

# **UNION QUALITY PLASTICS LTD**



**28<sup>TH</sup>**  
**ANNUAL REPORT**  
**2011-2012**

# UNION QUALITY PLASTICS LTD.

## BOARD OF DIRECTORS

**Mr. Zuzar A Kathawala**  
Chairman & Managing Director

**Mrs. Durriya Z Kathawala**  
Director

**Mr. Sunil R Tripathi**  
Executive Director

**Mr. Jayaram Ananthanarayan**  
Independent Director

**Mrs. Naseem Arsiwala**  
Independent Director

**Mr. Rameshchandra K Mishra**  
Independent Director

## BANKERS

**ICICI BANK LIMITED**  
**HDFC BANK LIMITED**  
**ORIENTAL BANK OF COMMERCE**

## AUDITORS

**M/S. PAREKH SHAH & LODHA**  
CHARTERED ACCOUNTANTS

## SHARE REGISTRAR & TRANSFER AGENT

**Bigshare Services Pvt. Ltd.**  
E – 2/3, Ansa Industrial Estate,  
Sakivihar Road, Sakinaka,  
Andheri (E), Mumbai – 400 072.  
Tel. No. 2852 3474,  
2856 0652/53, 569 36291  
Fax No. 28525207.  
Email : bigshare@bom7.vsnl.net.in

## REGISTERED OFFICE

**UNION QUALITY PLASTICS LTD.**  
5th Floor, A.G.H Chambers,  
379/381 Narsi Natha Street,  
Mumbai – 400009.

## WORKS

Plot No.204, G.I.D.C., Industrial Estate,  
Umbergoan - 396171 , Dist. Bulsar  
Gujarat



**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE TWENTY EIGHT ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON SEPTEMBER 27TH, 2012 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 5TH FLOOR, A.G.H CHAMBERS, 379/381 NARSINATHA STREET MUMBAI – 400009, TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2012, Profit & Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Zuzar Kathawala who retires by rotation and, being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Mrs. Durriya Kathawala who retires by rotation and, being eligible, offer herself for re-appointment.
4. To appoint M/s. Parekh Shah & Lodha, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditor's plus service tax, traveling and out of pocket expenses.

**Registered Office:**

5th Floor, A.G.H Chambers,  
379/381 Narsi Natha Street,  
Mumbai – 400009

By order of Board of Directors of  
**Union Quality Plastics Limited**

**Place: Mumbai**

**Date: 24th August, 2012**

**Z. A. KATHAWALA**

Managing Director

**D. Z. KATHAWALA**

Director



**Notes :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself only on poll and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered office of the Company not less than forty eight before the commencement of the meeting.
2. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting and members who hold shares in electronic form (Demat) are requested to bring their Client ID and DP ID numbers for identification of attendance at the meeting
3. The Register of Members and Share Transfer Books will remain closed from 20th September, 2012 to 27th September, 2012 (both days inclusive)
4. Members are requested to notify the change in their address to the Company and/or Registrar & Share Transfer Agent of the Company in physical mode and always quote their folio no. in all correspondence with the Company. In respect of holding in electronic form, members are requested to notify any change of address and change in bank details in their Depository participants.
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. 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.

**Registered Office:**

5th Floor, A.G.H Chambers,  
379/381 Narsi Natha Street,  
Mumbai – 400009

By order of Board of Directors of  
**Union Quality Plastics Limited**

**Place: Mumbai**

**Date: 24th August, 2012**

**Z. A. KATHAWALA**  
Managing Director

**D. Z. KATHAWALA**  
Director



## DIRECTORS' REPORT

To,  
The Members

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2012.

### 1. FINANCIAL RESULTS: (Rs. In Lacs)

Particular	(31/03/2012)	(31/03/2011)
Turnover (including other income)	2827.76	3597.93
Profit before Tax & Depreciation	64.10	308.73
Less - Depreciation	26.71	29.37
Less – Provision for Taxation	(12.25)	Nil
Profit after tax	49.64	279.36
Add : Profit/(loss) B/fd	(1882.75)	(2162.12)
Total amount Available for Appropriations	(1833.11)	(1882.75)
Transfer to reserves	Nil	Nil
Proposed Dividend (Including Corporate Dividend Tax)	Nil	Nil
Balance Carried forward	(1833.11)	(1882.75)

### 2. OPERATIONS AND BUSINESS PERFORMANCE

Total income for the year was Rs. 28.28 crores. The Company is taking measures to increase its market demand.

### 3. DIVIDEND

In view of conservation of profit, the Directors had not recommended any dividend for this year.

### 4. FIXED DEPOSITS:

During the year under review company has not taken any deposits from public.

### 5. QUALITY MANAGEMENT

The company is committed to supply products and services conforming to customers requirements by involving employees, vendors sub – contractors and customers to achieve its vision of being a cost-efficient global suppliers of quality products.



**6. PERSONAL**

As required by the provision of section 217(2A) of the companies act 1956 of the companies act 1956, read with companies (particulars of employees) Rules, 1975 as amended, there are no employees covered for the year under review.

**7. DIRECTORS**

In pursuance of the Companies Act, 1956, and articles of association of the company Mr. Zuzar Kathawala and Mrs. Durriya Kathawala retires by rotation and being eligible, offer themselves for reappointment.

During the year Mr. Rameshchandra Mishra was appointed as Independent Director of the Company and Mr. Ahmedally Kathawala resigned from Directorship of the Company

**8. DIRECTORS RESPONSIBILITY STATEMENTS**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm:

- i) That in the preparation of the annual accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii) That they had selected such accounting policies, applied them consistently, made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) That they had taken proper and 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;
- iv) That they had prepared the annual accounts on a going concern basis.
- v) That Auditors comment on the internal audit system of the company, Directors wants to clarify that our internal accounting system is strong enough to take care of internal control for accounts under the supervision of management. Hence, we have not deputed outside agency to carry on internal audit.
- vi) The company is engaged in manufacturing business where staff turnover ratio is very high. Hence maintaining retirement and other benefit and provision for gratuity on accrual basis is very difficult. Keeping in view the above the Company follows a policy of providing gratuity liability and retirement and other benefits on actual payment basis.



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

Additional information as required as per section 217(I)(e) of the companies act, 1956 read along with companies (Disclosures of particulars in the report of board of Directors) Rules, 1988 is given below;

**(I) Conservation of Energy:**

Continuous monitoring and awareness amongst employees has helped to avoid waste of energy. Adequate measures had helped in reducing the consumption of energy and overall electricity bill. It is planned to extend the measures taken during the current year which yielded good results, to other areas/equipment/offices.

**(II) Technology Absorption:**

Company has not incurred major expenditure on R& D activity during the year under review; however the company is searching various technology and methods which will help in reducing the consumption of energy, increase in input / output ratio and produce internationally acceptable quality products, company have the ISO 9001: 2000 Certificate.

Information regarding technology imported during the last five years:

- |   |   |                |
|---|---|----------------|
| a. Technology imported  | : | No             |
| b. Year of import   | : | Not applicable |
| c. Has technology been fully absorbed   | : | Not applicable |
| d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of actions | : | Not applicable |

**(III) Foreign Exchange:**

During the year company has earned foreign exchange by export turnover which amounts to Rs. 71.80 lacs and had incurred Rs. 17.19 lacs towards expenditure in foreign exchange during the year. Company is making all efforts to capture the international market.

