

**BOARD OF DIRECTORS**

DEVINDER KUMAR JAIN  
NARINDER KUMAR JAIN  
DARSHAN KUMAR JAIN  
PANKAJ JAIN  
MANISH JAIN  
ARUN JAIN  
NEERAJ JAIN  
JOGINDER PAUL JAIN  
MOHAN LAL MANGLA  
M. P. GUPTA  
SUNIL JAIN  
RISHA JAIN (Upto 05.10.2012)  
GULSHAN RAI JAIN  
VIJAY KUMAR SOOD  
VIJENDER KUMAR JAIN (w.e.f 31.10.2012)

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, VASHI, 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

**CONTENTS**

Notice _____	1
Directors' Report _____	6
Corporate Governance Report _____	10
Management Discussion And Analysis Report _____	20
Auditors' Report _____	25
Balance Sheet _____	29
Statement Of Profit & Loss _____	30
Cash Flow Statement _____	31
Notes on Financial Statements _____	32

## **NOTICE**

Notice is hereby given that the Thirty-fourth Annual General Meeting of the Members of Cosco (India) Limited will be held on Monday the 30th September, 2013 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, 2013, Statement of Profit and Loss 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 Arun Jain who retires by rotation and, being eligible, offers himself for re-appointment.

#### **Item 3.**

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

#### **Item 4.**

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

#### **Item 5.**

To appoint a Director in place of Shri Joginder Paul Jain 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 as Ordinary Resolution:

“RESOLVED THAT Shri Vijender Kumar Jain, who was appointed an Additional Director by the Board of Directors of the Company with effect from October 31, 2012 under section 260 of the Companies Act 1956 and who holds office upto the date of the forthcoming Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member along with the requisite deposit, proposing his candidature for the office of Director under Section 257 of The Companies Act, 1956, be and is hereby appointed as a Director of the Company.”

### **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 is 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.
5. Register of Members and the Transfer Books for Equity Shares shall remain closed from 26th September, 2013 to 30th September, 2013 (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. 26812682, 26812683.
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 26th September, 2013 so as to enable the management to keep the information ready.

#### **Explanatory Statement**

##### **Item No. 7**

The Board of Directors on October 31, 2012 appointed Shri Vijender Kumar Jain as Additional Directors of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 110 of the Articles of Association of the Company,. In terms of the provisions of Section 260 of the Act, Shri Vijender Kumar Jain would hold office up to the date of this Annual General Meeting.

Shri Vijender Kumar Jain aged about 58 years is practising Chartered Accountant. He is having about 32 year experience in Finance, Taxation, Accounts and Audit.

The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Shri Vijender Kumar Jain for office of Director of the Company under the provisions of Section 257 of the Act. Accordingly, Shri Vijender Kumar Jain is proposed to be appointed as non-executive, independent director on the Board of the Company, liable to retire by rotation.

The Board recommends the resolution set out in Items No. 7 of the Notice for the approval of the members of the Company.

Save and except Shri Vijender Kumar Jain none of the other Directors of the Company is in any way concerned or interested in the resolutions set out in Items No. 7 of the Notice.

Registered Office:

2/8, Roop Nagar,  
Delhi -110007

By order of the Board of Directors

Place: Delhi

Date: 31st July, 2013

**Devinder Kumar Jain**

Chairman cum Managing Director

DIN : 00191539

**II. Information relating to Appointment / re-appointment (by rotation) of Directors in the forthcoming Annual General Meeting:**

(Pursuant to clause 49 of the Listing Agreement with Stock Exchanges )

**(I) Shri Arun Jain - Whole Time Director**

1.	Background details	1.1 Age 47 years 1.2 Qualification B.E., M. Tech 1.3 Experience 21 years of experience
2.	Past Remuneration	Remuneration paid to Shri Arun Jain during 2012–13 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 Special Resolutions passed in the Annual General Meetings held on 30th September 2011 and 29th September 2012.
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.	Directorship held in other Companies	Cosco Polymer Lanka (Private) Limited Cosco Polymer Industries Pvt. Ltd.
8.	Membership/Chairmanship of Committees of other Public Companies	NIL
9.	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 - Director.
10.	Shareholding in the Company	Number of Shares held by him in the Company are 84,300 Equity Shares of ₹ 10 each plus 500 Equity Shares of ₹ 10 as Karta of H.U.F.

**ii) Shri Pankaj Jain – Whole Time Director**

1.	Background details	1.1 Age 41 years 1.2 Qualification B.Com and MBA 1.3 Experience 20 years of experience
2.	Past Remuneration	Remuneration paid to Shri Pankaj Jain during 2012–13 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 for International Market.
5.	Remuneration proposed	As per Special Resolutions passed in the Annual General Meetings held on 30th September 2011 and 29th September 2012.



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.	Directorship held in other Companies	Cosco Polymer Industries Pvt. Ltd.
8.	Membership/Chairmanship of Committees of other Public Companies	NIL
9.	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.
10.	Shareholding in the Company	Number of Shares held by him in the Company are 86300 Equity Shares of ₹ 10 each plus 17700 Equity Shares of ₹ 10 as Karta of H.U.F.

iii) **Shri Mohan Lal Mangla** - Independent Non Executive Director

1.	Background details	1.1 Age 72 years 1.2 Qualification Law Graduate 1.3 Experience 48 years of experience
2.	Past Remuneration	Sitting fees during 2012-13 : ₹ 6000
3.	Recognition or awards	----
4.	Job profile and his suitability	He has vast experience in Legal profession including Intellectual Property Rights.
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.	Directorship held in other Companies	NIL
8.	Membership/Chairmanship of Committees of other Public Companies	NIL
9.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	NIL
10.	Shareholding in the Company	Number of Shares held by him in the Company are 1000 Equity Shares of ₹ 10 each jointly with Mr. Aman Mangla (First holder).

**(iv) Shri Joinder Paul Jain - Independent Non Executive Director**

1.	Background details	1.1 Age 1.2 Qualification 1.3 Experience	73 years Chartered Accountant 43 years of experience
2.	Past Remuneration	Sitting fees during 2012-13 : ₹ 6000	
3.	Recognition or awards	-----	
4.	Job profile and his suitability	He has vast experience as practicing Chartered Accountant in Finance, Accounts, Audit, Taxation and Company Law Matters.	
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.	Directorship held in other Companies	NIL	
8.	Membership/Chairmanship of Committees of other Public Companies	NIL	
9.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	NIL	
10.	Shareholding in the Company	Number of Shares held by him in the Company are 100 Equity Shares of ₹ 10 each	

**(v) Shri Vijender Kumar Jain - Independent Non Executive Director**

1.	Background details	1.1 Age 1.2 Qualification 1.3 Experience	58 years B. Com (Hons), FCA 32 years AS Chartered Accountant in practice
2.	Past Remuneration	Sitting fees during 2012-13 : ₹ 1500	
3.	Recognition or awards	-----	
4.	Job profile and his suitability	He has vast experience as practicing Chartered Accountant in Finance, Accounts, Audit, Taxation and Company Law Matters.	
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.	Directorship held in other Companies	NIL	
8.	Membership/Chairmanship of Committees of other Public Companies	NIL	
9.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	NIL	
10.	Shareholding in the Company	NIL	



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting their 34th Annual Report together with Annual Accounts for the year ended 31st March, 2013.

## FINANCIAL RESULTS AND PERFORMANCE REVIEW

Particulars	Current Year ended 31.03.2013 (₹ in lacs)	Previous Year ended 31.03.2012 (₹ in lacs)
Revenue from operations	9280.72	8081.55
Other Income	22.85	18.06
Total Revenue	9303.57	8099.61
Total Expenses	8810.92	8026.25
Profit before Prior Period, Exceptional and Extraordinary items and Tax	492.65	73.36
Prior Period Adjustments - charges	6.40	22.31
Exceptional Items – charge/(income)	263.68	624.66
Profit / (Loss) before Extraordinary items and Tax	222.57	(573.61)
Extraordinary items	--	--
Profit / (Loss) before Tax	222.57	(573.61)
<u>Tax Expenses/(Income) :</u>		
Current Tax	76.89	0.00
Deferred Tax	134.17	(171.14)
Profit / (Loss) for the period from continuing operations	11.51	(402.47)

The Revenue from Sale of Products (net of excise) for the current year ended 31.03.2013 was higher at ₹ 9228.26 Lacs against previous year's sales of ₹ 8013.43 Lacs -an increase of about 15 % over the previous year. The Revenue from services for the current year amounted to ₹ 3.08 Lacs (Previous year ₹ 2.36 Lacs). The other Operating Income, which mainly comprises of export incentives, was lower at ₹ 49.37 Lacs (Previous year ₹ 65.75 Lacs) due to decline in Exports pursuant to scaling down of manufacturing of non profitable Sports Ball Bladders over the last 2 Years. The current year exports were ₹ 313.33 Lacs (previous year ₹ 399.37 lacs). In spite of the decline in exports, the company registered growth in sales turnover during the financial year ended 31st March 2013 due to good domestic demand.

During the current year ended 31.03.2013 the Company registered Net Profit of ₹ 11.51 Lacs against Previous Year Net Loss of ₹ 402.47 lacs.

During the current year ended 31.03.2013 the Profitability of the company was mainly affected on account of recognition of additional Net Corporate Guarantee obligation Liability of ₹ 299.81 Lacs (Previous Year ₹ 637.67 Lacs for loans availed from Bank by the erstwhile Subsidiary Company in Sri Lanka M/s Cosco Polymer Lanka (Private) Limited -Refer Note No. 30 and Note No. 35 on the Financial Statements.

The company is focusing to enhance Cosco Brand and is expanding marketing network of health equipments and allied products in addition to Sports goods. Company has been taking remedial measures on continuous basis to check the duplication and protect its 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 net margins.

