

NINETEENTH ANNUAL REPORT

BOARD OF DIRECTORS

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

BANKERS

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

AUDITORS

M/s Nilkanth Desai & Associates
Chartered Accountants - Surat

REGISTERED OFFICE & FACTORY

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

LISTING WITH

The Stock Exchange, Mumbai • Vadodara Stock Exchange, Vadodara

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NOTICE

To Members,

NOTICE is hereby given that the NINETEENTH Annual General Meeting of Shareholders of M/s PADMANABH ALLOYS & POLYMERS LTD. will be held at the Registered Office of the Company at N.H.No.8, Village: Palsana-394315, Dist.Surat on Tuesday, 30th day of September, 2014 at 11.00 am to transact the following business:-

- To consider and adopt the audited Balance Sheet as at 31st March 2014 and Profit & Loss Statement Account for the year ended on that date and the Report of the Board of Directors and the Auditors thereon.
- To appoint Auditors of the Company from conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Nilkanth Desai & Associates, Chartered Accountants, retiring auditors of the Company are eligible for re-appointment

SPECIAL BUSINESS

- To consider and if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution.
"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Pravin G Desai Desai (holding DIN 2734584), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from the conclusion of this Annual General Meeting of the Company."
- To consider and if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution.
"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Dr. Hiler K Desai (holding DIN 2749290), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from the conclusion of this Annual General Meeting of the Company."
- To consider and if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution.
"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Dilip K Desai (holding DIN 51630), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from the conclusion of this Annual General Meeting of the Company."
- To consider and if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution.
"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Nilesh A Desai (holding DIN 2764870), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of

Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from the conclusion of this Annual General Meeting of the Company."

7. To re-appoint Mr. Bhikhubhai M Desai (DIN: 51591) as a Whole-time Director and in this regard to consider and if thought it, to pass, with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Bhikhubhai M Desai (DIN: 51591) as a Whole-time Director, of the Company, for a period of 3 (Three) years with effect from September 1, 2014 on the terms and conditions as under as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem it and as may be acceptable to Mr. Bhikhubhai M Desai, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

- a) Salary: Rs. 30000/- per month in the grade of Rs. 30000-5000-Rs. 75000.
b) Perquisites:
- Housing: HRA at 10% of Salary
 - Medical reimbursement: of expenses incurred for self and family subject to a ceiling of one month salary in a year.
 - Personal accident insurance: the annual premium shall not exceed Rs. 4000/-.
 - Leave Travel Concession: for self and family, once in a year incurred in accordance with the rules of the Company.
 - Company's Contribution: to Provident Fund, Super Annuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
 - Gratuity: as per the rules of the Company but shall not exceed half month's salary for each completed year of service.
 - Telephone at residence and car for use on Company's business will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole time Director.
 - Earned Leave: on full pay and allowances as per the rules of the Company, but not exceeding one month's leave for every eleven months of services, subject to the further condition that leave accumulated but not availed of will not be allowed to be encashed beyond eight months.
 - Facility of helpers, Gardner etc. subject to ceiling of Rs. 1000 per month.

Further RESOLVED further that in the event of loss or inadequacy of profits in the company. Mr. Bhikhubhai M Desai shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified in schedule V to the Companies Act, 2013

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

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and if though fit, to pass with or without modification the following resolution as a Special Resolution
"RESOLVED THAT, pursuant to Section 180(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money in any manner from time to time with or without securities and upon such terms and conditions as they may deem fit, notwithstanding that monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and

free reserves of the Company subject however to the condition that such borrowings at any point of time shall not exceed Rs. 25 Crores (Rupees Twenty Five Crores)."

9. To consider and if thought fit, to pass, with or without modification the following resolution as a Special Resolution.
"RESOLVED THAT, pursuant to Section 180 and/or Section 77 of the Companies Act, 2013 and all other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging, hypothecating and/or otherwise charging on such terms and conditions and at such time or times and in such form or manner as Board of Directors of the Company may think fit, of all or any of the immovable and movable properties/assets of the Company wherever situated, present and future whatsoever and/or the whole or substantially the whole of the undertaking of the Company as may be agreed to between the Company and the banks, financial institutions, lenders, their agents for the purpose of securing existing or proposed borrowing from financial institutions, banks, mutual funds and/or any other institutions/parties, together with interest, additional interest, compound interest, premium on prepayment, costs, charges, expenses and all other moneys due, owing or payable presently or in future by the Company subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise with the lenders or their agents such deeds, agreements and documents for creating the aforesaid mortgage, hypothecation charge, or encumbrance and to do and perform all such acts, deeds, matters and things and to execute all such documents, writings as it may consider necessary, expedient, usual, requisite or proper for the purpose of giving effect to this Resolution."

Place: Palsana/Surat

For and on behalf of the Board

Date: 01/09/2014

Bhikhubhai M Desai
Chairman & Wholetime Director

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.
- The instrument appointing a proxy in order to be effective shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
- Members are requested to notify change in their address, if any, immediately to the Company at this Registered Office.
- The Register of Member and share transfer books of the Company will remain closed from Friday, 19th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive)
- Members seeking further information on the Accounts or any other matter contained in the notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
- Members are requested to bring their copy of the Annual Report to the Annual General Meeting, as a measure of economy no extra copy of the Annual Report will be supplied at the meeting.
- The information pertaining to reappointment of Director in terms of clause 49 of the Listing Agreements with Stock Exchanges are furnished in the report on Corporate Governance published in this Annual Report.
- An Explanatory statement pursuant of section 102 of the Companies Act, 2013 is Annexed hereto.

- A. In case Member receives physical copy of the Notice of AGM (For Members whose email IDs are not registered with the Company Depository Participants(s) or requesting physical copy):
- Initial password provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (E Voting Event Number) User ID Password/PIN
 - Please follow all steps from Sr. No. (ii) to (xii) above to cast vote.

ANNEXURE TO THE NOTICE:

I. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Resolution at Item No. 3

Mr Pravin G Desai is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2008-09.

Mr. Pravin G Desai is S.S.C.

Mr.Pravin G Desai does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr.Pravin G Desai retires by rotation at the Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Pravin G Desai being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 (five) consecutive years from the conclusion of this Annual General Meeting of the Company. A notice has been received from a member proposing Mr.Pravin G Desai as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr.Pravin G Desai fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement with Stock Exchange for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr.Pravin G Desai as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday

Except Mr. Pravin G Desai being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Resolution at Item No. 4

Dr.Hiler K Desai is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2008-09. Dr.Hiler K Desai is the member of the shareholders Committee of the Board of Directors of the Company.

Dr.Hiler K Desai is B.D.S.

Dr.Hiler K Desai does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Dr.Hiler K Desai retires by rotation at the Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr.Hiler K Desai being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 (five) consecutive years from the conclusion of this Annual General Meeting of the Company. A notice has been received from a member proposing Dr.Hiler K Desai as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr.Hiler K Desai fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement with Stock Exchange for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr.Hiler K Desai as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Dr.Hiler K Desai being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Resolution at Item No. 5

Mr Dillip K Desai is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2002-03. Mr. Dillip K Desai is a member of the Audit Committee, of the Board of Directors of the Company.

Mr. Dilip K Desai is B.Sc.

Mr.Dilip K Desai does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr.Dilip K Desai retires by rotation at the Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Dilip K Desai being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 (five) consecutive years from the conclusion of this Annual General Meeting of the Company. A notice has been received from a member proposing Mr.Dilip K Desai as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr.Dilip K Desai fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement with Stock Exchange for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr.Dilip K Desai as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Mr. Dilip K Desai being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange

Resolution at Item No. 6

Mr Nilesh A Desai is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2008-09. Mr. Nilesh A Desai is a member of the Audit Committee and shareholders committee of the Board of Directors of the Company.