10. **AUDITORS**

M/s. PAREKH SHAH & LODHA, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of ensuing annual general meeting and, being eligible, offer themselves for reappointment as statutory auditors. Members are requested to approve the same and fix their remuneration.

11. **AUDITORS OBSERVATION :**

The comment of the auditors in their reports is self explanatory and need no further clarification.



**12. CORPORATE GOVERNANCE:**

Your Company believes in coherent and self-regulatory approach in the conduct of its business to achieve highest standard of Corporate Governance. It has complied with the requirement of the Corporate Governance as stipulated by SEBI. A separate report on Corporate Governance along with Auditor's Certificate on its compliance is annexed to and forms part of the report.

**13. APPRECIATION**

Your Directors would like to place on record their appreciation of the consistent support, co-operation and assistance from our customers, suppliers, shareholders, employees and other business associates including various agencies of the central and Maharashtra state governments and Bankers for their continued understanding, assistance and support.

On Behalf of the Board of Directors  
**For Union Quality Plastics Limited**

**Zuzar A Kathawala**  
Chairman

**Place: Mumbai**  
**Date : August 24th, 2012**





**CORPORATE GOVERNANCE:**

**Annexure - A**

**COMPANY'S PHILSOPHY ON CODE OF GOVERNANCE:**

The Company aims at ensuring high ethical standards in all areas of its business operations to enhance its stake holder's value

In accordance with Clause 49 of the Listing agreement with the Stock Exchanges, the details of governance including compliances by the Company with the provisions of Clause 49 are as under:

**1. BOARD OF DIRECTORS:**

As on 31.03.2012, The Company's Board consisted of Two Promoter Directors, One Executive Director & Three independent directors, who have rich experience in their fields.

The Board of the Company met 6 times during the last financial year on the following dates: -- 30.04.11, 31.07.11, 08.08.11, 03.10.11, 31.10.11, 31.01.12

**Code of conduct:**

The Company has already implemented a Code of Conduct for all Board Members and Senior Managements of the company in compliance with Clause 49 (1) of the Listing Agreement. But, since the operations of the Company were not much, the application of the code of conduct was limited to that extent

The constitution of the Board (as on 31.03.2012) and the attendance of the Directors are given below:

Name of the Director	Category of the Director	No. of other Directorship (*)	No. of Board meetings Attended	Attendance at Last AGM
Zuzar A. Kathawala	Managing Director	4	6	Yes
Ahmedally Kathawala	Executive Director	3	5*	Yes
Durriya Z. Kathawala	Promoter Director	3	6	Yes
Sunil R. Tripathi	Executive Director	Nil	6	Yes
Ananthanarayan Jayaram	Independent Director	1	6	Yes
Naseem Shabbir ARsiwala	Independent Director	Nil	6	Yes
Rameshchandra Mishra	Independent Director	NIL	2*	No

\* Mr. Ahmedally Kathawala resigned from Directorship of the Company and Mr. Rameshchandra Mishra was appointed as Independent Director of the Company on 31.10.2011



- Excludes Directorship in Foreign Companies, Companies u/s 25 of the Companies act, 1956
- The Director(s) are neither Chairman nor members of any other committee(s) other than Audit committee, grievance committee, remuneration committee of the Company as mentioned in this report.

Detailed Agenda is circulated/ sent to the members of the Board in advance. The Board discusses/ deliberates and decides on all the topics/ matters including those suggested in the Listing Agreement, as and when the requirement arises.

**Risk Mitigation Plan:** The Company has already adopted a risk mitigation plan, suitable to the Company. During the year there were no activities that required the assessment of risk.

## 2. **AUDIT COMMITTEE:**

The total strength of the Audit Committee is three. The said committee was constituted to exercise powers and discharge function as stipulated in Clause 49 of the Listing Agreement, and other relevant statutory and regulatory provisions. The Chairman of the audit committee is an independent/non executive director, and of the other two members one is executive director and the other is non-executive/ independent director.

During the relevant financial year, Four Audit Committee Meetings were held on 30.04.11, 31.07.2011, 31.10.11 and 31.01.12

The constitution of the Committee (as on 31.03.2012) and the attendance of each member of the Committee is given below

Name of the Member	Category	No. of Meetings	Attendance (No)
Jayaram Anantha Narayan	Chairman	4	4
Sunil R. Tripathi	Member	4	4
Naseem Shabbir Arsiwala	Member	4	4

## 3. **SHARE HOLDERS GRIEVANCE/ SHARE TRANSFER COMMITTEE:**

### **Share Holder's Grievance Committee**

During the year two committee meetings were held on 30.09.11 and 29.03.2012. Share Holders Grievance Committee consists of one independent Director, and two directors.

The data for the year is as follows: No Complaints received from share holders/ Exchange during the year 2012 unresolved complaints (including pertaining to the previous year(s):2011. Majority of these complaints pertain to listing matters which the Company is addressing.



The constitution of the Committee as on today is as under:

Name of the Member	Category	No. of Meetings	Attendance (No)
Jayaram Anantha Narayan	Chairman	2	2
Sunil R. Tripathi	Member	2	2
Naseem Shabbir Arsiwala	Member	2	2

At present, Mrs. Ritika Vinayak Iswalkar, is the Compliance officer of the Company.

#### **Share Transfer Committee**

The same members of Share Holders Grievance Committee are the members of this committee also. The Committee met twice in a year.

#### **4. REMUNERATION COMMITTEE**

Remuneration Committee is Held on 30.04.2011 to consider increase in salary of Directors as follows

<b>DIRECTORS NAME</b>	<b>REMUNERAION 2010-11</b>	<b>REMUNERAION 2011-12</b>
Zuzar A. Kathawala	855000	1440000
Sunil Tripathi	552848	993000

#### **5. OTHER DETAILS/INFORMATIONS**

The details of Annual General Meeting held in last 3 years are as under:

<b>Year</b>	<b>Date</b>	<b>Location</b>	<b>Time</b>
2010-2011	30th Sept, 2011	Registered Office- 5th Floor, A.G.H Chambers, 379/381, Narsi Natha Street, Mumbai – 400 009	10.00 A.M
2009-2010	30th Sept, 2010	Registered Office- 5th Floor, A.G.H Chambers, 379/381, Narsi Natha Street, Mumbai – 400 009	3.30 P.M.
2008-2009	29th Sept, 2009	Registered Office- 5th Floor, A.G.H Chambers, 379/381, Narsi Natha Street, Mumbai – 400 009	4.00 P.M.

The Company has not used Postal Ballot. One Extra Ordinary General Meetings of the members of the Company was held on 24.10.11.



- **Means of communication:**

The Company has started filings since 1996 the entire quarterly / half yearly / annual results of the company with the Stock Exchanges and press release are made in English & Marathi as stipulated in the Listing Agreement. The company does not have a web site. It also has not displayed in official news release and no presentations were made to institutional investors or to the analysts. We do not send half yearly financial reports to the share holders. The management Discussion and Analysis is a part of the Annual Report

- **Compliance of Insider Trading Norms:**

Company has adopted the code of internal procedures and thus complies with the insider trading norms.

- **General Shareholder's information**

a) AGM, date, time, and venue

Venue	Date	Time
502 AGH CHAMBER, 379/381 NARSI NATHA STREET, MASJID, MUMBAI 400 009	27-09-2012	11.00 AM

b) Financial year ending 31st March'2012.

c) Book closure date 20.09.2012 to 27.09.2012, (both the days inclusive)

d) Listing on stock exchanges. : The shares are listed in Bombay Stock Exchange.