Status of Investments made in M/s Cosco Polymer Lanka (Private) Limited-the erstwhile Subsidiary Company: As reported last year, M/s Cosco Polymer Lanka (Private) Limited, has been 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 and Investment by the Company in the Shares of the erstwhile Subsidiary stand vested in the Secretary to the Treasury of the Government of Sri Lanka. Pursuant to this Cosco Polymer Lanka (Private) Limited ceased to be Subsidiary and therefore the Consolidated Financial statements are not attached.

The Act (of Sri Lanka), 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 Compensation claim has been filed in Sri Lanka with the Compensation Tribunal constituted under the said Act and the claim is yet to be adjudicated.

#### **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 2013.

#### **DIRECTORS**

In accordance with the Articles of Association of the Company, Shri Arun Jain, Shri Pankaj Jain, Shri Mohan Lal Mangla and Shri Joginder Paul Jain retire by rotation as Directors at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Board recommends their reappointment.

Shri Vijender Kumar Jain was appointed as Additional Director as per section 260 of the Companies Act, 1956 and he holds office till the date of ensuing Annual General Meeting.

The Board of Directors recommends his re-appointment.

Smt. Risha Jain resigned from the Directorship of the Company w.e.f. 05th October 2012. The Board of Directors record their appreciation for the contribution made by her during her tenure.

#### **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.

#### **INDEPENDENT AUDITORS' REPORT**

The Auditors in their Report have stated under Emphasis of Matter:

'Attention is drawn to Note 9.2 to the financial statements, whereby company has recognised liability of ₹ 299.81 Lacs in the accounts on the basis that realisation from the subsidiary company's (since desubsidiarised) assets / claim amount would be utilised for meeting the other liabilities (Other than Bank) of the subsidiary and there will not be any amount left to be received by the company. Since the claim amount / realisation from the assets of subsidiary are not yet ascertained, we have relied upon the assertions of the management.

Our opinion is not qualified in respect of this matter.'

The above Emphasis of Matter and 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 CERIFICATE**

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 2012-13 and 2013 – 2014 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.

#### **ACKNOWLEDGEMENTS**

Your Directors appreciate the continuous support and co-operation received from Bankers, Statutory and Internal Auditors, Government Authorities, Customers, Vendors & Shareholders. Your Directors record their sincere appreciation of the contribution made to the organization by Executives, Staff and Workers of the Company and greatly value them all.

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

Place: Delhi  
Date: 31st July, 2013

By order of the Board of Directors

**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 2013

#### **A. CONSERVATION OF ENERGY**

Energy conservation is the practice of decreasing the quantity of energy used per kilogram of goods produced. It is achieved through efficient usage of energy resources. Energy consumption increases cost, creates impact on the environment, reduces non-renewable sources which are available at a cost and are fast depleting. In many cases, it contributes to global warming. As an organization, therefore, the company constantly attempts to conserve energy, with a view to reduce these impacts.

The Company has imbibed conservation of energy resources in its working culture. Our focus is to conserve energy by eliminating wastages and improving efficiencies and every attempt is made towards this right from the design stage. During the year under review, focus was towards eliminating wastages by every consumer of energy.

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. Specific areas in which R&D is carried out by the company:

Process improvement projects were undertaken for improving product quality and productivity of the manufacturing process. Environment, Health and Safety considerations were given special emphasis in the process development work.

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

- a. Cost optimization.
- b. Higher productivity.

3. Future Plans of Action :

The company's initiative of New Product Development [NPD] process has identified several new products to be developed during the next 5 years. Several products are at various stages of development. Improvement plans for existing products are also underway with an objective of cost reduction and being competitive in the market.

4. Expenditure on R & D :

Capital	Nil
Recurring	₹ 22509
Total	₹ 22509

Total R&D expenditure as a percentage of net sales is 0.002 %.

##### **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	₹ 31333044
(ii) Foreign Exchange outgo during the year	₹ 282990876



## 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 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, 2013, categorized as indicated.

<b>(A)</b>	Promoters Group			
	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>(B)</b>	Independent			
	Shri Mohan Lal Mangla	Director	NED	00311895
	Shri Joginder Paul 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 (upto 05.10.2012)	Director	NED	00311938
	Shri Vijay Kumar Sood	Director	NED	01525607
	Shri Vijender Jain (w.e.f. 31.10.2012)	Director	NED	06423328

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 2012-13

Date of Meetings	Board Strength	No. of Directors Present
April 30, 2012	14	12
June 25, 2012	14	09
July 31, 2012	14	11
August 31, 2012	14	09
September 03, 2012	14	11
October 05, 2012	14	08
October 31, 2012	14	07
January 31, 2013	14	12

**(B) Directors' Attendance Record and Directorships held:**

Name of the Director	No. of Board Meeting Attended	Whether attended last AGM held on 29th September, 2012	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	8	Yes	1	Nil	Nil
Shri Narinder Kumar Jain	8	Yes	1	Nil	Nil
Shri Darshan Kumar Jain	8	Yes	1	Nil	Nil
Shri Pankaj Jain	7	Yes	Nil	Nil	Nil
Shri Manish Jain	6	Yes	Nil	Nil	Nil
Shri Neeraj Jain	6	Yes	Nil	Nil	Nil
Shri Arun Jain	8	Yes	Nil	Nil	Nil
Shri Mohan Lal Mangla	4	No	Nil	Nil	Nil
Shri Joginder Paul Jain	4	No	Nil	Nil	Nil
Prof. M. P. Gupta	4	No	Nil	Nil	Nil
Shri Gulshan Rai Jain	4	No	Nil	Nil	Nil
Shri Sunil Jain	4	No	Nil	Nil	Nil
Smt. Risha Jain*	3	No	Nil	Nil	Nil
Shri Vijay Kumar Sood	4	Yes	Nil	Nil	Nil
Shri Vijender Jain**	1	No	Nil	Nil	Nil

\* Ceased to be Director w.e.f. 05.10.2012.

\*\* Appointed as Additional Director w.e.f. 31.10.2012.

III. Information in respect of appointment of new Directors & re-appointment of existing 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 Arun Jain	Aged about 47 years. B.E., M. Tech. About 21 years experience	Industrial Relations & Management of Production and Research & Development of Rubber & Polymer Products.	Cosco Polymer Lanka (Private)Limited Cosco Polymer Industries Pvt. Ltd.
2.	Shri Pankaj Jain	Aged about 41 years. B. Com and MBA. About 20 years experience.	Finance and Marketing and developing of new products for International Market.	Cosco Polymer Industries Pvt. Ltd.
3.	Shri Mohan Lal Mangla	Aged about 72 years. Law Graduate and Advocate. About 48 years Experience.	Vast Legal Experience including Intellectual Property Rights.	Nil
4.	Shri Joginder Paul Jain	Aged about 73 years. Chartered Accountant. About 43 years experience	He has vast Experience in Finance, Taxation, Audit and Company Law Matters.	Nil
5.	Shri Vijender Kumar Jain	Aged about 58 years. Chartered Accountant. About 32 year experience.	vast experience as practicing Chartered Accountant in Finance, Accounts, Audit, Taxation and Company Law Matters.	Nil



(Refer also statement forming part of Notice of 34th Annual General Meeting issued to the Shareholders of the Company)  
**Details of Directors appointed/re-appointed in the last Annual General Meeting held on 29th September 2012.**

Sl. No.	Name of Director	Brief Resume	Expertise in Specific functional areas	Directorship in other Companies
1.	Shri Devinder Kumar Jain	Aged about 75 years. B.Sc. About 52 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 72 years. Graduate and Diploma in International Marketing. About 47 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.
3.	Shri Darshan Kumar Jain	Aged about 81 years. Matriculate. About 52 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 20 years Experience.	Managing Plant Operations & Production and Associated with research and Development of new Products & Marketing.	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 19 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 50 years experience.	About 32 years in Armed Forces. Retired as Lt. Col. and 18 years experience in Event Management and Sport Goods Promotion.	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](http://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, 2013.

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

Place: Delhi  
Date: 31st July, 2013

By order of the Board of Directors

**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 (up to 05.10.2012)
	—	Shri Vijender Kumar Jain – Chairman (w.e.f. 31.10.2012)
	—	Prof. M.P. Gupta
	—	Shri Joginder Paul 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 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, 2012, 25th June, 2012, 31st July, 2012, 03rd September, 2012, 31st October, 2012 & 31st January, 2013.

### (B) Details of Meetings of Audit Committees held during the year 2012-13

Name of the Member	No. of Meetings held	No. of Meetings attended
Smt. Risha Jain*	6	3
Shri Joginder Paul Jain	6	4
Prof. M. P. Gupta	6	3
Shri Sunil Jain	6	5
Shri Vijender Jain**	6	1

\* Ceased to be Chairperson/member w.e.f. 05.10.2012.

\*\*Appointed as Chairman/member w.e.f. 31.10.2012.

### 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, 2012 and 3rd September, 2012. 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 31.03.2013 is given below:

(Amount in ₹)									
Name	Designation	Salary	HRA	Commission	PF	Medical Exp.	Car Perks*	Other Perks	Contract Period No. of Yrs.
Shri Devinder Kumar Jain	Chairman Cum Mg. Director	15,60,000	7,80,000	9,60,000	9,360	1,08,717	39,600	Refer note	3
Shri Darshan Kumar Jain	Whole Time Director	15,60,000	7,80,000	9,60,000	9,360	2,55,229	39,600	Refer Note	3
Shri Narinder Kumar Jain	Managing Director	15,60,000	7,80,000	9,60,000	9,360	58,435	39,600	Refer Note	3
Shri Arun Jain	Whole Time Director	13,20,000	6,60,000	8,16,000	9,360	1,26,931	39,600	Refer Note	3
Shri Manish Jain	Whole Time Director	13,20,000	6,60,000	8,16,000	9,360	32,816	32,400	Refer Note	3
Shri Pankaj Jain	Whole Time Director	13,20,000	6,60,000	8,16,000	9,360	94,057	32,400	Refer Note	3
Shri Neeraj Jain	Whole Time Director	13,20,000	6,60,000	8,16,000	9,360	91,146	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/provided to all the Directors:

- i) Gratuity as per actuarial valuation.
- ii) Leave as per encashment.
- iii) Telephones for official use.