Mr. Nilesh A Desai is B.Com.

Mr.Nilesh A Desai does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr.Nilesh A Desai retires by rotation at the Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Nilesh A Desai being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 (five) consecutive years from the conclusion of this Annual General Meeting of the Company. A notice has been received from a member proposing Mr.Nilesh A Desai as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr.Nilesh A Desai fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement with Stock Exchange for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr.Nilesh A Desai as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Mr. Nilesh A Desai being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Resolution at Item No. 7

The Board of Directors have approved the reappointment of Mr.Bhikhubhai M Desai as a Wholtime Director w.e.f.:01/09/2014 in their meeting held on 01/09/2014 on terms and conditions contained in draft agreement subject to the approval of shareholders.He has been with the company as Wholtime Director since last 5 Years. Mr.Bhikhubhai M Desai has completed Civil Engineering. He is having business back ground. He is looking after factory administration, Finance and other related matters.

This explanation with the accompanying notice should be treated as abstract of the terms of appointment of Wholtime Director under provision of the Companies Act, 2013.

The Board recommend reappointment of Mr. Bhikhubhai M. Desai as Wholetime Director of the Company.
None of Directors except Mr.Chetan M. Desai, Shri B.M. Desai & Mr.Hemal R Desai is in any way concerned or interested in this resolution.
Directors recommend the special resolution for approval at meeting

Resolution at Item No. 8

The members are informed that pursuant to Section 180(1)(c) of the Companies Act, 2013 and applicable provisions if any, the Board of Directors cannot, except without the consent of the Company in General Meeting by a special resolution, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business in excess of the aggregate of the paid-up capital and free reserves, i.e reserves not set apart for any specific purpose. Taking into account further requirements of additional finance for Long term working capital required by the Company, a fresh resolution is proposed providing that, in addition to the Company's existing borrowings, the Directors may exceed the aggregate of the paid-up capital and free reserves of the Company, subject however to the condition that such borrowings at any point of time shall not exceed Rs. 25 Crores (Rupees Twenty Five Crores). Company intends to raise funds to meet its working capital and long term fund requirement for the purpose of business of the Company.

None of the Directors are deemed to be concerned or interested in the resolution.

Resolution at Item No. 9

The Members are informed that pursuant to Section 180 and/or Section 77 of the Companies Act, 2013 and all other applicable provisions, if any, consent is required for the Board of Directors of the Company for mortgaging, hypothecating and/or otherwise charging on such terms and conditions and at such time or times and in such form or manner as Board of Directors of the Company may think fit, of all or any of the immovable and movable properties/assets of the Company wherever situated, present and future whatsoever and/or the whole or substantially the whole of the undertaking of the Company as may be agreed to between the Company and the banks, financial institutions, lenders, their agents for the purpose of securing existing or proposed borrowing from financial institutions, banks, mutual funds and/or any other institutions/parties, together with interest, additional interest, compound interest, premium on prepayment, costs, charges, expenses and all other moneys due, owing or payable presently or in future by the Company subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013. This is enabling provision to raise funds for Company's business requirement.

None of the Directors are deemed to be concerned or interested in the resolution.

Place: Palsana/Surat

Date: 01/09/2014

For and on behalf of the Board

Bhikhubhai M Desai
Chairman & Wholetime Director

STATEMENT GIVING THE INFORMATION IN ACCORDANCE WITH SCHEDULE V TO THE COMPANIES ACT, 2013 FOR DETERMINATION OF REMUNERATION PAYABLE TO MR. BHIKHUBHAI M. DESAI, WHOLETIME DIRECTOR

GENERAL INFORMATION

Sr. No.	Information sought	Information		
i.	Nature of Industry	The Company is engaged in manufacturing and trading of Polymer Masterbatches		
ii.	Date of Commencement of Commercial Production	The Company has started its operations from year		
iii.	Financial performance of the Company	Rs. In Lacs		
		Particulars	2013 - 14	2012 - 13
		Revenue from Operations	2318.11	1430.66
		Profit/(Loss) before Tax	84.78	53.59
		Profit/(Loss) After Tax	68.78	45.59
		Paid-up Equity share Capital	570.65	570.65
		Reserves & Surplus	(132.23)	(201.01)
	Earning per Share (Rs.)	1.20	0.79	
	Book value per share (Rs.)			
iv.	Export performance and net foreign exchange collaboration	--- ---		
v.	Foreign investments or collaborations	N A		

INFORMATION ABOUT THE APPOINTEE:

i.	The background details	The background details of Mr.Bhikhubhai M Desai are given elsewhere in the notice.
ii.	Past Remuneration	Mr.Bhikhubhai M Desai was drawing NIL p.a. including Company's contribution to provident, Gratuity and superannuation fund. He was also entitled for 1 month's leave for every 11 months of service.
iii.	Recognition or awards	Nil
iv.	Job profile and his suitability	Mr.Bhikhubhai M Desai Wholetime Director provides leadership and strategic guidance to the Company in addition to supervising functional-heads of sales & marketing, finance & accounts, - Management & Promotion, P rojects, , etc. Given the profile of Mr. Bhikhubhai M Desai, it is imperative that he draws the proposed remuneration.
v.	Remuneration proposed	As per details given in the resolution read with explanatory statement for Items No.7
vi.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in plastic Companies of comparable size and has been considered by the Remuneration Committee and the Board of Directors of the Company in their respective meetings held on September 1, 2014 .
vii.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr.Bhikhubhai M Desai is Father of Mr.Hemal R Desai, Whole Time Director & Brother of Mr.Chetan M Desai Whole Time Director. There is no other pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration and shareholding in the Company. This information is already disclosed elsewhere in the notice.

OTHER INFORMATION:

i.	Reasons of loss or inadequate profits	<ul style="list-style-type: none"> High labor cost.. Highly competitive market and aggressive pricing by domestic and international Companies.
ii.	Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> Reduction in cost of production due to indigenous R&D efforts Focusing on automization of manufacturing processes wherever possible.
iii.	Expected increase in productivity and profits in measurable terms	Expecting Year-on-Year 10% profit growth with the above measures.

Disclosures:

The break-up of remuneration package is mentioned in Resolution..

II. DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE

DETAILS OF DIRECTORS BEING REAPPOINTED				
Name of Director	Mr.Pravin G Desai	Dr.Hiler K Desai	Mr.Dilip K Desai	Mr.Nilesh A Desai
Age	65	33	72	53
Qualification	S.S.C	B.D.S	B.Sc	B.Com
Expertise in specific functional area	7 yrs	5 yrs	10 yrs	10 yrs
List of Companies in which outside Directorship held	NIL	NIL	NIL	NIL
Member of Committee of the Board of Director of the Company	-	Shareholder's Committee	Audit Committee	Audit Committee Shareholder's Committee
Chairman of Committee of the Board of Director in other Company	Audit Committee	Shareholder's Committee	NIL	Nil

For the details of Mr.Bhikhubhai M Desai, Managing Director, please refer Explanatory in respect of Special Business statement at Item No. 7 of Notice of Meeting.

Date : 01.09.2014

Place : Surat

Registered Office:

For and on behalf of the
Board of Directors
Company secretary

DIRECTORS' REPORT

To,
The Members,

The Directors have pleasure to present 19th Annual Report of the company together with Accounts for the year ended 31st March, 2014.