All the dues regarding the Listing Fee have been paid

e) Distribution schedule as on 31.03.2012

Category	Number of Shareholders	% (percentage)	Number of Shares Held	% (Percentage)
Upto – 500	2084	80.84	621380	12.85
501 – 1000	208	8.07	155800	3.22
1001 – 2000	148	5.74	206900	4.28
2001 - 3000	50	1.94	131800	2.73
3001 – 4000	12	0.47	4110	0.08
4001 – 5000	13	0.50	6110	0.13
5001 - 10000	37	1.43	236500	4.89
10001 and above	26	1.01	3472400	71.82
<b>Total</b>	<b>2578</b>	<b>100</b>	<b>4835000</b>	<b>100</b>



**f) Share price movements:**

There was no trading of the scripts at the Stock Exchange(s) during the year. The data regarding the price movements are not available, and the management is unable to provide the statement showing the monthly high and low price of the script of the Company as required in the Listing Agreement.

**g) SHARE HOLDING PATTERN AS ON 31.03.2012**

Category	No. of shares	% of equity
Promoter Group	2663700	55.09%
Resident Body Corporate	1595900	33.01%
Banks/FI/FII/MF/Trust	198500	4.10%
NRI/OCB	376900	7.80%

Share holdings of Independent Directors (name)      No. of Shares      NIL

- a) Director retiring by rotation / reappointment:  
Mr. Zuzar Kathawala & Mrs. Durriya Kathawala
- c) Share transfer system: Physically Processed by R& T Agent Big Shares Services Pvt. Ltd.
- d) The Company has not proposed / declared any dividend during the year.
- e) Financial Year: 01.04.2012 to 31.03.2013

For the current financial year, following is the calendar (tentative and subject to change)  
Financial reporting for 31st March, 2013:

- 1st Quarter 30.06.2012
  - 2nd Quarter 30.09.2012
  - 3rd Quarter 31.12.2012
  - Financial year closing: 31.03.2013
  - 4th Quarter – 31.03.2013
- f) Plant Location: Plot No. 204, G.I.D.C. Industrial Estate, Umbergaon – 396171 Dist. Valsad, Gujrat State, (India) Tele Fax (0260) 2562591



- g) Address for correspondence
- Regd Office: 502, A.G.H.Chambers, 379/381, Narsi Natha Street, Masjid , Mumbai – 400 009
  - E-mail id of the Company: uqpl\_india@yahoo.co.in
  - E-mail id of the Compliance officer: ritika.i@unionqualityplastics.com/  
info@unionqualityplastics.com
  - Telephone No: 23449885/86
  - Fax: 23401643

Share Transfer Agents: - BIGSHARE SERVICES PVT.LTD.

E/2 ANSA INDUSTRIAL EASTATE, SAKI VIHAR ROAD, SAKI NAKA ANDHERI EAST  
MUMBAI- 400 072

- h) Stock Code – 526799 (Bombay Stock Exchange)
- i) Dematerialization of shares & liquidity: Bulk of the shares are in physical mode, as given below:

Sr. No	Particulars	No. of share holders	No. of shares	Percentage
1	Physical Shares	2578	4835000	100%
2	Electronic Shares	--	--	
	<b>Total</b>			

**6) DISCLOSURE**

- j) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity N A
- k) Conversion date and likely impact on Equity Shares N A
- l) The details of related parties' viz.; Promoters. Directors or the Management, their Subsidiaries or relatives conflicting with Company's interest: N A
- m) Penalties or structures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the period under review NONE
- n) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc N A



**7) Management Discussion and Analysis**

After the best year the company had in 2010-2011, this year has been more subdued where both sales and profits of the company have been affected. The fluctuations in the raw material prices, the volatility of the currencies all had an impact on the company's working.

Your company has been successful in getting approval for BIS for Geomembrane as well as Vermibeds, which are better value added products with good prospects for the years ahead. It also received the ISO certification for 14000, so now the company is ISO 9000 and 14000 certified.

By Order of Board of Directors of  
**Union Quality Plastics Limited**

**Zuzar A Kathawala**  
Chairman & Managing Director

Place : Mumbai  
Date: 24/08/2012



### **CEO & CFO CERTIFICATION**

**The Board of Directors**  
**M/S UNION QUALITY PLASTICS LIMITED**  
**Mumbai**

Re-financial Statements for the year 2011-12 – Certification

We, Mr. Zuzar A. Kathawala , Chairman, Managing Director and, CFO, on the basis of the review of the financial statements and the cash flow statements for the

Financial year ending 31.03.2012 and to the best of our knowledge and belief, thereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended 31.03.2012 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
  - (a) There have been no significant changes in the international control over financial reporting during this year.
  - (b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the noted to the financial statements.
  - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place: Mumbai  
Date: 24th August, 2012

**Zuzar A Kathawala**  
Chairman & Executive Director/ CFO





**DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT**

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Zuzar A. Kathawala Chairman & Managing Director of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 31.03.2012.

Place: Mumbai  
Date: 24th August, 2012

for Union Quality Plastics Limited

**Zuzar A Kathawala**  
Chairman & Executive Director



## AUDITORS' REPORT

To,  
The Members of  
**UNION QUALITY PLASTICS LIMITED**

We report that we have audited the attached Balance Sheet of UNION QUALITY PLASTICS LIMITED, as at 31st March 2012 and profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred in the paragraph 2 above, we report that:
  - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by the Companies Act, 1956 have been kept by the company so far as appears from our examination of such books.
  - c) The Balance Sheet and the Profit and Loss account referred to in this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ***subject to the non compliance by the company of the Accounting Standard 15 relating to non provision of retirement and other benefit which is being accounted by the company on cash basis instead of accrual basis (liability quantum not ascertained) and provision for gratuity is not made on actuarial basis.***
  - e) In our opinion and based on information and according to explanations given to us, none of the directors are disqualified as on 31st March 2012 from being appointed as directors in terms of clause (g) of subsection (1) of Section 274 of the Companies Act 1956.



4. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the Significant Accounting Policies and the other notes thereon give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view,
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
  - ii) in the case of Profit and Loss Account, of the Profit for the year ended on that date.
  - iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

**For PAREKH SHAH & LODHA**

Chartered Accountants  
Firm Regn No. 107487W

**CA Ravindra Chaturvedi**

(Partner)

Membership No.: 048350

Place: Mumbai

Date: 24th August, 2012



### ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the accounts of Union Quality Plastics Ltd. for the year ended 31st March 2012.

1. In respect of its fixed assets:
  - a) The Company is in the process of updating of Fixed Asset Register to show full particulars including details and situation of fixed assets.
  - b) We were given to understand that the management has physically verified the fixed assets during the year and this revealed no material discrepancies during such verification between book records and physical balance. In our opinion the frequency of the verification is reasonable, having regard to the size of the Company and the nature of its business.
  - c) In our opinion the Company has not disposed off any major asset/ substantial part of its business during the year and the 'Going Concern' status of the Company is not affected.
2. In respect of its inventories:
  - a) As informed to us, the inventories have been physically verified by management at reasonable intervals during the financial year.
  - b) In our opinion, the procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) On the basis of examination of the records of inventory, we are of opinion that the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
  - a) The Company has granted interest free unsecured loan to two parties listed in aforesaid register for Rs. 298.52 lacs (including business advance of Rs. 231.51 lacs granted to one party).
  - b) In our opinion and according to the information and explanation given to us, the terms and conditions on which the abovementioned loan has been granted are not prima facie prejudicial to the interest of the Company, except for non charging of the interest.
  - c) In respect of loans granted by the Company, these are repayable on demand and therefore the question of interest overdue amounts does not arise.
  - d) During the year the Company has taken interest free unsecured loans from seven listed parties aggregating to Rs. 105.80 lacs and balance outstanding, as on 31-03-2012 is Rs. 336.91 lacs (P.Y. Outstanding of Rs. 414.78 Lacs).
  - e) In our opinion and according to the information and explanation given to us, the terms and conditions on which the abovementioned loan has been taken are not prima facie prejudicial to the interest of the Company.
  - f) In respect of loans taken by the Company, these are repayable on demand and therefore the question of interest overdue amounts does not arise.