The sitting fees paid/payable to Non Executive Directors for the year ended on 31st March 2013 are as follows:

Shri Mohan Lal Mangla	:	₹ 6,000	Shri Sunil Jain	:	₹ 6,000
Shri Joginder Paul Jain	:	₹ 6,000	Shri Gulshan Rai Jain	:	₹ 6,000
Prof. M.P. Gupta	:	₹ 6,000	Smt. Risha Jain	:	₹ 4,500
Shri Vijay Kumar Sood	:	₹ 6,000	Shri Vijender Kumar Jain	:	₹ 1,500

#### Detail of Shareholding of Non-Executive Directors

Name	No. of Equity Shares held	Name	No. of Equity Shares held
Shri Mohan Lal Mangla	: 1000	Shri Sunil Jain	: -
(As Second Joint holder with Mr. Aman Mangla -First holder).			
Shri Joginder Paul Jain	: 100	Shri Gulshan Rai Jain	: 2,000
Prof. M.P. Gupta	: -	Smt Risha Jain	: -
Shri Vijay Kumar Sood	: -	Shri Vijender Kumar Jain	: -

### 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 one/two times in a month during the year 2012–13.

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
31st AGM – 2010	2/8, Roop Nagar, Delhi- 110 007	30th September, 2010 – 10.30 A.M.
32st AGM – 2011	2/8, Roop Nagar, Delhi- 110 007	30th September, 2011 – 10.30 A.M.
33nd AGM – 2012	Amitabh, E-23, Bungalow Road, Kamla Nagar, Delhi 110 007	29th September, 2012 – 10.30 A.M.

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

- (b) In the AGM held on 30th September, 2010 no Special Resolution was passed.
- (c) In the AGM held on 30th September, 2011 four Special Resolutions were passed in respect of re-appointment of Shri Manish Jain, Shri Pankaj Jain, Shri Neeraj Jain and Shri Arun Jain as Whole Time Directors w.e.f. 01.10.2011 for a period of three years and fixation of their remuneration.
- (d) In the AGM held on 29th September, 2012 three Special Resolutions were passed in respect of re-appointment of Shri Devinder Kumar Jain as Chairman cum Managing Director, Shri Narinder Kumar Jain as Managing Director and Shri Darshan Kumar Jain as Whole Time Director for a period of three years w.e.f. 16.03.2013 and fixation of their remuneration and also restructuring their remuneration w.e.f. 01.04.2012. Further, four Special Resolutions were passed in respect of modification/restructuring of remuneration w.e.f. 01.04.2012, of Shri Manish Jain, Shri Pankaj Jain, Shri Neeraj Jain and Shri Arun Jain, the Whole Time Directors.
- (e) 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. 35 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 during the last three years.

However, the Registrar of Companies filed six criminal complaints for the year ended 31.03.2007 against the Company and its Managing / Whole Time Directors under section 629A of the Companies Act, 1956 in the Court of ACMM (Special Act), Tis Hazari, Delhi for contravention of Sections 125, 209, 211, 212(9), 266F, and 297 of the Act. On applications filed by the Company u/s 621A(6) of the Act 1956 before Company Law Board /Regional Director, the alleged contraventions under sections 209, 211, 212(9), 266F, and 297 of the Act have since been compounded by Company Law Board /Regional Director. The application for compounding of contravention under section 125 of the Act is pending before the Regional Director.

##### **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, 2013.

##### **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) 34th Annual General Meeting**

Date and Time	:	30th September, 2013 – 10.30 AM
Venue	:	AMITABH, E – 23, Bungalow Road, Kamla Nagar, Delhi – 110 007



**b) Financial Calendar**

Financial Year : 1st April to 31st March

For the year ended 31st March 2013, the quarterly results were announced as under:-

1st Quarter ended 30th June 2012 : 31st July 2012  
2nd Quarter ended 30th September 2012 : 31st October 2012  
3rd Quarter ended 31st December 2012 : 31st January 2013  
4th Quarter ended 31st March 2013 : 30th May 2013

For the year ending 31st March 2014, the schedule of announcement of results is as under:-

1st Quarter ended 30th June 2013 : 31st July 2013  
2nd Quarter ending 30th September 2013 : Last week of October 2013  
3rd Quarter ending 31st December 2013 : Last week of January 2014  
4th Quarter ended 31st March 2014 : Last week of May 2014

**c) Book Closure Date**

From 26th September 2013 to 30th September 2013 (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 2012 - 2013 & performance in comparison to BSE Index:**

Month	Market Price*		BSE INDEX**	
	High (₹)	Low (₹)	High	Low
April, 2012	48.05	38.00	17664	17010
May, 2012	43.95	35.50	17432	15810
June, 2012	40.85	33.50	17448	15749
July, 2012	48.55	35.20	17631	16598
August, 2012	50.60	38.05	17973	17027
September, 2012	45.40	39.05	18870	17251
October, 2012	45.80	38.00	19137	18393
November, 2012	56.20	36.30	19373	18256
December, 2012	53.25	42.00	19612	19149
January, 2013	51.50	41.80	20204	19509
February, 2013	50.15	43.05	19967	18794
March, 2013	49.50	41.05	19755	18564

**Distribution of Shareholding as on 31st March, 2013**

Cat Code	Category of Shareholder	No. of Share Holders	Total No. of Shares	No. of Shares Held in Dematerialized Form	Total Shareholding As a Percentage of Total Number of Shares		Shares Pledged or otherwise encumbered	
					% of (A+B)	% of (A+B+C)	No. of Shares	As a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(XI)= (VII)/ (IV)*100
<b>(A) Shareholding of Promoter and Promoter Group<sup>2</sup></b>								
<b>1. INDIAN</b>								
(a)	Individuals/ Hindu Undivided Family	22	1,672,800	1647500	40.20	40.20	0	0.00
(b)	Central Government/ State Government(s)				0.00	0.00		0.00
(c)	Bodies Corporate	1	1,447,000	1447000	34.78	34.78	0	0.00
(d)	Financial Institutions/ Banks				0.00	0.00		0.00
(e)	Any Others(Specify)				0.00	0.00		0.00
(e-i)					0.00	0.00		0.00
(e-ii)					0.00	0.00		0.00
<b>Sub Total A (1)</b>		<b>23</b>	<b>3,119,800</b>	<b>3,094,500</b>	<b>74.98</b>	<b>74.98</b>	<b>0</b>	<b>0.00</b>
<b>2. FOREIGN</b>								
(a)	Individuals (Non-Residents Individuals/foreign Ind.)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Any Others (Specify)	0	0	0	0.00	0.00	0	0.00
<b>Sub Total A (2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>								
<b>A=A(1)+A(2)</b>		<b>23</b>	<b>3,119,800</b>	<b>3,094,500</b>	<b>74.98</b>	<b>74.98</b>	<b>0</b>	<b>0.00</b>
<b>(B) PUBLIC SHAREHOLDING</b>								
<b>1. INSTITUTIONS</b>								
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
<b>Sub Total B (1)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>



<b>(B)2 NON-INSTITUTIONS</b>								
(a)	Bodies Corporate	43	239131	237331	5.75	5.75	0	0.00
(b)	Individuals				0.00	0.00	0	0.00
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1669	412761	319300	9.92	9.92	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	15	281404	281404	6.76	6.76	0	0.00
(c)	N.R.I.(REPT & NON-REPT)	11	64566	64566	1.55	1.55	0	0.00
(c-i)	Clearing House/Public Trust				0.00	0.00	0	0.00
(c-ii)	Corporate Bodies - OCB				0.00	0.00	0	0.00
(c-iii)	Intermediary/Other Depository A/c				0.00	0.00	0	0.00
(c-iv)	Hindu Undivided Family	27	42956	42956	1.03	1.03	0	0.00
(c-v)	Clearing Members	1	382	382	0.01	0.01	0	0.00
(c-vi)	Qualified Foreign Investor -Individual							
(c-vii)	Qualified Foreign Investor-Corporate							
<b>Sub Total B (2)</b>		<b>1766</b>	<b>1041200</b>	<b>945939</b>	<b>25.02</b>	<b>25.02</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL PUBLIC SHAREHOLDING B= B(1)+B(2)</b>		<b>1766</b>	<b>1041200</b>	<b>945939</b>	<b>25.02</b>	<b>25.02</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL OF A+B</b>		<b>1789</b>	<b>4161000</b>	<b>4040439</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
<b>(C) Shares Held By Custodians And Against Which Depository Receipts Have Been Issued</b>								
1	Promoter and Promoter Group	0	0	0	0	0.00	0	0.00
2	Public	0	0	0	0	0.00	0	0.00
<b>Grant Total C</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>Grant Total (A+B+C)</b>		<b>1789</b>	<b>4161000</b>	<b>4040439</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

#### 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. 97.1 % of the Equity Shares of the Company have been dematerialized as on March 31st 2013.