Financial Statements:

Particulars	Year Ended	
	31/03/2014	31/03/2013
Sales including other Income	2318.75	1430.66
Profit/(loss) before Interest & Depreciation	132.57	99.50
Add/Less: Interest	29.40	27.44
Depreciation	18.39	18.47
Income Tax	16.00	8.00
Net Profit / (Loss)	68.78	45.59
Balance brought forward	(201.02)	(246.61)
Balance/(Loss) Carried Forward	(132.72)	(201.02)

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

Management Discussion and Analysis:

- Operations: The sales including other income for the year under review were Rs.2318.11 against Rs.1430.66 in the previous year registering the growth of about 62.03%. The Net profit during the year under review amounted to Rs.68.78 Lacs as against Profit of Rs.45.59 Lacs in the previous year.
- Outlook: As sales target projected for the year 2013-14 was Rs.1500 Lacs. The actual sale achieved was Rs.2318.75 Lacs. Target for the next year is Rs.3000 Lacs, We have received good orders from automobile companies. We hope for good performance this year.
- Internal Control System: The Company is maintaining an adequate internal control system including procedures. The Company has a system to conduct regularly a review of the financial and operating controls at various places and levels in the company. Further the company has appointed audit committee which regularly reviews with management, external audits and adequacy of internal control system.
- Human Resources: Company currently employs 23 employees which comprises of qualified and trained in technical and managerial skills. It is company's first priority to enrich its employees by prompting learning and enhancing their knowledge by product training and arranging relevant program.
The company continued to have cordial and harmonious relations with its employees.
The information as per section 217(2A)(b)(ii) of the Companies Act,1956 read with the Companies (Particulars or Employees) Rules 1975 is not furnished, as no employee of the Company falls within the limits prescribed.

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

Information required as per the Companies (Disclosure of particulars in the Report of the Board of Directors)

Rules, 1988, is given in the Annexure-A to this Report.

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

Directors' responsibility statement:

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) Appropriate accounting policies have been selected and applied consistently and judgment and estimates made that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company at the end of the financial year ended 31st March, 2014 and the Profit and Loss account for that year,
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding assets of the Company and preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis.

Corporate Governance:

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

DIRECTORS: Mr Pravin G. Desai , Mr. Dilip K. Desai , Dr. Hiler K Desai, Mr. Nilesh A Desai retire by rotation at the Annual General Meeting. The company has received requisite notices from members proposing them as independent Directors.

Auditors and Auditor's Report:

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

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

Acknowledgement

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

Place: Palsana/Surat

For and on behalf of the Board

Vijay D. Vashi
Wholetime Director

B. M. Desai
Chairman & Wholetime Director

Date: 01/09/2014

ANNEXURE-A TO THE DIRECTOR'S REPORT 2014

PARTICULARS OF ENERGY CONSERVATIONS, TECHONLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (A) **Conservation of Energy:** Adequate measures have been taken to avoid wastage of energy. The requirements for disclosure with respect to conservation of energy is not applicable to the Company.
- (B) **Technology absorption: Research an Development (R&D):**
 - a. Specific area in which R&D was carried out by the Company: Research and Development has continuously been carried out for improvement in quality of existing product and development of new improved product. The development of different grades of masterbatches and compounds for automobiles, consumer durables, coolers and plastic molded furniture industry.
 - b. Benefit derived as a result of above R&D: Production process have improved resulting in enhanced productivity, efficiency through out and value addition.
 - c. Future plan of action: R&D effort will continue for upgrading the quality of masterbatches and compounds so as to increase extensive use in cooler, automobile & furniture segments. Steps are continuously being undertaken to upgrade the processing technology development of innovative products and maximum production capacities at optimum cost.
 - d. Expenditure on R&D : Rs. NIL

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

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

	2013-14 (Rs.)	2012-2013 (Rs.)
Foreign Exchange Used	Nil	Nil
Foreign Exchange Earned	Nil	29,28,000

Place: Palsana/Surat

For and on behalf of the Board

Vijay D. Vashi
Wholetime Director

B. M. Desai
Chairman & Wholetime Director

Date: 01/09/2014

ANNEXURE-1 TO THE DIRECTORS' REPORT

Report on Corporate Governance for the year ended 31st March, 2014

PAPL's Philosophy on code of Governance

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

Board of Directors

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

Above information as on 31st March, 2014 or for the year 2013-14 as applicable is tabulated hereunder.

Director	No. of board meetings attended	Attendance at previous AGM on 28-09-2013	No. of outside Directorship held	No. of Membership / Chairmanship in other Board Committees	Executive / Non executive / Independent
Mr. V.D. Vashi	5	Present	-	-	Executive
Mr. C.M. Desai	5	Present	-	-	Executive
Mr. B.M. Desai	5	Present	-	-	Executive
Mr. Hemal R Desai	5	Present	-	-	Executive
Mr. N.A. Desai	2	Not Present	-	2	Independent
Mr. D.K. Desai	3	Present	-	1	Independent
Dr. Hiler K Desai	3	Not Present	-	1	Independent
Mr. Pravin G Desai	3	Present	-	-	Independent

Details of Directors being appointed and reappointed

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

Name of the Director	Mr. Pravin G. Desai	Mr. Dilip K Desai	Dr. Hiler K Desai	Mr. Nilesh A Desai
Age	65 yrs	72 yrs	33 yrs	53 yrs
Qualification	S.S.C	B.Sc	B.D.S	B.Com
Expertise in specific functional area	Professional	Retired	Professional	Business
Chairman / Member of Committee of the Board of Directors of the Company	1	1	1	1
Chairman / Member of Committee of Directors in Other Company	1	-	1	-

Board Meeting held during year 2013-14

During the year 2013-14 five Board Meetings were held 14th May, 2013, 14th August 2013, 2nd September 2013, 12th November 2013 and 11th February, 2014.

BOARD COMMITTEES

Audit Committee: The Audit committees comprises of Mr. Dilip K Desai and Mr. N.A. Desai all being Non-Executive and Independent Directors, Mr. Dilip K Desai is the Chairman of the Audit Committee. The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors. The Audit Committee met 4 times during the year 2013-14 on 13/05/2013, 12/08/2013, 11/11/2013 and 10/02/2014, all the directors have attended the meetings.

Shareholders Committee

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

Complaints received from shareholders and investors during the year 2013-14 have generally been solved to the satisfaction of the Complainants.

All valid requests for share transfer received during 2013-2014 have been acted upon by the Company and no such transfer is pending.

Remuneration Committee

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

The remuneration policy of the Company is based on the need to attract the best available talent and be in line with the industry level.

Name of the Director	Sitting Fees Rs.	Salaries, Allowances and Perquisites Rs.	Commission Rs.	Total Rs.
Mr. V.D. Vashi	-	4,17,600	-	4,80,000
Mr. C.M. Desai	-	3,30,000	-	3,80,000
Mr. B.M. Desai	-	3,93,600	-	3,93,600
Mr. P G Desai	3,000	-	-	3,000
Mr. D.K. Desai	3,000	-	-	3,000
Dr. H K Desai	3,000	-	-	3,000
Mr. N.A. Desai	2,000	-	-	2,000
Mr. H R Desai	-	-	-	-

GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2013-2014	Palsana	30 th September, 2014.	11.00 AM
2012-2013	Palsana	28 th September, 2013.	11.00 AM
2011-2012	Palsana	30 th September, 2012.	11.00 AM

There was no resolution put through postal ballot.

Disclosures

During the year 2013-2014, the Company had no materially significant related party transaction which is considered to have potential conflict with the interest of the Company at large. Attention is drawn to Note 8 to schedule 15 to the Accounts.

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

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

MEANS OF COMMUNICATION

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

Management Discussion and Analysis Report

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

Industry structure and developments, opportunities and threats, segment-wise or product-wise performance, outlook, risks and concerns of the Company and discussion of financial performance with respect to the operational performance, has been covered in the Directors' Report more specially under the section on management discussion and analysis. The Company has an adequate internal control system. There has been non material development Resources / Industrial relations during the period covered by this Annual Report. Manpower figures of the Company as on 31.03.2014 was 23.