4. In our opinion and according to the explanations given to us there is an adequate internal control procedure commensurate with the size of Company and nature of its business, for the purchase of fixed assets, inventory and for the sale of goods. During the course of our audit no major weakness has been observed in internal controls.
5. In respect of transactions covered under section 301 of the Companies Act, 1956.
  - a) Based on the audit procedures applied by us and according to the explanations provided by the management, we are of the opinion that all transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 and which have so been entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. As informed to us, sections 58A and 58AA of the Companies Act, 1956 is not applicable to the Company as it has not accepted any deposits from the public. Hence, the clause (vi) of the Order is not applicable.
7. In our opinion the company does not have any formal internal audit system.
8. In our opinion and to the best of our knowledge and according to the information given to us by management, The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
9. In respect of statutory dues:
  - a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. According to the information made available to us, no undisputed arrears of statutory dues are outstanding as at 31st March 2012 for more than six months from the date when they became except for Professional Tax liability of Rs. 1,58,973/-.
  - b) According to the information and explanations given to us there are no amounts in respect of Sales Tax, Custom duty, Wealth tax, Excise duty and Cess that have not been deposited with the appropriate authorities on account of any dispute, except for some dues towards Provident Fund Authorities, as per information provided to us.
10. The Company has accumulated losses of Rs. 18,33,11,924/- as on 31st March 2012 (P.Y. Rs. 18,82,75,385/-). The company has not incurred any cash losses during the financial year and in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank at balance sheet date, except for the continued default in the repayment of dues to Development Credit Bank Limited from previous financial years.



12. Based on our audit procedures and as per the information and explanations given by the management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the financial year 2011-2012.
13. The provision of any special statutes applicable to the Chit Funds, Nidhi or Mutual Benefit Society are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of this clause are not applicable on the Company.
15. According to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and the explanations given to us, the company has not raised any term loans during the year except cash credit facility from City Co-op Bank Ltd, the outstanding balance of which is Rs. 206.54 lakhs as on 31.3.2012.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that the company has not utilized funds raised from short term sources towards long term applications and vice versa.
18. During the current financial year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. No debentures have been issued during the current financial year.
20. No money has been raised by public issues during the current financial year.
21. On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the current financial year.

**For PAREKSHAH & LODHA**

Chartered Accountants  
Firm Regn No. 107487W

**CA Ravindra Chaturvedi**

(Partner)

Membership No.: 048350

Place: Mumbai

Date: 24th August, 2012



**AUDITORS CERTIFICATE OF CORPORATE GOVERNANCE**

To the members of  
**UNION QUALITY PLASTICS LIMITED**

We have examined the compliance of conditions of corporate governance by Union Quality Plastics Ltd. for the year ended 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchange(s) of India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of conditions 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 explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement except for formation of Remuneration Committee as required under the said clause.

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 PAREKH SHAH & LODHA**  
Chartered Accountants  
Firm Regn No. 107487W

**CA Ravindra Chaturvedi**  
(Partner)  
Membership No.: 048350

Place: Mumbai  
Date: 24th August, 2012



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

(Amount in Rs.)

Particulars	Note	As at 31st March, 2012	As at 31st March, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Fund</b>			
Share Capital	1	48,193,700	48,193,700
Reserves and Surplus	2	(155,027,876)	(159,991,337)
		<u>(106,834,176)</u>	<u>(111,797,637)</u>
<b>2 Non-Current Liabilities</b>			
Long-Term Borrowings	3	16,748,104	16,748,104
<b>3 Current Liabilities</b>			
Short-Term Borrowings	4	203,970,167	188,478,793
Trade Payables	5	44,041,742	53,199,383
Other Current Liabilities	6	793,550	482,022
Short-Term Provisions	7	3,045,148	1,033,443
		<u>251,850,608</u>	<u>243,193,641</u>
<b>TOTAL</b>		<b><u>161,764,536</u></b>	<b><u>148,144,109</u></b>
<b>II ASSETS</b>			
<b>1 Non-current Assets</b>			
<b>Fixed Assets</b>			
8			
Tangible Assets		14,796,089	16,263,025
Non-Current Investments	9	2,806,282	1,118,032
Deferred Tax Assets (Net)	10	1,225,220	-
Long-Term Loans And Advances	11	5,174,687	5,148,805
		<u>9,206,189</u>	<u>6,266,837</u>
<b>2 Current Assets</b>			
Inventories	12	47,407,121	54,977,609
Trade Receivables	13	41,547,832	31,526,311
Cash And Cash Equivalents	14	6,137,131	7,713,973
Short-Term Loans And Advances	15	42,670,175	31,294,611
Other Current Assets	16	-	101,743
		<u>137,762,258</u>	<u>125,614,247</u>
<b>TOTAL</b>		<b><u>161,764,536</u></b>	<b><u>148,144,109</u></b>

Notes, referred hereinabove, annexed to and forming part of the Balance Sheet & Profit and Loss Statement

Significant Accounting Policies and Notes to Accounts 25

As per our report of even date  
For **PAREKH SHAH & LODHA**  
**Chartered Accountants**  
Firm Regn No. 107487W

**CA Ravindra Chaturvedi**  
Partner  
M. No. 048350  
Date : 24/08/2012  
Place : Mumbai

FOR AND ON BEHALF OF BOARD  
**UNION QUALITY PLASTICS LTD.**

**Z A Kathawala**  
Chairman & Managing  
Director

**D Z Kathawala**  
Director





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

(Amount in Rs.)

Particulars	Note	As at 31st March, 2012	As at 31st March, 2011
I Revenue from Operations	17	282,386,917	329,846,867
II Other Income	18	388,782	11,415,426
<b>III Total Revenue (I + II)</b>		<b>282,775,699</b>	<b>341,262,293</b>
<b>IV Expenses:</b>			
Cost of Materials Consumed	19	209,116,910	269,633,095
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	2,539,604	(18,531,300)
Employee Benefits Expense	21	20,204,640	12,808,768
Finance Costs	22	2,034,469	1,775,325
Depreciation and Amortization Expense	23	2,773,038	2,971,047
Other Expenses	24	42,368,797	44,669,237
<b>Total expenses</b>		<b>279,037,458</b>	<b>313,326,172</b>
<b>V Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>3,738,241</b>	<b>27,936,121</b>
<b>VI Exceptional items</b>		-	-
VII Profit before extraordinary items and tax (V - VI)		3,738,241	27,936,121
VIII Extraordinary Items		-	-
<b>IX Profit before tax (VII- VIII)</b>		<b>3,738,241</b>	<b>27,936,121</b>
X Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		(1,225,220)	-
(3) (Short) / Excess Provision for Income Tax for Earlier Years		-	-
<b>XI Profit (Loss) for the period</b>		<b>4,963,461</b>	<b>27,936,121</b>
XII Earnings per equity share:			
Basic		1.03	5.78
Diluted		1.03	5.78

Notes, referred hereinabove, annexed to and forming part of the Balance Sheet & Profit and Loss Statement

Significant Accounting Policies and Notes to Accounts 25

As per our report of even date

For PAREKH SHAH & LODHA

Chartered Accountants

Firm Regn No. 107487W

FOR AND ON BEHALF OF BOARD  
UNION QUALITY PLASTICS LTD.