#### 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-153 A, 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 31.3.2013, 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

Place: New Delhi  
Date : 31st July, 2013

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE - 'C'

#### MANAGEMENT DISCUSSION AND ANALYSIS (MD & A)

This may be read in conjunction with the Directors' Report

#### Economic Scenario

The GDP of the Indian economy is declining since 2011, the GDP Growth of about 5% during 2012-13 being lowest of the decade. The current year GDP of India is estimated in the range of 5 – 5.5%. Global economies have also been facing slowdown over the past few years. Global GDP is projected to increase 2.2% in 2013 (2012: 2.3%) as per World Bank estimates. The majority of the world's economic growth will continue to be derived from the emerging markets, particularly in Asia. The macroeconomic environment continues to be uncertain and volatile. Indian economy is facing multiple challenges of containing Inflation and stabilizing the Rupee as it is depreciating fast.

#### Industry Structure and Developments

Sports Goods Industry in India is predominantly in small and tiny sector and is based on manual processes. The Indian Sports Goods Industry needs to introduce mechanization on major scale for increasing productivity and competitiveness of Indian Sports Goods Sector. The Industry is gradually adapting new technology to keep up with the changing global trends. Jalandhar, Meerut and Gurgaon are the main clusters of Sports Industry in India. Sports Goods Industry in India is thriving for factors such as wide & augmenting indigenous market, skilled & talented workforce, supportive government policies, globalization, easy availability of basic raw materials and established ancillary & supporting industries (Plastics, Metal, Forging and Casting and Leather). Growth potential of Indian Sports Goods & Toys industry is still untapped by the Indian industry.

Overall development of Sports Sector in India is lagging due to inadequate infrastructure. 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.

Foreign Brands and overseas manufacturers/suppliers from China and other countries are having edge over Indian manufacturers after the introduction of economic liberalization in India in 1991 and integration of world markets under WTO agreements in 1995. 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%. The major goods that are exported from the country are cricket bats & balls, hockey sticks & balls, inflatable balls, Sports Ball Bladders, boxing equipment, fishing equipment and Carrom Boards, Chess, Table Tennis Equipments, General Exercise Equipments etc.

The main export destinations are United Kingdom, USA, Australia, South Africa. As per export data with Sports Goods Export Promotion Council, India's Exports of Sports Goods and Toys during 2012-13 was ₹ 768 Crores against ₹ 689 Crores in 2011-12, registering growth of about 11.5% in rupee terms.

#### Opportunities & Threats, Risks and Concerns:

The Sports Industry in India has some good quality manufacturing units and adequate skilled manpower base. Overseas buyers are looking for alternate sources of supply in addition to China. The domestic market is large and expanding. Increasing popularity of sports among masses and awareness about Health & Fitness offers good market opportunity.

Our Company manufactures mainly Sports Balls and is marketing wide range of various Sports Goods and Fitness Equipments under 'Cosco Brand'. 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. 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 company has tie ups and arrangements with international reputed manufacturers /suppliers.

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 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.

---

**Segment-wise product-wise performance**

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

- Own manufactured products viz Sports Balls
- 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. 34 of Notes on the Financial Statements – Segment Information)

**Outlook**

The Sports Industry in India is expected to grow at an average annual growth of 5 percent. Sports and Fitness is gaining importance at all levels. More sports events are being organized in India. The company see promising future of Sports in India.

**Threats**

1. Stiff competition from International Brands due to their growing popularity amongst Indian consumers;
2. Infringement of Company's Brand and Trade mark by grey market operators
3. Manpower constraints & increasing manpower costs;
4. High energy cost, Gap in demand and supply of power;
5. Erosion of purchasing power due to Inflation;

**Internal control systems and their adequacy.**

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

**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 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 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 relations with employees remained cordial and satisfactory.



## Compliance Certificate

To,  
The Members  
COSCO (INDIA) LIMITED.  
2/8. Roop Nagar,  
Delhi-110007.

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, 2013. 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 Rs. 4,16,10,000/- (Rupees Four Crores Sixteen Lacs Ten Thousand Only).
4. The Board of Directors duly met eight times on 30.04.2012, 25.06.2012, 31.07.2012, 31.08.2012, 03.09.2012, 05.10.2012, 31.10.2012 and 31.01.2013, 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, 2012 to 29th September, 2012 (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, 2012 was held on 29.09.2012 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 General 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. During the period under scrutiny one Additional Director has been duly appointed. There was no appointment of alternate directors or casual directors. During the period one director resigned from the directorship of the Board.
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. As per the explanation given by the management, 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. The Registrar of Companies filed six criminal complaints for the year ended 31.03.2007 against the Company and its Managing / Whole Time Directors under section 629A of the Companies Act, 1956 in the Court of ACMM (Special Act), Tis Hazari, Delhi for contravention of Sections 125, 209, 211, 212(9), 266F, and 297 of the Act. On applications filed by the Company u/s 621A(6) of the Act 1956 before Company Law Board /Regional Director, the alleged contraventions under sections 209, 211, 212(9), 266F, and 297 of the Act have since been compounded by Company Law Board /Regional Director. The application for compounding of contravention under section 125 of the Act is pending before the Regional Director.
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 : 31st, July, 2013

---

### 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, 2013.

- (a) Annual Returns in Form No. 20B on 24/11/2012.
- (b) Balance sheet, etc., under Section 220 in Form No. 23AC & ACA (XBRL) on 14/01/2013
- (c) Compliance Certificate in Form No. 66 on 25/10/2012
- (d) Form 23 on 25/10/2012 in respect of re-appointment of Chairman cum Managing Director, Managing Director and Whole Time Directors and modification / restructuring of remuneration of all Executive Directors.
- (e) Return of re-appointment of Chairman cum Managing Director in Form 25C on 26.03.2013.
- (f) Return of re-appointment of Managing Director in Form 25C. on 26.03.2013
- (g) Return of re-appointment of Whole Time Directors in Form 25C. on 26.03.2013
- (h) Form 32 in respect cessation of Office of Directorship on 02.11.2012
- (i) Form 32 in respect of appointment of director on 10.11.2012.
- (j) Form 61 (6 forms) for compounding of offences on 23.11.2012.

---

## INDEPENDENT AUDITORS' REPORT

### THE MEMBERS,

### COSCO (INDIA) LTD.

#### Report on the Financial Statements

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

#### Management's Responsibility for the Financial Statements

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

#### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

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

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

#### Emphasis of Matter

Attention is drawn to Note 9.2 to the financial statements, whereby company has recognised liability of ₹ 299.81 Lacs in the accounts on the basis that realisation from the subsidiary company's (since desubsidarised) assets / claim amount would be utilised for meeting the other liabilities (Other than Bank) of the subsidiary and there will not be any amount left to be received by the company. Since the claim amount / realisation from the assets of subsidiary are not yet ascertained, we have relied upon the assertions of the management.



Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

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

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

Place : New Delhi

Date : 30th May, 2013

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

## **Annexure to the Independent Auditors' Report**

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]**

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and location of the fixed assets.
  - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventory:
  - (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at the end of the year by the Management. In case of inventories lying with third parties, certificates of stocks holding have been received.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) In respect of loans, secured or unsecured, granted / taken to / from the parties listed in register U/S 301:
  - (a) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956.
  - (b) The company has taken loans from companies and directors at different rates of interest. Total no of parties from whom loan taken is 9 and the amount outstanding at the year end is ₹ 1869.93 lacs. The maximum outstanding during the year was ₹ 1880.94 laces.
  - (c) In our opinion, the rates of interest of such loans are, prima facie not prejudicial to the interests of the Company and other terms and conditions of loans are not stipulated.
- (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, fixed assets and for the sale of goods. We have not observed any continuing failure to correct major weaknesses in internal control.
- (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 arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section 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 any public deposits during the year.
- (vii) Company has appointed external firm of Chartered Accountants as Internal Auditors. Internal auditor has issued audit report 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 organisation 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 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) In respect of statutory dues:
- (a) According to the information and explanations given to us, the Company has generally been regular in depositing undisputed dues, including Provident Fund, ESI, Investor Education and Protection Fund, Income-tax, Tax deducted at sources, tax collected at source, Professional Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2013 for a period of more than six months from the date they became payable, except property tax of ₹ 12.07 lacs which has not been deposited as on 31st March, 2013 on account of dispute with Municipal Corporation Gurgaon.
- (x) The company does not have the accumulated losses at the end of financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (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, so para 4 (xii) of order is not applicable.
- (xiii) As company is not a nidhi, chit fund or mutual benefit company, so paragraph 4 (xiii) of the order is not applicable.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other investments, so para 4(xiv) of order is not applicable.
- (xv) The company had given guarantee of US \$ 20.05 lacs to State Bank of India Colombo in respect of loans granted by the Bank to Company's erstwhile subsidiary. In view of the continued suffering of losses and suspension of operations and underutilised assets of erstwhile subsidiary vested in secretary to the Treasury of Govt. Of Sri Lanka under revival of Underperforming Enterprises or underutilised Assets Act No 43 of 2011 Company had accounted for ₹ 637.67 lacs in financial year 2011-12 and ₹ 299.81 Lacs during the year under audit as corporate guarantee obligation as explained in Note No 9.2.
- (xvi) The company has not obtained any term loan during the year, so this para of order is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) Since the company has not issued any debentures during the year, so para 4(xix) of order is not applicable.
- (xx) Since the company has not raised money by public issue during the previous year, so paragraph 4(xx) of the order is not applicable.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Place : New Delhi

Date : 30th May, 2013

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

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

(Amount in ₹)

	NOTE	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	41,610,000	41,610,000
(b) Reserve and Surplus	3	116,431,565	115,280,118
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	140,000,000	140,000,000
(b) Other Long Term Liabilities	5	4,454,939	3,727,439
(c) Long Term Provisions	6	3,413,672	2,875,225
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	7	119,767,371	109,813,543
(b) Trade Payables	8	33,176,841	47,329,779
(c) Other Current Liabilities	9	137,519,070	96,422,874
(d) Short Term Provisions	10	12,475,746	14,871,608
<b>Total Equity &amp; Liabilities</b>		<b>608,849,204</b>	<b>571,930,586</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets :	11		
(i) Tangible Assets		37,758,696	35,968,380
(ii) Intangible Assets		131,823	202,500
(iii) Capital Work in Progress		908,084	--
(b) Non-Current Investments	12	5,000	5,000
(c) Deferred Tax Assets (Net)	13	4,050,826	17,467,458
(d) Long term Loans and Advances	14	1,966,812	14,516,169
(e) Other Non-Current Assets	15	1,552,058	1,185,339
<b>(2) Current Assets</b>			
(a) Current Investments	16	309,525	302,838
(b) Inventories	17	341,584,928	338,619,883
(c) Trade Receivables	18	157,816,752	105,465,068
(d) Cash & Cash Equivalents	19	32,775,609	27,277,881
(e) Short term Loans and Advances	20	29,989,091	30,920,070
<b>Total Assets</b>		<b>608,849,204</b>	<b>571,930,586</b>

Significant Accounting Policies  
Notes on Financial Statements 1 to 39

As per our report of even date.