GENERAL SHAREHOLDER INFORMATION

Date and Time : Tuesday, 30th September, 2014 at 11.00 a.m.
 Venue : N.H.No.8, Palsana, Dist.Surat
 Financial Calendar : 2014-15
 First Quarter Results : Middle of August, 2014
 Second Quarter Results : Middle of November, 2014
 Third Quarter Results : Middle of February, 2015
 Fourth Quarter Results : Middle of May, 2015

Date of Book Closure: 19th September, 2014 to 30th September, 2014, both days inclusive.
 Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity:
 Not applicable

Listing on Stock Exchange and Stock Code

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

Market Price Data: High/Low in each month of 2013-14 on the Stock Exchange, Mumbai:

Performance in comparison to BSE Sensex

[Source: www.bseindia.com]

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

Categories of shareholding as on 31/03/2012

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

Distribution of shareholding as on 31/03/2011

No of Shares	Number of shareholders	Number of shares	Percent of total shares
1 to 250	21	2500	0.04
251 to 500	457	252800	4.66
501 to 1000	307	276600	5.10
1001 to 2000	110	198900	3.67
2001 to 3000	130	345400	6.40
3001 to 4000	31	113800	2.10
4001 to 5000	56	274400	5.07
5001 to 10000	98	833900	15.41
10001 and above	58	3115000	57.55
Total	1268	5413300	100

Dematerialisation of share and liquidity: NIL

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

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

Email for investors: info@padmanabh.in

Place: Palsana/Surat

For and on behalf of the Board

Vijay D. Vashi
 Wholetime Director

B. M. Desai
 Chairman & Wholetime Director

Date: 01/09/2014

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

To,
The Members of
Padmanabh Alloys & Polymers Ltd.

We have examined the compliance of conditions of Corporate Governance by Padmanabh Alloys & Polymers Ltd. for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The Compliance of conditions of corporate is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the condition of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, and based on representations made by the directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in the clause no.49 of the above mentioned listing agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2014, no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For, Nilkanth Desai & Associates
Chartered Accountants
[N.P.Desai]
Proprietor
FRN-035862

Place: Surat
Date: 01/09/2014

AUDITORS' REPORT

To the Shareholders:

1. We have audited the attached balance sheet of Padmanabh Alloys & Polymers Ltd. as at March 31, 2014 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Company (Auditors' Report) Order, 2003 issued by the Central Government in terms sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that;
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit;
 - ii. in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of these books;
 - iii. the Balance Sheet and Profit and Loss Account and Cash flow Statement referred to in this report are in agreement with the books of accounts;
 - iv. in our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. on the basis of the written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a. in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - b. in so far as it relates to the Profit & Loss Account, of the profit for the year ended on March 31, 2014; and in so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

For, Nilkanth Desai & Associates
Chartered Accountants
[N.P.Desai]
Proprietor
FRN-035862
Mem No.035862

Place: Surat
Date: 01/09/2014

ANNEXURE TO THE AUDITOR'S REPORT

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

1. a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets
- b) All the fixed assets have not been physically verified by the management during the year but there is regular program for verification, which in our opinion is reasonable having regards to the size of the Company and nature of its assets. The Company has substantially completed the reconciliation of its physical inventory of Fixed Assets with the book records. No material discrepancies were noticed on physical verification
- c) During the year, Company has not disposed off any substantial/major part of fixed assets.
2. a) As explained to us, inventory has been physically verified during the year by the management. In our opinion frequency of verification is reasonable.
- b) In our opinion and according to information and explanation given to us and on the basis of our examination the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to size of the Company and the nature of its business.
- c) In our opinion and according to information and explanation given to us and on the basis of our examination of records inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
3. a) The company has taken unsecured loans of Rs.24.19 Lacs from 6 directors listed in the Register maintained under 301 of the Companies act, 1956; however company has not granted any loan to parties listed in register maintained under section 301;
- b) In our opinion, the rate of interest and terms and conditions on which loans have been taken are not prejudicial to the interest to company.
- c) According to information and explanation given to us, in our opinion, parties from whom the loans and advances in the nature of loans have been taken, where stipulations are made, the company is regular in repayment of the principal amount and interest as stipulated.
- d) According to information and explanation given to us, in our opinion, there is no overdue amount of loans taken from the parties listed in the Register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according the information and explanation given to us there is an adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets, and with regards to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
5. a) In our opinion, and according to information and explanation given to us, all the transaction that need to be entered into the register maintained in pursuance of section 301 of the act have been so entered;
- b) As per the examination of records and according to information and explanations given to us the transaction made in pursuance of contract or arrangement entered in the register maintained under section 301 exceeding the value of five lakhs rupees during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. According to information and explanation given to us, in our opinion, the company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975 with regard to the deposits accepted from the public. No order was passed by the National Company Law Tribunal.

7. According to information and explanation given to us, in our opinion, Company has internal audit system commensurate with the size of Company and nature of its business.
8. We have been informed by the management that no cost record have been prescribed by the Central Government under section 209(1)(d) of the companies act, 1956 in respect of products manufactured by the Company.
9. a) As per the records of the Company, the company is generally regular in depositing with appropriate authority undisputed statutory dues including income tax, excise duty, cess and other statutory dues applicable to it
- b) According to information and explanation given, there was no disputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty there was no outstanding, as at 31/03/2014 for the period of more than six months.
10. The Company has accumulated losses of Rs.132.23 Lacs in which is less then 50% of its net worth and company has incurred profit during the current year or Rs.68.78 Lacs(Previous year Profit of Rs.45.59 Lacs) and cash Profit of Rs.87.17 Lacs (Previous year of Rs.64.06 Lacs)
11. Based on our audit procedure and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayments of dues to financial institutions and banks.
12. As per the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. According to information and explanation given to us, we are of the opinion that the company is neither a chit fund nor a nidhi/mutual benefit society. Hence in our opinion, the requirements of para 4(xiii) of the order do not apply to the Company.
14. As per the records of the company and the information and explanation given to us by the management the company is not dealing in shares, securities, debentures and other investment.
15. According to information and explanation given to us, as per the records of the company, the company has not given any guarantee for loans by others from bank or financial institutions.
16. To the best of our knowledge and belief and according to information and explanation given to us, No term loan was obtained by the Company during the period under review.
17. According to information and explanation given to us; on overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long-term investment by the company. No long term funds have been used to finance short term assets except permanent working capital.
18. The company has not made any preferential allotments to the parties and companies covered under register maintained under section 301 of the companies act, 1956.
19. As per the records of the company the company has not issued any debenture.
20. The company has not raised money by any public issues during the year.
21. Based upon the audit procedure performed and information and explanations given by the management, we report that no frauds on or by the company has been noticed or reported during the course of our audit.