CA Ravindra Chaturvedi

Partner

M. No. 048350

Date : 24/08/2012

Place : Mumbai

Z A Kathawala  
Chairman & Managing  
Director

D Z Kathawala  
Director



Notes annexed to and forming part of the Balance Sheet & Statement of Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>NOTE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
70,00,000 (P.Y. 70,00,000) Equity Shares of Rs. 10/- each	70,000,000	70,000,000
<b>TOTAL</b>	<b>70,000,000</b>	<b>70,000,000</b>
Issued, Subscribed and Paid up share capital 48,35,000 (P.Y. 48,35,000) Equity Shares of Rs. 10/- each fully paid up	48,350,000	48,350,000
Less : Calls in Arrears 15,630 (P. Y. 15,630) Equity Shares of Rs. 10/- each	156,300	156,300
<b>TOTAL</b>	<b>48,193,700</b>	<b>48,193,700</b>

a) A reconciliation of the number of shares outstanding at the beginning and at the end of the accounting year, is set out below:

Particulars	F.Y. 2011-2012 No. of shares	F.Y. 2010-2011 No. of shares
Equity shares at the beginning of the year	4,835,000	4,835,000
Add: shares issued during the year	-	-
<b>Equity shares at the end of the year</b>	<b>4,835,000</b>	<b>4,835,000</b>

b) There are Nil ( Previous year – Nil) rights, preference and restriction attaching to each class of shares including restriction on the distribution of dividend and the repayment of capital.

c) There are nil number of shares ( Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.

d) Shares in the company held by each shareholders holding more than 5% shares, as on 31.03.2012:

Name of the Shareholder	No. of shares	Percentage (%)
Zuzar Ahmedally Kathawala (PY 7,98,900 16.52%)	798,900	16.52%
Qusai Zuzar Kathawala (PY 7,10,900 14.70%)	710,900	14.70%
Ahmedally G Kathawala (PY 3,62,800 7.50%)	362,800	7.50%
Adamji Investment Pvt. Ltd. (PY 5,39,800 11.16%)	539,800	11.16%

e) There are nil number of shares ( Previous year Nil) reserved for issue under option and contracts /commitment for the sale of shares/disinvestment including the terms and amounts.

f) For the period of five years immediately preceding the date as at which the balance sheet is prepared

Particulars	No of. Equity Shares
Aggregate number and class of shares allotted as fully paidup pursuant to contract(s) without payment being received in cash	Nil
Aggregate number and class of shares allotted as fully paidup by way of bonus shares.	Nil
Aggregate number and class of shares bought back	Nil

g) There are no securities issued which are convertible into equity/preference shares.

h) There are 15630 Calls unpaid (previous year 15630) of Rs 10/- each.Calls unpaid by directors & officers of the company as on Balance Sheet date are Nil.(previous year Nil).

i) There is no forfeiture of the shares of any class during the Financial Year (Previous Year -Nil).



Notes annexed to and forming part of the Balance Sheet & Statement of Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>NOTE - 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium</b>		
Opening balance	28,440,348	28,440,348
(-) Calls in Arrears	156,300	156,300
Closing Balance	28,284,048	28,284,048
<b>Profit and Loss Account</b>		
Opening balance	(188,275,385)	(216,211,506)
(+) Net Profit/(Net Loss) For the current year	4,963,461	27,936,121
Closing Balance	(183,311,924)	(188,275,385)
<b>TOTAL</b>	<b>(155,027,876)</b>	<b>(159,991,337)</b>
<b>NOTE - 3</b>		
<b>LONG-TERM BORROWINGS</b>		
<b>A. SECURED LONG-TERM BORROWINGS</b>		
<b>Term Loan from Development Credit Bank</b>		
(Secured by way of first charge against Factory Land and Construction thereon along with plant & machinery installed situated at Umbergaon, Gujarat )	14,529,473	14,529,473
(The above account is Non Performing Assets since years, no installment was paid during the current year (including previous financial years)		
<b>Term Loan from Bank of India</b>		
(External Commercial Borrowings - Guaranteed by Development Credit Bank Ltd.)	2,218,631	2,218,631
(The above account is Non Performing Assets since years, no installment was paid during the current year (including previous financial years)		
<b>TOTAL</b>	<b>16,748,104</b>	<b>16,748,104</b>
<b>NOTE - 4</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>SECURED SHORT-TERM BORROWINGS</b>		
<b>Loans Repayable on Demand- From Banks</b>		
<b>Development Credit Bank Ltd.</b>		
( Cash Credit Secured by way of pari passu first charge on stock of raw materials, finished goods, consumable stores & spares, work in progress and book debts of the Company)	112,674,960	112,674,960
(The above account is Non Performing Assets since years, no installment was paid during the current year (including previous financial years)		



Notes annexed to and forming part of the Balance Sheet & Statement of Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>The City Co-op Bank Ltd</b>	20,654,670	-
(Working Capital facility from City Co-op bank is secured by pari passu first charge on stock of raw materials, finished goods, work in progress and book debts of the company along with the personal surety given by the directors of the company. Further the said working facility are repayable on demand and carries interest rates at 15% p. a. on monthly rest)		
<b>UNSECURED SHORT-TERM BORROWINGS</b>		
Loans and Advances from Related Parties	62,542,696	67,212,333
Loans Repayable on Demand- From Other Parties	8,097,841	8,591,500
<b>TOTAL</b>	<b>203,970,167</b>	<b>188,478,793</b>
<b>NOTE - 5</b>		
<b>TRADE PAYABLES</b>		
Sundry Creditors	38,239,567	41,090,750
Expenses Payable	494,840	287,258
Advance received from Clients	5,307,336	11,821,375
<b>TOTAL</b>	<b>44,041,742</b>	<b>53,199,383</b>
<b>NOTE - 6</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Duties & Taxes Payable	793,550	482,022
	<b>793,550</b>	<b>482,022</b>
<b>NOTE - 7</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for employee benefits		
Salary & Reimbursements	1,429,883	922,762
Contribution to PF	152,731	110,681
Bonus Payable to Workers	1,462,534	-
<b>TOTAL</b>	<b>3,045,148</b>	<b>1,033,443</b>