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

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**C.A. M.K.MADAN**  
Proprietor  
M. No.82214

**D.K.JAIN**  
Chairman Cum Mg. Director  
DIN : 00191539

**N.K.JAIN**  
Mg. Director  
DIN : 00195619

**PLACE :** New Delhi  
**DATED :** 30th May, 2013



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Amount in ₹)

	NOTE	FOR THE YEAR ENDED 31ST MARCH, 2013	FOR THE YEAR ENDED 31ST MARCH, 2012
I. Revenue from operations	21	928,072,121	808,154,413
II. Other Income	22	2,285,091	1,806,441
III. Total Revenue (I+II)		<u>930,357,212</u>	<u>809,960,854</u>
IV. Expenses :			
(a) Cost of materials consumed	23	176,458,423	177,823,452
(b) Purchase of Stock-in-Trade	24	384,215,745	378,820,711
(c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(413,777)	(61,317,990)
(d) Employee benefit expense	26	91,595,675	76,789,539
(e) Financial costs	27	26,762,760	23,720,061
(f) Depreciation	11	7,263,184	6,166,168
(g) Other expenses	28	195,210,273	200,623,039
Total Expenses		<u>881,092,283</u>	<u>802,624,980</u>
V. Profit before Prior Period, exceptional and extraordinary items and Tax		49,264,929	7,335,874
VI. Prior Period Adjustments - charges	29	639,811	2,230,765
VII. Exceptional Items - charge	30	26,368,382	62,465,804
VIII. Profit / (Loss) before extraordinary items and Tax		<u>22,256,736</u>	<u>(57,360,695)</u>
IX. Extraordinary Items		--	--
X. Profit / (Loss) before Tax	(VIII-IX)	22,256,736	(57,360,695)
XI. Tax Expenses :			
Current Tax		7,688,657	--
Deferred Tax	13	13,416,632	(17,114,033)
XII. Profit / (Loss) for the period from continuing operations		<u>1,151,447</u>	<u>(40,246,662)</u>
Basic & Diluted Earnings per share	31	0.28	(9.67)
Nominal Value per share (in ₹)		10.00	10.00

Significant Accounting Policies  
Notes on Financial Statements

1 to 39

As per our report of even date.

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

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**C.A. M.K.MADAN**  
Proprietor  
M. No.82214

**D.K.JAIN**  
Chairman Cum Mg. Director  
DIN : 00191539

**N.K.JAIN**  
Mg. Director  
DIN : 00195619

PLACE : New Delhi  
DATED : 30th May, 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(Amount in ₹)

	FOR THE YEAR ENDED 31ST MARCH, 2013	FOR THE YEAR ENDED 31ST MARCH, 2012
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before tax	22,256,736	(57,360,695)
Adjustments for :		
Add : Depreciation	7,263,184	6,166,168
Finance Cost	25,435,477	22,059,534
Loss on sale of Assets	10,043	--
Assets written off	34,454	3,567
Business loss of Subsidiary operations	--	58,647,928
Diminution in value of Investments in shares	79,701	86,388
Corporate Guarantee Obligation	29,981,000	63,767,200
Bad & Doubtful advances Provided	12,624,129	--
Less: Interest Income	66,098	93,972
Dividend Income	567	--
Profit on sale of Assets	3,612,618	59,949,324
Diminution in value of Investments Prov. W/back	86,388	87,038
<b>Operating Profit before Working Capital Changes</b>	<b>93,919,053</b>	<b>33,239,756</b>
Adjustments for :		
Trade and Other Receivables	(51,481,116)	(8,784,565)
Inventories	(4,139,882)	(50,522,711)
Loans and Advances	14,210,389	10,591,004
Trade Payables	(14,152,938)	3,813,984
Other Current Liabilities	33,968,927	33,137,013
<b>Cash Generated from Operations</b>	<b>72,324,433</b>	<b>21,474,481</b>
Less : Direct Taxes Paid	21,105,289	(17,114,033)
Corporate Guarantee Obligation	29,981,000	63,767,200
<b>Net Cash (used in) / Flow From Operating Activities</b>	<b>21,238,144</b>	<b>(25,178,686)</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(10,342,655)	(5,043,363)
Sale of Fixed Assets	4,019,870	60,545,500
Interest Received	66,098	93,972
Dividend Received	567	--
<b>Net Cash Flow from / (used in) Investing Activities</b>	<b>(6,256,120)</b>	<b>55,596,109</b>
<b>C. Cash Flow from Financing Activities :</b>		
Proceeds From Borrowings	15,951,181	11,796,031
Less : Interest Paid	25,435,477	22,059,534
<b>Net Cash used in Financing Activities</b>	<b>(9,484,296)</b>	<b>(10,263,503)</b>
<b>Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>5,497,728</b>	<b>20,153,920</b>
<b>Opening Cash and Cash equivalents</b>	<b>27,277,881</b>	<b>7,123,961</b>
<b>Closing Cash and Cash equivalents</b>	<b>32,775,609</b>	<b>27,277,881</b>

As per our report of even date.

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

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**C.A. M.K.MADAN**  
Proprietor  
M. No.82214

**D.K.JAIN**  
Chairman Cum Mg. Director  
DIN : 00191539

**N.K.JAIN**  
Mg. Director  
DIN : 00195619

PLACE : New Delhi

DATED : 30th May, 2013

31



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 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) In the case of Synthetic Panel Sets the net realisable value of synthetic balls is taken and from the cost arrived, the cost of conversion of panel sets in to balls is reduced therefrom.
- (6) 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 Rs. 10 lacs (previous year Rs. 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, 2013**

(Amount in ₹)

	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2013
<b>2. SHARE CAPITAL</b>		
<b><u>AUTHORISED</u></b>		
100,00,000 Equity Shares of ₹ 10 each	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
<b><u>ISSUED, SUBSCRIBED AND PAID UP</u></b>		
41,61,000 Equity Shares of ₹ 10 each	41,610,000	41,610,000
<b>2.1 Equity Shares of ₹ 10 each</b>	<b><u>No. of Shares</u></b>	<b><u>No. of Shares</u></b>
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</u>
<b>2.2 Shareholder holding more than 5% Shares in the company:</b>		
<u>Name of Shareholder</u>	<b><u>No. of Shares</u></b>	<b>%</b>
Navendu Investment Co. Pvt. Ltd.	1,447,000	34.78
		1,447,000
		34.78
<b>3. RESERVES &amp; SURPLUS</b>		
<b>A. Securities Premium Reserve</b>		
As per last Balance Sheet	31,230,000	31,230,000
Addition during the period	--	--
	<b>Total (A)</b>	<b>31,230,000</b>
<b>B. Other Reserves</b>		
General Reserve		
As per last Balance Sheet	115,796,780	115,796,780
Addition during the period	--	--
	<b>Total (B)</b>	<b>115,796,780</b>
<b>C. Surplus in Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	(31,746,662)	8,500,000
Add / (Deduct) : Transfer from Statement of Profit & Loss	1,151,447	(40,246,662)
	<b>Total (C)</b>	<b>(31,746,662)</b>
	<b>Total (A+B+C)</b>	<b>116,431,565</b>
<b>4. LONG TERM BORROWINGS</b>		
<b><u>(Unsecured)</u></b>		
<b><u>From Related Parties</u></b>		
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>
<b>4.1</b> Out of the total Unsecured Borrowings from related parties aggregating ₹ 18,69,92,502 (previous year ₹ 17,10,41,320), 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).		
<b>5. OTHER LONG TERM LIABILITIES</b>	<b>4,356,000</b>	<b>3,628,500</b>
Security Deposits from Customers	98,939	98,939
Other Payables	<u>4,454,939</u>	<u>3,727,439</u>