For, Nilkanth Desai & Associates
Chartered Accountants

Place: Surat
Date: 01/09/2013

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

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	NOTE	3/31/2014		3/31/2013	
		Rs.	Rs.	Rs.	Rs.
Equity and Liabilities					
1 Shareholder's Fund :					
a Share Capital	1	57,065,000		57,065,000	
b Reserve & Surplus	2	(13,223,070)		(20,101,788)	
c Money received against share warrants		-	43,841,930	-	36,963,212
2 Share application money pending allotment			-		-
3 Non Current Liabilities					
a Long term borrowings	3	24,868,809		22,189,296	
b Deferred Tax Liabilities (Net)		-		-	
c Other Long term Liabilities		-		-	
d Long term Provisions		-	24,868,809	-	22,189,296
4 Current Liabilities					
a Short-term borrowings		-		-	
b Trade payables	4	35,615,536		14,898,118	
c Other current liabilities	5	1,786,384		1,451,377	
d Short-term provisions	6	2,242,256	39,644,176	1,578,279	17,927,774
Total			108,354,915		77,080,282
Assets					
1 Non Current Assets					
a Fixed Assets					
(i) Tangible assets	7	15,546,208		15,978,553	
(ii) Intangible assets		-		-	
(iii) Capital Work in Progress		-		-	
(iv) Intangible Assets under development		-		-	
b Non-current investments	8	-		-	
c Deferred tax assets (net)	9	-		-	
d Long term loans and advances	10	-		-	
e Other non-current assets		-	15,546,208	-	15,978,553
2 Current Assets					
a Current Investments		-		-	
b Inventories	11	11,804,021		12,812,176	
c Trade Receivables	12	73,056,508		39,510,688	
d Cash & Cash Equivalents	13	911,143		1,144,740	
e Short-term loans and advances	14	7,037,036		7,634,126	
f Other current assets		-	92,808,707	-	61,101,729
Total			108,354,915		77,080,282

Significant Accounting Policies and Notes forming part of Financial Statements 1 to 29 As per our report of even date

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

Director Director Director

Place: Surat
Date:

[N.P.Desai]
Proprietor
MRN-035862

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

Particulars	NOTE	3/31/2014		3/31/2013	
		Rs.	Rs.	Rs.	Rs.
Continuing Operation					
1 Income					
a Revenue from Operations	15	231,637,994		139,874,524	
b Other Income	16	237,139		263,848	
c Earning in Foreign Exchange	26	-		2,928,000	
TOTAL REVENUE (a+b+c)		231,875,133		143,066,372	
2 Expenses					
a Cost of material consumed	17	168,666,601		98,663,304	
b Purchase of Stock in trade		-		-	
c Changes in inventories	18	790,999		2,810,709	
d Manufacturing expenses	19	6,747,806		5,700,634	
e Employee benefit expenses	20	3,069,614		2,394,765	
f Finance costs	21	2,940,271		2,744,984	
g Depreciation and Amortisation expense	7	1,839,879		1,847,674	
h Other Expenses	22	13,788,639		8,468,602	
k Excise Duty		25,552,606		15,076,640	
TOTAL EXPENSES(a+b+c+d+e+f+g+h+i)		223,396,415		137,707,312	
3 Profit before exceptional and extraordinary items and tax		8,478,718		5,359,059	
4 Exceptional Items					
		-		-	
5 Profit before extraordinary items and tax (3 - 4)		8,478,718		5,359,059	
6 Extraordinary Items					
Prior Period Exp.		-		-	
7 Profit before tax (5 - 6)		8,478,718		5,359,059	
8 Tax expense:					
a Deferred Tax		-		-	
b Current Tax		-		-	
c Provision for Tax (MAT)		1,600,000		800,000	
9 Profit(Loss) After ax for the year		6,878,718		4,559,059	
10 Earning per equity share:					
a Basic		-		-	
b Diluted		-		-	

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

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

Director Director Director

Place: Surat
Date:

[N.P.Desai]
Proprietor
MRN-035862

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

	Year Ended	
	31st March, 2014 Rs.	31st March, 2013 Rs.
(A) CASH FLOW FROM THE OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax and Extra Ordinary Item	8,478,718	5,359,059
Adjustments for:		
Depreciation	1,839,879	1,847,674
Preliminary Expenses	0	0
Interest Charges	2,940,271	2,744,984
Profit/Loss on sales of fixed assets	0	0
Operating Profit before working capital charges	13,258,868	9,951,717
Adjustments for changes in:		
Trade and Other Receivables	(32,948,730)	(13,161,124)
Inventories	1,008,155	2,824,736
Trade Payables	21,716,402	2,080,397
Cash Generated from operations	3,034,695	1,695,726
Direct Taxes Paid	1,600,000	800,000
Cash flow before Extraordinary items	1,434,695	895,726
Net Cash from Operating Activities	1,434,695	895,726
(B) CASH FLOW INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,407,534)	(1,374,506)
Sales of Fixes Assets	0	0
Interest Received	0	0
Net Cash used in Investing Activities	27,161	(478,780)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	0	0
Proceeds from Borrowings	2,679,513	3,408,223
Interest paid	(2,940,271)	(2,744,984)
Dividend & Corporate Dividend Tax paid	0	0
Net Cash used in Financing Activities	(260,758)	663,239
Net changes in Cash and Cash Equivalents (A+B+C)	(233,597)	184,460
Cash & Cash equivalents as at (Opening Balance)	1,144,740	960,280
Cash & Cash equivalents as at (Closing Balance)	911,143	1,144,740

As per our Report of even date

For, **Nilkanth Desai & Associates**
Chartered Accountants

[N.P.DESAI]
Proprietor

Place: Palsana/Surat

B.M.DESAI - Chairman & Wholetime Director

V.D.VASHI - Wholetime Director

C.M.DESAI - Wholetime Director

Place: Surat

Date: 31/03/2014

PADMANABH ALLOYS & POLYMERS LIMITED

Notes to Financial Statements for the year ended March 31st 2014

Particulars	Rs.		Rs.	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Note 1 : Share Capital:				
Authorised :				
70,00,000 Equity Shares of Rs. 10/- each (Previous Year 70,00,000 Equity Shares of Rs 10 each)	70,000,000	70,000,000		
List-1				
Issued, Subscribed & Paid up :				
Issued Capital:				
60,00,000 Equity Shares of Rs. 10/- each	60,000,000	60,000,000		
Subscribed Capital :				
5413300 Equity Shares of Rs. 10/- each	54,133,000	54,133,000		
Paid up Capital:				
5413300 (Previous Year 5413300) Equity Shares Of Rs. 10 Each Fully paid up	54,133,000	54,133,000		
Less : Allotment Money unpaid.	-	-		
Add: Forfeited Shares A/c (Previous Year 293200 Equity Shares of Rs 10 each)	2,932,000	2,932,000		
	57,065,000	57,065,000	57,065,000	57,065,000
	57,065,000	57,065,000	57,065,000	57,065,000
Issued Subscribed & Paid up Capital:				
Details of shareholders holding more than 5% Shares				
Noble Merchadies India Pvt Ltd	8.32%	450,200	8.32%	450,200
Ibrahim S Darvesh	5.54%	300,000	5.54%	300,000
Total(a)	13.86%	750,200	13.86%	750,200
Details of shareholders holding less than 5% Shares				
Others	86.14%	4,663,100	86.14%	4,663,100
	0.00%	-	0.00%	-
Total(b)	86.14%	4,663,100	86.14%	4,663,100
Total[(a) + (b)]	100.00%	5,413,300	100.00%	5,413,300
The Recocliation Of the Number of Shares Outstanding is as Below				
Equity Shares at the beginning of the year		541,330		541,330
Add: Shares Issue during the years		-		-
Less: Share baught back during the year		-		-
Equity Shares at the closing of the year		541,330		541,330
Note 2 : Reserves & Surplus:				
Profit & loss a/c				
Balance B/f of Previous Year	(20,101,788)	(24,660,847)		
Add: Profit of Current Year	6,878,718	4,559,059		
Less: Appropriations	-	-	(13,223,070)	(20,101,788)
	(13,223,070)	(13,223,070)	(13,223,070)	(20,101,788)