**NOTE - 8**  
**FIXED ASSETS**  
(in Rupees)

Description	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK				
	As at 01.04.2011	Additions	Deductions	Revaluations/ (Impairments)	As at 31.03.2012	01.04.2011	For the year	Dedu- ction	Adjustment due to revaluations/ (Impairments)	As At 31.03.2012	As At 31.03.2011
<b>i. TANGIBLE ASSETS</b>											
Lease Hold Land	2,252,550	-	-	-	2,252,550	-	-	-	-	2,252,550	2,252,550
Factory Building	23,062,287	-	-	-	23,062,287	15,500,484	758,252	-	-	6,803,551	7,561,803
Plant and Machinery Equipments	72,551,249	1,122,359	-	-	73,673,608	66,776,951	1,780,642	-	-	5,116,015	5,774,298
Electrical Installations	4,018,752	-	-	-	4,018,752	3,903,902	31,951	-	-	82,899	114,850
Furnitures & Fixtures	753,152	-	-	-	753,152	445,882	55,616	-	-	251,654	307,270
Office equipment	435,607	46,500	-	-	482,107	328,770	14,902	-	-	138,435	106,837
Staff Quarters	174,736	-	-	-	174,736	65,129	5,480	-	-	104,127	109,607
Computers	383,597	35,500	-	-	419,097	347,787	24,452	-	-	46,858	35,810
<b>TOTAL</b>	<b>103,631,930</b>	<b>1,204,359</b>	<b>-</b>	<b>-</b>	<b>104,836,289</b>	<b>87,368,905</b>	<b>2,671,295</b>	<b>-</b>	<b>-</b>	<b>14,796,089</b>	<b>16,263,025</b>
Previous Year	102,389,730	1,242,200			103,631,930	84,431,772	2,937,133			16,263,025	17,957,958

**Note:** There was no written off/ addition to any class of the Fixed Assets, on a reduction of capital and/or on revaluation of assets during the last five financial years



Notes annexed to and forming part of the Balance Sheet & Statement of Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>NOTE - 9</b>		
<b>NON-CURRENT INVESTMENTS</b>		
<b>Non Trade Investments - As per annexure 9A</b>		
(Valued at Cost and Certified by the Management)		
Investment in Equity instruments/Mutual Funds		
<b>Quoted Investment in Equity</b>	<b>366,632</b>	<b>366,632</b>
Aggregate amount of quoted investments (Market value of Rs 4,04,090 (Previous Year Rs 4,05,510))		
<b>Quoted Investment in Mutual Funds</b>	<b>2,005,000</b>	<b>880,000</b>
Aggregate amount of mutual funds (Market value of Rs. 19,45,335 \\ (Previous Year Rs.8,63,104 )		
<b>Unquoted Investment</b>		
Investments in Shares and NCD	614,635	51,385
Investments in Government or Trust securities	15,000	15,000
Less : Provision for diminution in the value of Investments	194,985	194,985
<b>TOTAL</b>	<b>2,806,282</b>	<b>1,118,032</b>
<b>NOTE - 10</b>		
<b>DEFERRED TAX ASSETS</b>		
Opening Balance - Assets/(Liabilities)	-	-
Add: Arised During the year	1,225,220	-
<b>Closing Balance - Assets / (Liabilities)</b>	<b>1,225,220</b>	<b>-</b>
<b>NOTE - 11</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
Security Deposits	5,174,687	5,148,805
<b>TOTAL</b>	<b>5,174,687</b>	<b>5,148,805</b>
<b>NOTE - 12</b>		
<b>INVENTORIES</b>		
(As taken, valued at Cost and certified by the Management )		
Raw Materials and components	10,036,222	16,093,856
Work in Progress	1,763,001	1,478,400
Finished goods	33,289,422	36,113,626
Stores and spares	2,318,475	1,291,727
<b>TOTAL</b>	<b>47,407,121</b>	<b>54,977,609</b>



Notes annexed to and forming part of the Balance Sheet & Statement of Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>NOTE - 13</b>		
<b>TRADE RECEIVABLES</b>		
Trade receivables - Unsecured Considered Good (outstanding for a period less than six months from the date they are due for payment)	38,501,838	25,044,379
Trade receivables - Unsecured Considered Good (outstanding for a period exceeding six months from the date they are due for payment)	3,045,994	6,481,932
<b>TOTAL</b>	<b>41,547,832</b>	<b>31,526,311</b>
<b>NOTE - 14</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
<b>Balance with Banks:</b>		
Balance with Scheduled Banks - In Current Accounts	3,214,915	2,707,172
Balance with Scheduled Banks - In Margin Accounts	1,640,898	1,640,898
Fixed Deposits (with more than 12 months maturity)	285,000	2,800,000
<b>Cash on hand</b>	996,318	565,903
<b>TOTAL</b>	<b>6,137,131</b>	<b>7,713,973</b>
<b>NOTE - 15</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
<b>(Unsecured Considered Good)</b>		
<b>Loans and advances to related parties -</b>		
Advances to Directors	6,701,363	-
Business Advances	23,150,585	7,298,806
Advance to Others	236,000	-
<b>Other loans and advances</b>		
Balances with Revenue Departments	6,854,850	15,856,724
Advances to Employees	283,000	445,087
Advances to Suppliers	5,444,377	7,693,994
<b>TOTAL</b>	<b>42,670,175</b>	<b>31,294,611</b>
<b>NOTE - 16</b>		
<b>OTHER CURRENT ASSETS</b>		
Preliminary Expenses to the Extent not Written off	-	101,743
<b>TOTAL</b>	<b>-</b>	<b>101,743</b>



Notes annexed to and forming part of the Balance Sheet & Statement of Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>NOTE - 17</b>		
<b>INCOME FROM OPERATIONS</b>		
Sale of Products		
Local Sales	304,335,194	259,188,640
Less: Excise duty	28,202,819	26,404,440
Net Sales	276,132,375	232,784,200
Less : Sales Return	1,148,743	1,102,113
	274,983,632	231,682,087
Export Sales	7,179,503	98,164,780
Jobwork Charges	223,782	-
<b>TOTAL</b>	<b>282,386,917</b>	<b>329,846,867</b>
<b>NOTE - 18</b>		
<b>OTHER INCOME</b>		
Interest Income	130,591	178,174
Net gain/loss on sale of investments	-	46,614
Sundry Credit balance Written Off	232,726	11,190,638
Dividend on Mutual Fund	25,466	-
<b>TOTAL</b>	<b>388,782</b>	<b>11,415,426</b>
<b>NOTE - 19</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Raw Material Consumed		
Opening Stock	16,093,856	7,648,519
Add : Purchases	200,552,042	277,120,960
Add: Reduction in Credit of Sales Tax	2,507,234	957,472
Less: Closing Stock	10,036,222	16,093,856
<b>TOTAL</b>	<b>209,116,910</b>	<b>269,633,095</b>
<b>NOTE - 20</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Finished Goods	36,113,626	17,533,186
Less: Closing Finished Goods	33,289,422	36,113,626
Opening Work in Progress	1,478,400	1,527,540
Less: Closing Work in Progress	1,763,000	1,478,400
<b>TOTAL</b>	<b>2,539,604</b>	<b>(18,531,300)</b>





Notes annexed to and forming part of the Balance Sheet & Statement of Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>NOTE - 21</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and incentives	17,843,967	10,585,222
Contributions to -		
- Provident fund	1,419,758	2,173,532
Gratuity fund contributions	577,081	21,310
Staff welfare expenses	363,834	28,704
<b>TOTAL</b>	<b>20,204,640</b>	<b>12,808,768</b>
<b>NOTE - 22</b>		
<b>FINANCE COSTS</b>		
Interest on Cash Credit	781,789	-
Other Interest charges	99,603	300,714
Other Borrowing Costs	1,004,711	-
Bank Charges	249,117	731,796
Applicable net gain/loss on foreign currency transactions and translation	(100,751)	742,815
<b>TOTAL</b>	<b>2,034,469</b>	<b>1,775,325</b>
<b>NOTE - 23</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation	2,671,295	2,937,133
Preliminary Expenses Written Off	101,743	33,914
<b>TOTAL</b>	<b>2,773,038</b>	<b>2,971,047</b>
<b>NOTE - 24</b>		
<b>OTHER EXPENSES</b>		
Direct Expenses		
Consumption of Stores	2,963,513	1,085,546
Labour Charges	9,429,214	19,392,722
Power and fuel	12,129,592	11,120,665
Repairs & Maintenance		
- Building	59,759	-
- Machinery.	449,744	404,368
- Others	32,240	85,220
Insurance Expenses	94,516	-
	<b>25,158,578</b>	<b>32,088,521</b>