5.1 It is considered that security deposits will not be paid to customers within 12 months from the Balance Sheet date.

5.2 Other Payables include Expense Creditors.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2013
<b>(Amount in ₹)</b>		
<b>6. LONG TERM PROVISIONS</b>		
Gratuity	2,194,972	1,699,367
Leave Encashment	1,218,700	1,175,858
	<u>3,413,672</u>	<u>2,875,225</u>
<b>7. SHORT TERM BORROWINGS</b>		
<b>a) Secured</b>		
<b>From Banks</b>		
<b>WORKING CAPITAL LOANS</b>		
Rupee Loans	43,345,046	67,974,717
Foreign Currency Loans	29,429,823	10,797,506
<b>b) Unsecured</b>		
<b>From Related Parties</b> (Refer note no.4.1)		
i) Companies	12,160,421	12,385,421
ii) Directors	34,832,081	18,655,899
	<u>119,767,371</u>	<u>109,813,543</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.		
<b>8. TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	10,193,456	9,997,407
Others	22,983,385	37,332,372
	<u>33,176,841</u>	<u>47,329,779</u>
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.		
<b>9. OTHER CURRENT LIABILITIES</b>		
For Expenses		
Salary, Wages & Bonus	6,796,763	4,719,549
For Statutory Dues		
Sales Tax / VAT	2,123,440	2,080,574.00
Provident Fund & Pension Fund	766,103	732,531.00
Income Tax Deducted At Source	2,633,344	2,287,152.00
Other Statutory Dues	615,139	959,283.00
Interest Accrued But Not Due	232,609	66,831
Other Liabilities (Refer note nos.9.1 & 9.2)	124,351,672	85,576,954
	<u>137,519,070</u>	<u>96,422,874</u>
9.1 Other Liabilities include ₹ 2,36,76,272 (previous year ₹ 1,93,72,674) towards Interest Payable on unsecured short and long term borrowings and ₹ 9,77,13,000 (previous year ₹ 6,37,67,200) towards Corporate Guarantee obligation on behalf of the Cosco Polymer Lanka Pvt. Ltd.		
9.2 State Bank of India has claimed inter-alia from the Company (as Guarantor) amount aggregating USD 20,68,351.55 together with Interest @ 3.57% p.a. on account of the Debts due from Cosco Polymer Lanka Private Limited. Without prejudice, One Time Settlement (OTS) is proposed to the bank for full and final settlement at USD 1.8 Million. During the year ended 31.03.2012, the Company considering anticipated settlement at USD 1.8 Million, provided for USD 12,53,557 (₹ 6,37,67,200), being net amount after adjusting USD 5,46,443 the estimated Net Realisable Value of the Assets of the Unit as per last Valuation Report of the Bank. Cosco Polymer Lanka Private Limited has closed its unit in Sri Lanka and its Assets have been taken over by the Government of Sri Lanka under the 'Revival of Under Performing Enterprises and Underutilized Assets Act'. Claim for compensation has been filed with the Compensation Tribunal as per law of the land. The claim amount is yet to be quantified. The Management is of the view that the Claim Amount and / or Net Realisable Value of the Assets of the Unit are likely to be lower than USD 5,46,443 as taken last year. Further, Cosco Polymer Lanka Private Limited has other substantial liabilities too in addition to the Bank Loans, and after appropriating the anticipated Claim Amount/ Net Realisable Value of the Assets of the Unit for meeting other liabilities (other than the Bank Loans), there will be hardly any surplus. Accordingly, a further sum equivalent of USD 5,46,443 (₹ 2,99,81,000) has been recognized in the Accounts for the year ending 31.03.2013 as approved by the Board.		
<b>10. SHORT TERM PROVISIONS</b>		
Income Tax	7,688,657	10,508,050
Gratuity	3,295,105	3,049,697
Leave Encashment	456,612	300,751
Excise Duty on Closing Stock of finished goods	1,035,372	1,013,110
	<u>12,475,746</u>	<u>14,871,608</u>
10.1 Provision for excise duty has been made on closing stock of finished goods lying in the store for sale. No provision has been created in respect of finished goods meant for export, job work, transferred to branches and lying in finishing store pending inspection and packing.		

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

**11. FIXED ASSETS**

(Amount in ₹)

SR. NO.	DESCRIPTION	GROSS BLOCK OF ASSETS (AT COST)				ACCUMULATED DEPRECIATION				NET BLOCK	
		BALANCE AS AT 1ST APRIL, 2012	ADDITIONS	DISPOSALS	BALANCE AS AT 31ST MARCH, 2013	BALANCE AS AT 1ST APRIL, 2012	ON DISPOSALS	DEPRECIATION CHARGE FOR THE YEAR	BALANCE AS AT 31ST MARCH, 2013	BALANCE AS AT 31ST MARCH, 2013	BALANCE AS AT 31ST MARCH, 2012
I.	<b>Tangible Assets</b>										
1.	Freehold Land (Refer foot note 11.2)	324,756			324,756					324,756	324,756
2.	Buildings - Factory	28,727,867			28,727,867	23,059,824		566,804	23,626,628	5,101,239	5,668,043
3.	Buildings - Other than Factory	11,384,565			11,384,565	5,513,560		293,550	5,807,110	5,577,455	5,871,005
4.	Temporary Shed	578,557		3,000	575,557	578,557	3,000		575,557	--	--
5.	Plant and Equipments (Refer foot note 11.1)	87,645,758	2,409,706	4,167,747	85,887,717	71,997,716	3,770,044	2,310,666	70,538,338	15,349,379	15,648,042
6.	Mould	30,710,933	705,502		31,416,435	29,132,543		831,145	29,963,688	1,452,747	1,578,390
7.	Dies	1,795,780	393,788		2,189,568	1,473,861		165,626	1,639,487	550,081	321,919
8.	Computer	4,856,096	346,862	334,203	4,868,755	4,333,321	333,643	287,425	4,287,103	581,652	522,775
9.	Office Equipments	4,833,126	598,711	313,415	5,118,422	3,439,119	276,890	240,420	3,402,649	1,715,773	1,394,007
10.	Furniture and Fixtures	6,996,316	391,581	43,239	7,344,658	6,072,639	26,279	427,624	6,473,984	870,674	923,677
11.	Vehicles	8,610,672	4,572,121	2,525	13,180,268	4,894,906	2,525	2,052,947	6,945,328	6,234,940	3,715,766
		186,464,426	9,418,271	4,864,129	191,018,568	150,496,046	4,412,381	7,176,207	153,259,872	37,758,696	35,968,380
II.	<b>Intangible Assets</b>										
1.	Computer Software (Refer foot note 11.3)	214,500	16,300		230,800	12,000		86,977	98,977	131,823	202,500
	<b>Total</b>	186,678,926	9,434,571	4,864,129	191,249,368	150,508,046	4,412,381	7,263,184	153,358,849	37,890,519	36,170,880
	<b>Previous Year</b>	183,779,379	5,143,736	2,244,189	186,678,926	145,981,249	1,639,371	6,166,168	150,508,046	36,170,880	
III.	<b>Capital Work in Progress</b>	--	908,084	--	908,084					908,084	--

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:

Future Lease Rentals	31.03.2013	31.03.2012
Within 1 year	960,000	600,000
Over 1 year but less than 5 years	960,000	600,000
Amount Charged to Statement of Profit & Loss (as part of rent)	870,000	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 Khazra 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, 2013

	AS AT		(Amount in ₹)	
	31ST MARCH, 2013		AS AT	
			31ST MARCH, 2012	
<b>12. NON-CURRENT INVESTMENT</b>				
<u>Government and other securities Unquoted</u>				
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		
Less : Business loss of Subsidiary operations		58,647,928		--
	<u>5,000</u>		<u>5,000</u>	
<b>12.1</b> 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.				
<b>13. DEFERRED TAX ASSET</b>				
(a) <u>Deferred Tax Assets</u>				
(i) Related to other timing differences	1,714,630		728,862	
(ii) Related to carry forward loss	<u>4,534,276</u>	6,248,906	<u>18,200,640</u>	18,929,502
(b) <u>Deferred Tax Liability</u>				
(i) Related to fiscal allowance on fixed assets		<u>2,198,080</u>		1,462,044
		<u>4,050,826</u>		<u>17,467,458</u>
<b>14. LONG TERM LOANS &amp; ADVANCES</b>				
Advance for Immovable Properties	12,624,129		12,624,129	
Capital Advances	--		45,228	
Security Deposits	<u>1,966,812</u>		<u>1,846,812</u>	
	<u>14,590,941</u>		<u>14,516,169</u>	
Less : Provision for Doubtful Advances	<u>12,624,129</u>		--	
	<u>1,966,812</u>		<u>14,516,169</u>	
<b>14.1</b> 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. As a matter of abundant precaution the amount has been provided for.				
<b>15. OTHER NON-CURRENT ASSETS</b>				
Trade Receivables	1,828,859		2,330,316	
Less : Provision for doubtful debts	<u>1,828,859</u>	--	<u>1,459,748</u>	870,568
Inventories :				
(a) Raw Material	243,626		203,663	
(b) Finished Goods	130,560		--	
(c) Stock-in-Trade	944,344		--	
(d) Stores	59,970		--	
	<u>1,378,500</u>		<u>203,663</u>	
Less : Provision for Non Moving Stocks	<u>203,663</u>	1,174,837	<u>203,663</u>	--
Loans & Advances		377,221		314,771
		<u>1,552,058</u>		<u>1,185,339</u>