PADMANABH ALLOYS & POLYMERS LIMITED				
Notes to Financial Statements for the year ended March 31st 2014				
Particulars	Rs.	Rs.	Rs.	Rs.
		31.03.2014		31.03.2013
Note 3 : Long Term Borrowings				
List-2				
Unsecured				
Director's Relative	2,743,050		1,463,584	
Loans From Directors	1,943,820		2,143,513	
Secured				
Canar Bank	20,181,939	24,868,809	18,582,199	22,189,296
		24,868,809		22,189,296
Note 4 : Trade Payables				
List-3				
	35,615,536	35,615,536	14,898,118	14,898,118
		35,615,536		14,898,118
Note 5 : Other Current Liabilities				
	1,786,384	1,786,384	1,451,377	1,451,377
		1,786,384		1,451,377
Note 6 : Short Term Provisions				
List-5				
	2,242,256	2,242,256	1,578,279	1,578,279
		2,242,256		1,578,279

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

Note 7 : FIXED ASSETS

No.		Rate	Gross Block					Depreciation			Net Block	
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
			1.4.13	Add	Add	Less	31.3.14	Upto 31.3.13	Current Year	31.3.14	31.3.14	31.03.13
I Tangible Assets												
	Land	N.A.	1,991,625	-	-	-	1,991,625	-	-	-	1,991,625	1,991,625
	Building											
	Factory Building	3.34%	10,171,243	-	685,285	-	10,856,528	5,833,518	339,720	6,173,238	4,683,290	4,337,725
	Staff Quarters		-	-	-	-	-	-	-	-	-	-
	Plant & Machinery											
	Electrification	13.91%	5,051,131	11,000	6,099	-	5,068,230	3,850,943	167,359	4,018,302	1,049,928	1,200,188
	Hydraulic Loading Platform		-	-	-	-	-	-	-	-	-	-
	Plant & Machinery	4.75%	26,797,589	6,825	698,325	-	27,502,739	18,653,368	1,232,533	19,885,901	7,616,838	8,144,221
	Transformer		-	-	-	-	-	-	-	-	-	-
	Weighing Scale		-	-	-	-	-	-	-	-	-	-
	Air Compressor		-	-	-	-	-	-	-	-	-	-
	Hand Pallet Truck		-	-	-	-	-	-	-	-	-	-
	Camera		-	-	-	-	-	-	-	-	-	-
	Vehicle	25.89%	476,268	-	-	-	476,268	471,804	1,156	472,960	3,308	4,464
	Furniture and Fixtures											
	Furniture		-	-	-	-	-	-	-	-	-	-
	Misc. Fixed Asset	3.34%	1,528,349	-	-	-	1,528,349	1,502,886	51,047	1,553,933	(25,584)	25,463
	Office Equipment											
	Computer	40.00%	33,600	-	-	-	33,600	21,676	7,949	29,625	3,975	11,924
	Office Equipment	18.10%	1,649,943	-	-	-	1,649,943	1,565,451	15,293	1,580,744	69,199	84,492
	Lab. Equipment	13.91%	2,538,986	-	-	-	2,538,986	2,360,536	24,822	2,385,358	153,628	178,450
	UPS		-	-	-	-	-	-	-	-	-	-
	Sub total (A)		50,238,735	17,825	1,389,709	-	51,646,269	34,260,182	1,839,879	36,100,061	15,546,208	15,978,553
II Intangible Assets												
	Sub total (B)											
III Capital Work-in-Progress												
	Sub total (C)											
IV Intangible Assets under development												
	Sub total (D)											
	Total [(A)+(B)+(C)+(D)]		50,238,735	17,825	1,389,709	-	51,646,269	34,260,182	1,839,879	36,100,061	15,546,208	15,978,553
	Previous Year...		48,864,229	201,706	1,172,800	-	50,238,735	32,412,508	1,847,674	34,260,182	15,978,553	16,451,721

PADMANABH ALLOYS & POLYMERS LIMITED
Notes to Financial Statements for the year ended March 31st 2014

Particulars	Rs.	Rs.	Rs.	Rs.
		31.03.2014		31.03.2013
Note 8 : Non-current Investments Unquoted				
	NIL	<u>NIL</u>	NIL	<u>NIL</u>
		<u>NIL</u>		<u>NIL</u>
Note 9 : Deferred Tax Asset (Net)	NIL	<u>NIL</u>	NIL	<u>NIL</u>
		<u>NIL</u>		<u>NIL</u>
Note 10 : Long Term Loans and Advances (Unsecured, considered good)				
Deposits	-		-	
	-		-	
	-		-	
	-		-	
Note 11 : Inventories				
Raw Material	10,286,344		10,577,197	
Raw Material - Packing Material	243,378		170,521	
Diesel	-		-	
Stores & Spares	20,569		19,729	
Finished Goods	1,253,730	<u>11,804,021</u>	<u>2,044,729</u>	<u>12,812,176</u>
(As taken, Valued & Certified by the Management of the Company)				
		<u>11,804,021</u>		<u>12,812,176</u>
Note 12 : Trade Receivables (unsecured Considered Good)				
List-6 More than six months				
Others	73,056,508	<u>73,056,508</u>	39,510,688	<u>39,510,688</u>
		<u>73,056,508</u>		<u>39,510,688</u>
Note 13 : Cash & Cash Equivalents List-7				
Bank Balance : With Scheduled Bank	-		-	
Cash Balance on Hand (As Certified by the Management)	911,143	<u>911,143</u>	1,144,740	<u>1,144,740</u>
		<u>911,143</u>		<u>1,144,740</u>
Note 14 : Short-term Loans and Advances (unsecured Considered Good)				
List-8 Loans & Advances	7,037,036	<u>7,037,036</u>	7,634,126	<u>7,634,126</u>
		<u>7,037,036</u>		<u>7,634,126</u>

Notes to Financial Statements for the year ended March 31st 2014

Particulars	Rs.	Rs.	Rs.	Rs.
		31.03.2014		31.03.2013
Note 15 : Revenue from Operations				
Sale of Product	231,637,994		139,874,524	
Sale of Services	-		-	
Other Operating Revenue	-		-	
Commission	-	231,637,994	-	139,874,524
		<u>231,637,994</u>		<u>139,874,524</u>
Note 16 : Other Income				
Interest:				
Interest - FD			82,248	
Interest - GEB Deposit	64,099			
Others:				
Scrap Sales	173,040		167,200	
Rent Income	-		14,400	
Interest Subsidy	-	237,139	-	263,848
		<u>237,139</u>		<u>263,848</u>
Note 17 : Consumption of Raw Material				
Opening Stock	10,577,197		10,637,332	
Add: Purchases	167,499,126		99,273,709	
Discount On Purchase	(434,687)		(412,612)	
Freight inward	1,789,831		1,693,955	
Custom duty	-		-	
Agency Charges	-	179,431,467	-	111,192,384
		<u>179,431,467</u>		<u>111,192,384</u>
Less:				
Purchase Return	1,887,625		2,772,463	
Closing Stock	10,286,344	12,173,969	10,577,197	13,349,660
Total.. (A)		<u>167,257,498</u>		<u>97,842,724</u>
(II) Packing Material Consumed				
Opening Stock	170,521		116,622	
Packing Material Purchase	1,481,960		874,479	
Less: Closing Stock	243,378	1,409,103	170,521	820,580
Total.. (B)		<u>1,409,103</u>		<u>820,580</u>
TOTAL.. = (A)+(B)		<u>168,666,601</u>		<u>98,663,304</u>
Note 18 : Changes in Inventory				
Closing Stock of Finish Goods	1,253,730		2,044,729	
Less:-Opening Stock of Finish Goods	2,044,729	<u>790,999</u>	4,855,438	<u>2,810,709</u>
		<u>790,999</u>		<u>2,810,709</u>