Notes annexed to and forming part of the Balance Sheet & Statement of Profit and Loss Account

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Administrative &amp; Selling Expenses</b>		
Auditors Remuneration:		
- as statutory auditor	67,416	55,150
- as tax auditor	33,708	27,600
Rent & Hire Charges	3,099,000	690,000
Rates and taxes, excluding, taxes on income.	374,135	-
Advertisement & Sales Promotion	31,454	38,406
Directors Remuneration	2,433,000	1,407,848
Computer Expenses	52,820	46,962
Electricity Charges	199,578	158,910
Export Expenses	179,408	354,509
Freight/Octroi & Clearing (Include export freight)	1,999,686	4,901,877
Legal & Profession Fess	1,306,063	1,071,916
Loss in Sales Tax Credit 06-07	-	529,528
Membership & Subscription	243,877	17,400
Motor Vehicle Expenses	487,107	239,751
Printing & Stationery	260,893	40,384
Discount & Commission on Sales	13,865	657,874
Fees Paid to BSE	1,126,725	-
Sales & Business Promotion Expenses	2,001,135	844,975
Postage & Telephone	915,344	65,108
Travelling & Conveyances Expenses	1,649,270	881,346
Miscellaneous expenses,	735,736	551,172
	<b>17,210,219</b>	<b>12,580,716</b>
<b>TOTAL</b>	<b>42,368,797</b>	<b>44,669,237</b>



**Note - 25: ACCOUNTING POLICIES AND NOTES TO ACCOUNT**

**(A) SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

**(b) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that effect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. actual; results could differ from estimates

**(c) Employee Benefits:-**

- i. Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- ii. Gratuity liability is defined benefit obligations and is provided for on payment basis.
- iii. Short term compensated absences are provided for on based on estimates. Long term compensated absences are provided for based on actuarial valuation on projected unit credit method carried by an independent actuary as at end of the year.
- iv. Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.
- v. Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss account immediately.

**(d) Fixed Assets**

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Fixed assets erected & commissioned have been capitalized at cost including other incidental expenses relating to acquisition and installation.

**(e) Depreciation**

- i) Depreciation has been provided on written down value method corresponding to the rates prescribed under schedule XIV of the Companies Act 1956.
- ii) Depreciation on additions is being provided on pro-rata basis from the date of such additions.

**(f) Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.



After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(g) Leases**

Assets acquired under finance leases are recognised in accordance with the method recommended by the ICAI. Lease payments are apportioned between finance charge and reduction of outstanding liabilities. The finance charge is allocated to periods during lease term at a constant periodic rate of interest on the remaining balance of the liability.

**(h) Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**(i) Inventories**

Raw materials, components, stores and spares:

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(j) Revenue recognition**

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

**Dividend**

Dividend including Interim is accounted for when declared.

All items of income/ expenses are accounted for on accrual basis except for the following items which are accounted for on cash basis.

- 1) Encashment of leave and gratuity payable to employees
- 2) Custom /Excise Duty on Material in bond.
- 3) Bonus

**(k) Foreign currency translation**

**(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



**(ii) Conversion**

Foreign currency monetary items are reported using the closing rate at the end of the reporting period. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**(iii) Exchange Differences**

Foreign currency monetary items are reported using the closing rate at the end of the reporting period. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**(I) Taxes on Income**

Income Tax expense comprise of Current Tax and Deferred Tax charge or credit. The current tax is determined as the amount of tax payable in respect of taxable income for the year, as per the provisions of Income Tax Act, 1961. The Company provides for Deferred Tax Liability based on the tax effect of Timing Differences resulting from the reorganization of item in the financial statements and estimating its current income tax provision. Where there are brought forward fiscal allowances, deferred tax asset is recognized only if there is virtual certainty of realization of such assets. Deferred tax assets and liabilities are reviewed as at each balance sheet date and restated as per current developments.

**(m) Borrowing Costs**

Borrowing Costs attributable to the fixed assets during their construction/renovation and modernization are capitalized in accordance with AS-16 issued by ICAI. Such borrowing costs are apportioned on the average balance of Capital Work-In-Progress for the year. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(n) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(o) Provisions**

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement



**(p) Segment Information**

The Company has only one business and geographical Segment viz. HDPE Tarpaulene and related products in India. Hence no further disclosures are required to be made as per AS-17 on segment reporting.

**(q) Indirect Taxes**

Excise Duty:

- I) Excise Duty payable on finished goods is accounted for on clearance of goods from the factory, no provision is made for Excise Duty in respect of Finished Goods lying the factory.
- II) Cenvat in respect of Excise Duty paid on purchase of Raw Materials, Stores and Capital goods is accounted for by reducing the purchase cost of the related goods

**Custom Duty:**

Custom Duty payable on Raw Materials, Stores, Spares and Components is accounted on clearance thereof from the bonded warehouses.

**(r) Sales:**

Sales include excise duty and are net of sales tax.

**(B) NOTES TO THE ACCOUNTS**

**1. Impairment of Assets**

The Company has carried out Impairment test on its fixed assets as on the date of Balance Sheet and the management is of the opinion that there is no asset for which provision for impairment is required to be made as per Accounting Standard - 28 on Impairment of Assets.

**2 The contingent liabilities:**

- a) Bills discounted with the banks amount to Rs. 479,473/- (Previous year Rs. 479,473/-) and other parties Rs. 4,636,340/- (Previous year Rs. 4,636,340)
- b) Bank Guarantee with custom Authorities Rs. 9,645,768/- (Previous Year Rs. 9,645,768/-)

3. No provision has been made in accounts for gratuity and other retirement benefits accruing to employees which is not in accordance with the Accounting Standard 15 and accounting policy of the company

**4. Payments to Auditors**

Particulars	2011-12	2010-11
Audit Fees (inclusive of Service Tax)	67,416	55,150
Tax Audit Fees (inclusive of Service Tax)	33,708	27,600
<b>Total</b>	<b>100,124</b>	<b>82,750</b>



## 5. Managerial Remuneration

Remuneration has been paid to Managing Director as per Schedule XII of Companies Act 1956 as under:-

Particulars	2011-12	2010-11
Salary	24,33,000	14,07,848
<b>Total</b>	<b>24,33,000</b>	<b>14,07,848</b>

## 6. Miscellaneous Expenditure:

The Company has written off balance preliminary / miscellaneous expenditure during the current year of Rs. 1,01,743.