**15.1** Refer note no.1(C) of Significant Accounting Policies, regarding valuation of inventories.

**15.2** All inventories shown above are non-moving and valued at scrap value except Finished Goods which are valued at 50% of Net Realisable value.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	(Amount in ₹)	
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
<b>16. CURRENT INVESTMENT</b>		
<u>In Mutual Fund - Unquoted</u>		
(11,319,211) 11,319,211 units UTI Master Share Unit Scheme (Growth) of ₹ 10 each	<b>290,000</b>	290,000
Other Investments (Non Trade)		
<u>In Equity Shares-Quoted, fully paid-up</u>		
(5,000) 5,000 Antarctica Ltd. of ₹ 1 each	<b>5,000</b>	5,000
(4,750) 4,750 Marksans Pharma Ltd. of ₹ 1 each	<b>94,226</b>	94,226
	<b>99,226</b>	99,226
Less: Prov. for Diminution in value of Investment	<b>79,701</b>	86,388
	<b>19,525</b>	12,838
	<b>309,525</b>	302,838
Aggregate Cost of Quoted Investments	<b>99,226</b>	99,226
Aggregate Market Value of Quoted Investments	<b>19,525</b>	12,838
<b>16.1</b> Other investments (current) are valued at lower of cost or net realisable value.		
<b>17. INVENTORIES</b>		
(As taken, valued and certified by the Management)		
(a) Raw Material	<b>29,035,491</b>	25,733,885
(b) Raw Material in Transit	<b>1,673,055</b>	30,708,546
(c) Work in Progress	<b>37,513,109</b>	2,101,900
(d) Finished Goods	<b>83,438,430</b>	27,835,785
(e) Stock-in-Trade	<b>182,361,818</b>	44,779,991
(f) Stores	<b>7,563,025</b>	90,248,321
	<b>341,584,928</b>	168,946,175
	<b>341,584,928</b>	338,619,883
<b>17.1</b> Refer note no.1(C) of Significant Accounting Policies, regarding valuation of inventories.		
<b>17.2</b> Goods In Transit of ₹ 116,230 and ₹ 25,12,055 are included in the Inventories of Stores and Stock-in-Trade respectively.		
<b>17.3</b> During the year the defective items of health and fitness equipment and spares of ₹ 944,344 (previous year ₹ 965,705) included in stock in trade has been valued at scrap value.		
<b>18. TRADE RECEIVABLES</b>		
More than six months	<b>856,222</b>	783,059
Others	<b>156,960,530</b>	104,927,252
	<b>157,816,752</b>	105,710,311
Less : Provision for Doubtful Debts	<b>--</b>	245,243
	<b>157,816,752</b>	105,465,068
<b>18.1</b> Unsecured and considered good	<b>157,816,752</b>	105,465,068
Considered Doubtful	<b>-</b>	245,243
	<b>157,816,752</b>	105,710,311
<b>19. CASH &amp; CASH EQUIVALENTS</b>		
Balances with Banks	<b>30,878,958</b>	25,255,300
Cash on hand	<b>1,896,651</b>	2,022,581
	<b>32,775,609</b>	27,277,881



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS AT 31ST MARCH, 2013	(Amount in ₹) AS AT 31ST MARCH, 2012
<b>20. SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received :		
Duty Drawback Claim Refundable	751,607	1,324,362
Product Focus Scheme Receivable	1,750,000	2,521,200
Output Tax Receivable	18,292	13,994
Others Considered good	12,340,797	9,512,262
Security Deposits	210,000	170,000
Advance Tax Paid	14,918,395	17,378,252
	<u>29,989,091</u>	<u>30,920,070</u>

20.1 Advances recoverable include ₹ 49,700 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, 2013	FOR THE YEAR ENDED 31ST MARCH, 2012
<b>21. REVENUE FROM OPERATIONS</b>		
Sale of Products gross of Excise Duty (including trading items & export)	931,114,779	805,092,687
Less : Excise Duty Paid	8,288,291	3,749,239
Sale of Products net of Excise Duty	922,826,488	801,343,448
Sale of Services	308,183	236,420
Other Operating Income	4,937,450	6,574,545
	<u>928,072,121</u>	<u>808,154,413</u>
<b>21.1 Products</b>		
i) Sports Balls & Latex Bladders for Sports Balls	410,341,862	373,862,259
ii) Fitness Equipments, T.T., Cricket & other Sports Goods	512,484,626	427,481,189
	<u>922,826,488</u>	<u>801,343,448</u>
<b>21.2 EARNINGS IN FOREIGN EXCHANGE</b>		
FOB value of Exports	31,333,044	39,936,851
<b>21.3</b> Other operating income includes ₹ 23,60,636 (previous year ₹ 35,35,633) as Duty Drawback and ₹ 17,50,000 (previous year ₹ 25,21,200) 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.		
<b>22. OTHER INCOME</b>		
Interest received	66,098	93,972
Other Non-operating Income	2,218,993	1,712,469
	<u>2,285,091</u>	<u>1,806,441</u>

22.1 Other Non-Operating income includes ₹ 21,97,643 towards Provision for Doubtful Debts, Doubtful Advances, Taxation, Provision for Excise Duty on Closing Stock of Finished Goods Written back and Diminution in value of Investment Written back.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	FOR THE YEAR ENDED 31ST MARCH, 2013		(Amount in ₹) FOR THE YEAR ENDED 31ST MARCH, 2012	
<b>23. RAW MATERIAL CONSUMED</b>				
(Refer note no.32)				
Rubber		66,072,587		69,399,906
Cloth		38,900,629		40,938,118
Ball Covering Materials		17,815,392		12,334,724
Chemicals & Solvent		35,015,287		31,727,967
Nylon Yarn		4,043,769		3,589,891
H.T.Labels		5,915,345		6,205,699
Accessories, Fevicol and other materials		8,695,414		13,627,147
		<u>176,458,423</u>		<u>177,823,452</u>
<b>24. PURCHASE OF STOCK-IN-TRADE</b>				
Health Equipments & Fitness Accessories		190,840,560		187,675,655
T.T. & Cricket Equipments & other Sports Goods		193,375,185		191,145,056
		<u>384,215,745</u>		<u>378,820,711</u>
<b>25. CHANGES IN INVENTORIES</b>				
<b>OPENING STOCKS</b>				
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>	303,974,487	<u>59,382,838</u>	242,656,497
<b>CLOSING STOCKS</b>				
Finished Goods	83,568,991		90,248,321	
Stock-in-Trade	183,306,163		168,946,175	
Work in Progress	<u>37,513,110</u>	304,388,264	<u>44,779,991</u>	303,974,487
		<u>(413,777)</u>		<u>(61,317,990)</u>
<b>25.1 Details of stock in trade acquired for trading :</b>				
	<u>Opening Stock</u>	<u>Closing Stock</u>	<u>Opening Stock</u>	<u>Closing Stock</u>
Health Equipments & Fitness Accessories	78,819,854	96,353,840	58,071,235	78,819,854
T.T & Cricket Equipments & other Sports Goods	90,126,321	86,952,323	38,401,424	90,126,321
	<u>168,946,175</u>	<u>183,306,163</u>	<u>96,472,659</u>	<u>168,946,175</u>
<b>26. EMPLOYEE BENEFITS EXPENSES</b>				
Salaries and Wages including bonus		77,969,330		64,812,470
Contribution to Provident & Other Funds		7,348,712		7,324,603
Gratuity		1,824,954		1,161,092
Staff Welfare		4,452,679		3,491,374
		<u>91,595,675</u>		<u>76,789,539</u>

26.1 Staff Welfare includes ₹ 768,171 medical expenses reimbursed to Directors (previous year ₹ 498,763).

**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, 2013

	YEAR ENDED 31ST MARCH, 2013	(Amount in ₹) YEAR ENDED 31ST MARCH, 2012
Employer's contribution to provident fund	1,598,538	1,544,756
Employer's contribution to pension fund	3,093,678	2,996,354
<b>Defined Benefit Plan</b>		
<b>Gratuity</b>		
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.		
<b>I. Change in the benefit obligation</b>		<b>Gratuity (Funded)</b>
Defined benefit obligation at beginning of the year	9,829,900	8,630,654
Current service cost	687,172	619,366
Interest cost	786,392	690,452
Benefits paid	710,806	864,533
Actuarial (Gain) / Loss on obligations	1,320,124	753,961
Defined benefit obligation at the end of the year	11,912,782	9,829,900
<b>II. Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	10,591,191	10,055,503
Expected return on plan assets	968,734	902,687
Employer Contribution	1,871,509	497,534
Benefits paid	710,806	864,533
Fair value of plan assets at the year end	12,720,628	10,591,191
Actual return on plan assets	968,734	902,687
<b>III. Reconciliation of fair value of assets and obligations</b>		
Fair value of plan assets at the end of the year	12,720,628	10,591,191
Present value of obligation at the end of the year	11,912,782	9,829,900
Funded Status	807,846	761,291
Net Asset / (Liability)	807,846	761,291
<b>IV. Expenses recognised during the year</b>		
Current Service Cost	687,172	619,366
Interest Cost	786,392	690,452
Expected return on plan assets	968,734	902,687
Net actuarial (Gain) / Loss	1,320,124	753,961
Expenses charged to Statement of Profit & Loss	1,824,954	1,161,092
<b>V. Actuarial Assumptions</b>		
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 ₹ 1,98,703 has been provided and included in Salaries & Wages.

**26.3** 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.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

	FOR THE YEAR ENDED 31ST MARCH, 2013	(Amount in ₹) FOR THE YEAR ENDED 31ST MARCH, 2012
<b>27. FINANCIAL COSTS</b>		
Interest Expenses :		
On Long Term Borrowings	14,600,000	13,600,000
On Short Term Borrowings	10,840,083	8,552,289
Bank Charges	1,322,677	1,567,772
	<u>26,762,760</u>	<u>23,720,061</u>
<b>28. OTHER EXPENSES</b>		
Power & Fuel	24,626,528	22,565,964
Other Manufacturing Expenses	32,491,657	31,134,116
Stores Consumed	24,479,137	24,672,020
Repairs to Machineries	4,803,670	5,885,173
Central Excise Duty (Refer note no.28.4)	8,755,546	4,570,411
Repairs to Building	821,871	1,231,929
Repairs to Others	3,685,845	3,290,377
Rent	4,905,020	4,135,788
Rates & Taxes (excluding taxes on income)	2,604,271	910,084
Insurance	1,296,134	1,087,265
Travelling Expenses (Refer note no.28.1)	5,978,992	5,595,186
Auditor's Remuneration : (including Service Tax & Education Cess)		
For Audit	258,428	258,428
For Tax Representation	129,007	129,214
For Other Services	1,124	6,618
Reimbursement of expenses	<u>53,739</u>	<u>54,204</u>
Advances Written Off	3,000	28,535,308
Transportation, Shipping & Packing Charges	18,666,658	17,752,694
Commission, Discounts and Rebates	17,895,432	16,965,715
Provision for Doubtful Debts	674,023	521,989
Bad Debts written off	262,222	4,830,092
Miscellaneous Expenses	42,817,969	26,490,464
	<u>195,210,273</u>	<u>200,623,039</u>
<b>28.1</b> Travelling Expenses include Directors' Travelling ₹ 20,86,381 (previous year ₹ 17,96,529).		
<b>28.2 EXPENDITURE IN FOREIGN CURRENCY</b>		
Travelling	442,195.00	427,467
Commission	27,488.00	60,025
Royalty	2,511,000.00	2,234,460
Subscription	64,265.00	33,693
Rebate	--	776,746
Ball Testing fees	135,324.00	459,534
Interest & Swap Charges on Foreign Currency Loans	1,090,940.00	1,234,818
	<u>4,271,212.00</u>	<u>5,226,743</u>
<b>28.3</b> Rates and taxes include a sum of ₹ 2,54,203 provided as house tax liability for the year on the basis of annual value as per the company's assessment.		
<b>28.4</b> Excise Duty includes ₹ 10,35,372 towards Excise Duty On Closing Stock of Finished Goods and ₹ 76,35,242 towards Excise Duty on branch transfer.		