Notes to Financial Statements for the year ended March 31st 2014

Particulars	Rs.	Rs.	Rs.	Rs.
		31.03.2014		31.03.2013
Note 19 : Manufacturing Expenses				
Consumption of Stores & Spares				
Opening Stock	19,729		27,520	
Purchase	241,574		145,550	
Less: Closing Stock	20,569	240,734	19,729	153,341
		240,734		153,341
Add:				
Power and fuel	6,467,057		5,492,719	
Repair - Building	-		-	
Repair - Machinery	-		-	
Factory Expenses	-		-	
Factory Lease Rent	-		-	
Exchange Loss	-		-	
Export Exp.	40,015		54,574	
Sampling Charges	-		-	
Jobwork - Weaving	-		-	
Jobwork - Dyeing Charges	-	6,507,072	-	5,547,293
		6,747,806		5,700,634
Note 20 : Employee Benefit Expenses				
Workmen Wages	1,857,682		1,265,003	
Salary	250,000		213,600	
Gratuity Exp.	109,744		94,793	
House Rent Allowance	436,171		384,576	
Leave Encashment Exp.	94,339		72,072	
Bonus Exp.	-		123,109	
Staff Welfare Exp.	53,195		40,532	
Contribution to Provident Fund	268,483	3,069,614	201,080	2,394,765
		3,069,614		2,394,765
Note 21 : Financial Costs				
Bank Charges	33,277		126,002	
Delay payment Charges	-		2,930	
Interest - Bank Loan	2,074,256		1,999,850	
Interest - A/c	832,738		614,504	
Interest - Other	-		1,698	
Interest - Income Tax	-		-	
Interest - Term Loan (Machinery)	-		-	
Interest - Term Loan (Building)	-		-	
Interest - Term Loan (TUF)	-		-	
Interest - Unsecured Loan	-	2,940,271	-	2,744,984
		2,940,271		2,744,984

Notes to Financial Statements for the year ended March 31st 2014

Particulars	Rs.	Rs.	Rs.	Rs.
		31.03.2014		31.03.2013
Note 22 : Other Expenses				
Accountant Fees	-		-	
Administrator Charges - PF	-		-	
Advertisement	8,280		3,280	
Agency Charges	-		-	
Auditors Remuneration	35,000		35,000	
Commission	265,980		268,923	
Clearing & Forwarding Charges	-		-	
Conveyance Expenses	404,899		380,777	
Computer Expense	37,182		41,832	
Claim Charges	-		402,829	
Courier Expense	-		-	
Director Salary	954,000		949,004	
Director/Sitting Fee	-		8,000	
Donation	-		-	
Durgapur Depot Exp.	-		4,780	
E.S.I.C Exp.	75,783		92,326	
Electric Expenses	-		-	
Expense - Export	-		-	
Free Sample	4,729		17,790	
Freight Outward	8,360,135		4,852,951	
General Exp.	5,920		37,173	
Gram Panchayat Vero	22,475		36,601	
Income Tax F.Y. 2012-13	26,951		-	
Insurance Expenses	129,969		107,139	
Interest - Creditors	-		-	
Internet Exp.	-		-	
Legal & Professional Fees	171,271		163,146	
Maintenance Expenses	66,883		-	
Mics. & Other Exp.	-		46,206	
Mobile Expenses	-		-	
Membership Fees	(1,516)		73,905	
Office Expense	-		-	
Petrol Expense	-		-	
Post & Telephone	-		32,064	
Repairing Expenses - Machinery	-		96,677	
ROC Expenses	-		-	
Rate and Taxes	-		-	
Rent - Gerator	-		-	
Salaries	-		-	
Sales Tax Expense	-		112,555	
Security Exp.	126,000		140,000	
Stationery Expenses	28,103		53,363	
Telephone Expenses	194,135		180,820	
Tempo Bhada Expenses	-		-	
Transport Outward	-		-	
Travelling Expenses	211,404		166,308	
Vat Reverse due to OGS sales	2,651,323		-	
Vehicle Expenses	4,834		158,257	
Vatav Kasar	4,899	13,788,639	6,896	8,468,602
		13,788,639		8,468,602

Notes to Financial Statements for the year ended March 31st 2014

Particulars	Rs.	Rs.	Rs.	Rs.
		31.03.2014		31.03.2013

Note 23 : Auditor's Remuneration

Statutory Audit Fee	35,000		35,000	
Tax Audit	-		-	
Taxation Matters	-		-	
Company Law Matters	-		-	
Management Fees	-		-	
Other Services	-		-	
Reimbursement Of Expenses	-	35,000	-	35,000
Total		35,000		35,000

Note 24 : Director's Remuneration

Vijay D. Vanshi	954,000		384,000	
Chetan M. Desai	-		300,000	
Hemal R. Desai	-		125,000	
Director Reimbursment	-	954,000	140,004	949,004
Total		954,000		949,004

Note 25 : Value of imports on CIF basis

Raw Materials	-		-	
Components and Spare Parts	-		-	
Capital Goods	-		-	
Total		-		-

Note 26 : Earnings in foreign exchange

Export Of Goods Calculated On F.O.B Basis - Narrow Fabrics	-		2,928,000	
Royalty, Know-how, Professional & Consultation Fees	-		-	
Interest and Dividend	-		-	
Other Income, indicating the nature thereof	-	-	-	2,928,000
Total		-		2,928,000

Note 27 : Expenditure in foreign currency

Royalty	-		-	
Know-how	-		-	
Professional and consultation fees	-		-	
Interest	-		-	
Others	-		-	
Total		-		-

Note 28 : Dividend remitted in foreign currency

Amount of Dividend	-		-	
Total no of Non Resident shareholders	-		-	
Total no of shares held by Non Resident shareholders	-		-	
Year to which Dividend relates	-		-	
Total		-		-

Notes to Financial Statements for the year ended March 31st 2014

Particulars	Rs.	Rs.	Rs.	Rs.
		31.03.2014		31.03.2013

Note 29 : Value of Imported and Indegenous Raw materials, Spare parts and Materials consumed

Particulars	%		%	
(i) Raw Material				
Indegenous	#DIV/0!	-	0.00%	-
Imported	#DIV/0!	-	#DIV/0!	-
(ii) Spare Parts				
Indegenous	#DIV/0!	-	#DIV/0!	-
Imported	#DIV/0!	-	#DIV/0!	-
(iii) Components				
Indegenous	#DIV/0!	-	#DIV/0!	-
Imported	#DIV/0!	-	#DIV/0!	-

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

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

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

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

SCHEDULE - 15

NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2014 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE:

1. SIGNIFICANT ACCOUNTING POLICIES:

- a. **BASIS OF ACCOUNTING:** The financial statements are prepared under historical cost convention and accrual system of accounting in accordance with the requirement of the companies act, 1956, however
- Sales rejections are accounted on actual receipt of rejected goods.
 - Price differences are accounted on actual settlement with the parties.
 - Export Incentives, Insurance and other claims are accounted on cash basis.
- b. **FIXED ASSETS & DEPRECIATION:**
- All fixed assets are shown at cost net of Cenvat less accumulated depreciation.
 - Depreciation on all fixed assets except Building and Plant & Machinery has been calculated on the WDV method at the rates and in the manner specified in the schedule XIV to the Companies Act, 1956.
 - Depreciation on Building and Plant & Machinery has been provided on Straight Line Method at the rates and in the manner specified in the schedule XIV to the Companies Act, 1956.
- c. **INVENTORIES:**
- Raw Material & other material - at Cost
 - Semi Finished Goods - at Cost
 - Finished Goods - at lower or cost or Market Value
- The cost for the purpose of valuation of Finished goods & semi finished goods includes material cost and direct conversion cost and overheads incurred for bringing goods to there present location and condition as well as excise duty wherever applicable.
- d. **FOREIGN CURRENCY TRANSACTIONS:** Foreign currency transactions are accounted at the rate of exchanged in force at the time transactions are effected.
- e. **RETIREMENT BENEFITS:** Provision for gratuity is made on the basis of an actual basis.
- f. **GENVAT CREDIT:** Cenvat credit available is accounted by recording materials purchase at net of excise duty. Cenvat credit availed is accounted by way of adjustment against Excise duty payable on dispatch of finished goods.
- g. **SALES:** Sales of goods is recognized at the point of dispatch to the customer. Sales include excise duty but exclude sales tax.
- h. **IMPAIRMENT OF FIXED ASSETS:** Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.
- Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.
- i. **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**
- Provisions:- Provision is recognised when
- The Company has a present obligation as a result of past event;
 - It is probable that an outflow of resources embodying economic benefit is expected to settle the obligation,
 - A reliable estimate can be made for the amount of obligation.
- Provisions are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date.
- Contingent liability:- Contingent Liability is disclosed in the case of
- As present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - A possible obligation unless the probability of outflow of resources is remote.
- Contingent assets:- Contingent Assets are neither recognised nor disclosed.
- Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

