ 2012.

Signed by the said _____

Affix Rs. 1/-
Revenue
Stamp

*Applicable for investor holding shares in physical form

Notes : The Proxy form duly completed and signed should be deposited at The Office of the Registrar and share Transfer Agents M/s. Skyline Financial Services Pvt. Ltd., D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-20 not less than 48 hours before the commencement of the Annual General Meeting.

COSCO (INDIA) LIMITED

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ADMISSION SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP Id		Client Id	
Regd. Folio No.*		No. of Shares	

Name(s) in full

Father/Husband's Name

Address as Regd. with the Company

I/We hereby record my presence at the Thirty Third Annual General Meeting of the Company schedule to be held on Saturday the 29th September, 2012 at 10.30 A.M. at AMITABH, E – 23, Bunglow Road, Kamla Nagar, Delhi – 110 007.

Please (✓) in the box

Member

Member's Signature

Proxy

Proxy's Signature

*Applicable for investor holding shares in physical form.

Notes : 1. Shareholders note that no Gifts/Coupons shall be distributed at the meeting.
2. Members are requested to bring their copies of the Annual Report to the Meeting since further copies will not be available.