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	FOR THE YEAR ENDED 31ST MARCH, 2013		(Amount in ₹) FOR THE YEAR ENDED 31ST MARCH, 2012	
<b>29. PRIOR PERIOD ADJUSTMENTS (CHARGE)</b>				
Purchase of Stock-in-Trade	--		1,156,280	
Salary, Wages and Bonus	--		265,935	
Power & Fuel	--		805,728	
Licence & Fees	104,000		--	
Rates & Taxes	508,406		--	
Misc. Expenses	27,405		2,822	
	<u>639,811</u>		<u>2,230,765</u>	
<b>30. EXCEPTIONAL ITEMS</b>				
<b>Expenditure</b>				
Business loss of Subsidiary operations	--		58,647,928	
Corporate Guarantee obligation	29,981,000		63,767,200	
<b>Total (A)</b>	<u>29,981,000</u>		<u>122,415,128</u>	
<b>Income</b>				
Profit on sale of Fixed Asset	3,612,618		59,949,324	
<b>Total (B)</b>	<u>3,612,618</u>		<u>59,949,324</u>	
<b>Total (A-B)</b>	<u>26,368,382</u>		<u>62,465,804</u>	
<b>31. EARNING PER SHARE</b>				
Net Profit After Tax	1,151,447		(40,246,662)	
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	0.28		(9.67)	
Diluted Earning per Share	0.28		(9.67)	
<b>32. The value of consumption of imported and indigenously obtained raw materials, stores and spares and the percentage of each to the total consumption :</b>				
i) Raw Materials	%		%	
Imported	9	15,088,918	8	14,059,517
Indigenous	91	161,369,505	92	163,763,935
ii) Stores & Spares				
Imported	2	1,205,532	3	1,416,362
Indigenous	98	48,052,200	97	47,011,888
<b>33. VALUE OF IMPORTS ON C.I.F. BASIS</b>				
Raw Material	10,860,037		11,399,165	
Stores Goods	1,428,684		1,932,350	
Traded goods	289,615,932		292,651,083	
Capital Goods	1,873,822		236,679	
<b>34. Segment Information:</b>				
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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(i) Primary Segment Information

(Amount in ₹)

SR. NO.	PARTICULARS	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., 2013	31st Mar., 2012	31st Mar., 2013	31st Mar., 2012	31st Mar., 2013	31st Mar., 2012	31st Mar., 2013	31st Mar., 2012
<b>1</b>	<b>Segment Revenue</b>								
	Sales	411,664,382	375,492,678	511,162,106	425,850,770			922,826,488	801,343,448
	Sale of Services			308,183	236,420			308,183	236,420
	Other Income	5,825,421	7,052,261	696,077	796,108			6,521,498	7,848,369
		<b>417,489,803</b>	<b>382,544,939</b>	<b>512,166,366</b>	<b>426,883,298</b>	--	--	<b>929,656,169</b>	<b>809,428,237</b>
<b>2</b>	<b>Segment Results</b>								
	Profit / (Loss) Before Interest & Tax	18,292,915	(27,311,983)	57,033,731	57,835,300			75,326,646	30,523,317
	Less : Interest Expense	11,938,620	11,114,721	14,824,140	12,605,340			26,762,760	23,720,061
	Add : Interest/Dividend/Other Income					701,043	532,618	701,043	532,618
	Profit before Prior Period, exceptional and extraordinary items and Tax	6,354,295	(38,426,704)	42,209,591	45,229,960	701,043	532,618	49,264,929	7,335,874
	Less : Prior Period Adjustments [charge] Exceptional Items					639,811	--	639,811	2,230,765
	Profit/(Loss) Before Tax & Extraordinary Items					26,368,382	--	26,368,382	62,465,804
	Less : Extraordinary Items							22,256,736	(57,360,695)
	Profit / (Loss) Before Tax							--	--
	Less : Tax							22,256,736	(57,360,695)
	Current Tax							--	--
	Deferred Tax					7,688,657	--	7,688,657	--
	Net Profit / (Loss) After Tax					13,416,632	(17,114,033)	13,416,632	(17,114,033)
								1,151,447	(40,246,662)
<b>3</b>	<b>Other Information</b>								
<b>A.</b>	Segment Assets	259,379,334	249,762,106	289,490,272	238,527,964	59,979,597	83,640,516	608,849,203	571,930,586
<b>B.</b>	Segment Liabilities	94,479,682	95,039,295	92,914,304	67,245,574	123,413,652	112,755,599	310,807,638	275,040,468
	Capital Expenditure	7,025,294	3,906,319	3,317,361	1,142,117			10,342,655	5,048,436
	Depreciation	5,314,504	4,879,924	1,948,680	1,286,244			7,263,184	6,166,168
<b>C.</b>	<b>Working Capital (A-B)</b>	<b>164,899,652</b>	<b>154,722,811</b>	<b>196,575,968</b>	<b>171,282,390</b>	<b>(63,434,055)</b>	<b>(29,115,083)</b>	<b>298,041,565</b>	<b>296,890,118</b>



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

**(ii) Secondary Segment Information**

**(Amount in ₹)**

Sr. No.	Particulars	AS AT 31st Mar., 2013	AS AT 31st Mar., 2012
1	Segment Revenue		
	- Within India	<b>898,662,544</b>	769,484,196
	- Outside India	<b>30,993,625</b>	39,944,041
	Total Revenue	<b>929,656,169</b>	809,428,237
2	Segment Assets		
	- Within India	<b>608,658,220</b>	570,805,378
	- Outside India	<b>190,983</b>	1,125,208
	Total Assets	<b>608,849,203</b>	571,930,586
3	Segment Liabilities		
	- Within India	<b>310,807,638</b>	275,040,468
	- Outside India		
	Total Liabilities	<b>310,807,638</b>	275,040,468
4	Capital Expenditure		
	- Within India	<b>10,342,655</b>	5,048,436
	- Outside India		
	Total Expenditure	<b>10,342,655</b>	5,048,436

**35. 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.
- 3 Cosco Polymer Lanka Pvt. 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          |     |

**(ii) Disclosure of transactions between the company and related parties and the status of outstanding balance as on 31st March 2013 :**

		<u>2012-13</u>	<u>2011-12</u>
<b>Companies under the same Management</b>			
<u>Corporate Guarantee</u>			
To secure fund based & non-fund based limits from Bank aggregating to USD 20,05,000 (Previous Year USD 20,05,000)	<b>108,841,425</b>	101,992,345	
Less: Liability recognised in the Balance Sheet	<b><u>97,713,000</u></b>	<b><u>11,128,425</u></b>	<b><u>63,767,200</u></b>
			38,225,145

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Amount in ₹)

	<u>2012-13</u>	<u>2011-12</u>
<u>Inter Corporate Deposits</u>		
Received during the year	2,500,000	7,458,857
Repaid during the year	2,725,000	1,711,000
Outstanding at the year end	52,160,421	52,385,421
Interest paid / credited	4,694,680	4,161,426
Guarantee	100,000	100,000
Lease Rent	870,000	600,000
<b>Key Management Personnel</b>		
Remuneration	21,825,013	13,757,193
Rent	279,996	279,996
<u>Deposits</u>		
Received during the year	25,058,072	22,060,626
Repaid during the year	8,881,890	14,888,363
Outstanding at the year end	134,832,081	118,655,899
Interest Paid / Credited	13,705,142	10,876,213
<b>Key Management Personnel's Relatives</b>		
Rent	320,004	320,004
<b>36. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF</b>		
(i) Claims against the company not acknowledged as debt :		
Cases against the Company in Labour Court &		
High Court by ex-employees	4,063,678	3,490,078
(ii) <u>Guarantee</u>		
(a) Outstanding Letters of Credit	5,781,330	23,825,975
(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., to secure fund based & non-fund based limits (USD 20,05,000)	108,841,425	101,992,345
Less : Corporate Guarantee obligation	<u>97,713,000</u>	<u>63,767,200</u>
	11,128,425	38,225,145
37. No impairment loss is recognised as on 31.03.2013 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. For the Current Accounting year, "Consolidated Financial Statements" as per Accounting Standard 21 issued by the Institute of Chartered Accountants of India, have not been prepared since the equity shares held by the company in Cosco Polymer Lanka Pvt. Ltd. (erstwhile Subsidiary) stand vested in the Secretary to the Treasury of the Government of Sri Lanka under the Revival of Underperforming Enterprises or Underutilised Assets Act, No.43 of 2011 (of Republic of Sri Lanka).		
39. 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 :** 30th May, 2013

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

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

**N.K. JAIN**  
 Mg. Director  
 DIN : 00195619