2. CONTINGENT LIABILITIES:

	As at 31/03/20 14	As at 31/03/20 13
Contingent liabilities	-	-
Sales Bills Discounted and remaining unpaid	NIL	NIL
3. Provision for taxation has been made	16,00,000	8,00,000
4. The Company has during the year adopted Accounting Standard (AS - 22) "Accounting for tax es on income" issued by the Institute of Chartered Accountant of India, However in view of loss during the year and also in past, no deferred tax liability or assets has been created.	NIL	NIL
5. Earning per share		
a. Profit / (Loss) after taxation as per profit and loss account	68,78,718	53,59,059
b. Weighted average number of equity shares outstanding	54,13,300	54,13,300
c. Basic and diluted earning per shares in rupees (Face value - Rs.10 per share)	1.27	0.99
6. There was no impairment loss on Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.		
7. SEGMENT REPORTING: The Company operates in a single segment		- Polymer
8. RELATED PARTY DISCLOSURES:		
Related party disclosures are required by AS - 18 are given below:		
a. RELATIONSHIP:		
i. Directors and Executives and their relatives.		
1. Mr.V.D.VASHI		3. Mr.C.M.DESAI
2. Mr.B.M.DESAI		4. Mr.HEMAL DESAI
5. Mr.HILER K DESAI		6. Mrs.KRET A H DESAI
b. The following transactions were carried out with related parties in the ordinary course of business.		
i. Details relating to person referred to in item 1(ii) above		
- Remuneration / Sitting Fees	12,64,600	10,50,000
- Outstanding Loan Payable	15,89,820	17,89,512
- Job Work	18,65,076	16,65,366
- Rent Receivable	14,400	14,400
	As at 31/03/20 14	As at 31/03/20 13
9. Auditors Remuneration:		
Audit Fees	30,000	20,000
Taxation Matters	5,000	5,000
Tax Audit Fees	8,000	8,000
Other Services	<u>2,000</u>	<u>2,000</u>
	45,000	35,000

10. Previous Year figures have been regrouped / rearranged wherever necessary, so as to make them comparable with current year's figure.
11. Letters of confirmation have been sent to various parties of Sundry Debtors, Loans, Advances and Deposits, due adjustment if any will be made on receipt thereof.
12. The Sundry Creditors includes (Amount due to Small Scale Units) Small Scale Units over Rs.1 Lacs and outstanding for more than 30 days (as per information available)
13. Directors Remuneration:
- | | | |
|-------------------------|-----------|-----------|
| Salaries and Allowances | 12,53,600 | 10,40,000 |
| Commission | Nil | Nil |
| Sitting Fees | 11,000 | 10,000 |
14. a) Debt due from a company in which any Director is a Director Nil Nil
- b) Debt due from Directors (Maximum amount due during the period Rs.Nil) Nil Nil
15. Additional information pursuant to the provisions of paragraph (3) and (4) of the Para II – of Schedule VI of the Companies Act, 1956.

(A) Consumption of Raw Materials:					
Polyethene, Granules, Minerals & Additives	MT	2992.014	16866660 1	2013.191	99273709
(B) Value of Imports on CIF Basis					
1. Raw Material			Nil		Nil
2. Components & Spare Parts			Nil		Nil
3. Capital Goods			Nil		Nil
(C) Expenditure in Foreign Currency					
(D) Value of Raw Materials, Stores & Spares consumed:					
Raw Material					
Imported	-				
Indigenous	100		16,86,66,601		9,92,73,709
Stores & Spares					
Imported	-				
Indigenous	100		4,31,446		1,53,341
(E) Amount remitted in Foreign Currency towards dividend					
			Nil		Nil
(F) Earnings in Foreign Exchange FOB value Export of Goods					
			Nil		29,28,000

Note: Schedule 1 to 10 and 15 referred to above form as integral part of the Balance Sheet

(A) Details regarding Licenced capacity, Installed capacity, Product etc.					
		Year Ended 31-03-14		Year Ended 31-3-13	
Product	Unit	Qty	Value	Qty	Value
1. Mineral Filled Thermoplastics Compound & Masterbatches					
Licenced Capacity	MT	N.A.	-	N.A.	-
Installed Capacity	MT	6900.000	-	6900.000	-
Opening Stock of FG	MT	21.671	6.52	52.121	16.12
Production	MT	2818.372	2325.04	1877.388	1418.42
Turnover	MT	2814.122	2316.38	1907.838	1428.02
Closing Stock of FG	MT	25.921	15.18	21.671	6.52
Note: Turnover and Production includes Job Work Sales					
2. Goods for resales					
Opening Stock	MT	-	-	-	-
Purchase	MT	19.035	19.98	32.794	27.72
Sales	MT	19.035	19.98	32.794	27.72
Closing Stock	MT	-	-	-	-

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

for, **Nilkanth Desai & Associates**
Chartered Accountants
(N.P.DESAI)
(Proprietor)
PLACE: SURAT
DATE: 01/09/2014

B.M.DESAI - Chairman & Wholetime Director
Mr. C.M.DESAI -Wholetime Director
Mr. V.D.VASHI -Wholetime Director

**BALANCE SHEET ABSTRACT
AND
COMPANY'S GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS

Registration No.

2	3	5	4	0
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State Code

0	4
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Balance Sheet Date

3	1	0	3	2	0	1	4
Date		Month		Year			

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

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

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

Total Liabilities	1,07,706	Total Assets	107706
SOURCE OF FUNDS			
Paid up Capital	57065	Reserve & Surplus	NIL
Secured Loans	22449	Un-secured Loan	2419
APPLICATION OF FUNDS			
Net Fixed Assets	15546	Investments	NIL
Net Current Assets	92959	Misc. Expenditure	NIL
Accumulated Loss	12271		

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

Turnover /other Income	231811	Total Expenditure	223982
Profit / (Loss) Before Tax	7830	Profit & Loss after Tax	6830
Earning per shares (Rs.)	1.19	Dividend Rate %	NIL

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

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

**PADMANABH ALLOYS & POLYMERS LTD.
Registered Office: N.H.No.8, Village: Palsana – 394315, Dist.Surat (Gujrat)**

19th Annual General Meeting
Tuesday, 30th September, 2014 at 11.00 a.m.

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

Signature of Member / Proxy attending the meeting _____

Notes:

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

**PADMANABH ALLOYS & POLYMERS LTD.
Registered Office: N.H.No.8, Village: Palsana – 394315, Dist.Surat (Gujrat)**

FORM OF PROXY

I/We _____
of _____ in the district of _____
being member/s of the above named Company hereby appoint _____
of _____ in the district of _____
or failing him _____
of _____ in the district of _____
as my/our Proxy to attend and vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company, to be held on Tuesday, 30th September, 2014 and at any adjournment thereof.

Signed the _____ day of _____ 2014.

Signature _____

Affix
Revenue
Stamp

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