## 7. Related Parties Disclosures

### (I). Names of related parties

Names of related parties where control exists irrespective of whether transactions have occurred or not	Nil
Names of other related parties with whom transactions have taken place during the year	Nil
Associates	Nil
Key Management Personnel	<ol style="list-style-type: none"> <li>1. Mr. Zuzar A. Kathawala (Managing Director)</li> <li>2. Mrs. Durriya Z. Kathawala (Director)</li> <li>3. Mr. Sunil Ramakanth Tripathi (Director)</li> </ol>
Relatives of key management personnel	<ol style="list-style-type: none"> <li>1. Mr. Imtiaz A. Kathawala</li> <li>2. Yunus Kathawala</li> <li>3. Salim Kathawala</li> <li>4. A. G. Kathawala</li> <li>5. Qusai Kathawala</li> <li>6. Naamah Kathawala</li> </ol>
Enterprises owned or significantly influenced by key management personnel or their relatives	<ol style="list-style-type: none"> <li>1. Alban Communications India Pvt. Ltd.</li> <li>2. Adamji Investment Pvt . Ltd.</li> <li>3. Ambient Media Solutions Pvt. Ltd.</li> <li>4. Niyuprene Plastics Co. Pvt. Ltd.</li> <li>5. Kathawala Realtors LLP</li> </ol>



**(II). Related Party Disclosure**

(Amount in Rupees)

	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Realtives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	
	2012	2011	2012	2011	2012	2011
Employee Benefits for Key Management Personnel	24,33,000	14,07,848	-	-	-	-
Unsecured Loans Taken	27,55,000	87,27,288	25,50,000	1,10,76,510	88,06,070	51,76,510
Unsecured Loans Repayments	26,15,000	1,00,27,355	61,65,000	25,27,350	1,00,96,000	2,52,350
Business Advances Taken / Received back	-	-	-	-	-	-
Business Advances Repaid/ given	-	-	-	-	-	-
Hire Charges / (Income)	-	-	-	-	60,000	60,000
Commission Income	-	-	-	-	-	-
Balances Outstanding at the year end	10,76,102	15,07,275	3,00,84,292	3,44,69,949	23,72,987	22,52,987
Unsecured Loan Payable	10,76,102	15,07,275	3,00,84,292	3,44,69,949	23,72,987	22,52,987
Business Advance (Receivable) / Payable	-	-			(2,31,50,585)	(78,98,806)
Commission receivable	-	-			-	-

\*Amount written off or written back in respect of debts due from or to related parties is "NIL".

\*\*Figures for the previous year have been shown in the brackets.

\*\*\*Related party relationship is as identified by the management and relied upon by the auditor.

**8. ACCOUNTING STANDARD (AS-19) LEASE TRANSACTION DISCLOSURES**

(a) Disclosures relating to Finance and Operating Leases

The Company has not entered in any kind of Finance and Operating Lease transactions during the Financial Year. Hence, no disclosure is required to be made as per AS-19 in this respect.

**9. Provision for Taxation**

- a) Current Tax: The company has made a appropriate provision for taxation for the year under the provision of the Income Tax Act, 1961





b) **Deferred Tax**

Deferred tax is recognized on timing differences in accordance with AS-22 issued by ICAI as per details given hereunder.

The company has made a provision of Deferred Tax Assets of Rs. 12,25,220 for the current year.

Particulars	Deferred tax liability/(Asset) as at 31-03-2012 (Rs.)	Deferred tax liability/ (Asset) as at 31-03-2011 (Rs.)
Opening Balance	-	-
<b>Add: Deferred Tax Asset/ (Liability) created during the year Deferred Tax Liabilities</b>		
Difference between book and tax Depreciation	7,22,814	-
Deferred Tax Assets		
Eligible Carry Forward Business Loss (as per Income Tax Rules)	19,48,034	-
Net Differed Tax Liability/ (Asset) Charge/((Credited) to Profit and Loss Account	12,25,220	-
<b>Closing Balance</b>	<b>12,25,220</b>	

10. **Earning Per Share (EPS)**

(Rs. in lacs except EPS)

	2011-12	2010-11
i) Net Profit after tax as per profit and	49.63	2,79.36
Less : Profit Attributable to ordinary	-	-
ii) Net Profit attributable to equity share	49.63	2,79.36
iii) Weighted Average number of equity shares used as denominator for	48,35,000	48,35,000
iv) Basic and Diluted EPS		
- Basic	1.03	5.78
- Diluted	1.03	5.78
vi) Face Values per equity share	10.00	10.00



### 11. Earnings/ Expenditure in foreign currency

	2011-12	2010-11
Earnings in foreign currency (Cash/Accrual basis)		
Exports at F.O.B. Value	71,79,503	9,81,64,780
	71,79,503	9,81,64,780
Expenditure in foreign currency (Cash/Accrual basis)		
Travelling	-	3,70,303
Others ( Commission)	-	-
	-	3,70,303
Value of imports calculated on CIF basis		
Raw Material import	17,18,876	2,76,23,007
	17,18,876	2,76,23,007

### 12. Segment Reporting

The Company has only one business and geographical Segment viz. HDPE Tarpaulene and related products in India. Hence no further disclosures are required to be made as per AS-17 on segment reporting.

### 13. Previous Year Comparatives

The Financial Statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised schedule VI under the Companies Act, 1956, the Financial Statement for the Year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year's does not impact recognition and measurement principles followed for preparation of financial statements and the previous year's figures have been regrouped/ rearranged wherever necessary to conform to current year presentation. Figures have been rounded off to the nearest rupee.

### 14 General Notes:

- I) In term of notification GSR (129E) dated. 22.02.99 issued by the department of the company affairs, the company is required to furnish the details of outstanding to SSI undertaking under the head "Current Liabilities & Provision" of amount more than one lacs and for the period of more than 45 days the company has requested to vendor to furnish requisite information along with their SSI registration balance sheet, therefore the company is unable to furnish the particulars.
- II) Income Tax assessments of the Company have been completed till the assessment year 2010 – 2011 U/S 143 (1) (a).
- III) Provision has not been made for Bonus Payable in the current year.
- IV) The company has in the year 1997 pledged with Development Credit Bank Ltd. Share of Public Limited Companies, held and owned by the Directors Mr. A. G. Kathawala, Mr. Z. A. Kathawala and Mrs. D. Z. Kathawala and their relative Mrs. M. A. Kathawala, having market value at the time around Rs. 10.00 Lacs to secure the company's liabilities for payment of long outstanding collection bill dated 17.07.1990 for USD 29025/- (Rupees 7.42 Lacs).



We are given to understand that though the shares were pledged for a particular transaction and upto a limit of Rs. 10 Lacs only, in the year January 2000 the bank exercised their right to invoke the pledge without giving notice to the pledger and without restricting the sale to the extent of Rs. 10 Lacs only, and accordingly sold the shares for Rs. 2,88,50,988.57 and credited the proceeds to the companies cash and the matter is under litigation by the parties concerned the amount so credited by the bank is shown under the heading suspense account failing under classified group unsecured loans.

- V) As per the information available the loan taken by the company from Development Credit Bank (DCB) for Rs. 1294.23 lacs (as mentioned in Note No. 3 and 4 to the Balance Sheet) has been assigned by the DCB to the Asset Reconstruction Company of India Limited (Arcil). The Arcil has again sold its above said loan asset to one of the group company M/s Ambient Media Solutions Private Limited (AMSPL). The company has paid a sum of Rs. 231.51 lacs to AMSPL as a part of settlement of loan (as mentioned in Note 15 to Balance Sheet), subject to final settlement.
15. Balance of all sundry Debtors, Sundry Creditors & loan and advances are subject to confirmation and consequent reconciliation and adjustments, if any.
16. No forward exchange contracts are outstanding on the balance sheet date which is entered to hedge foreign exchange exposures of the Company.
17. Account confirmation statements were not received from some of the parties
18. In the opinion of the Board, the assets (other than Fixed Assets and Non Current Investments) are approximately of the value stated, if realized in the ordinary course of business. The provisions for liabilities are considered to be adequate by the Board

In terms of our report of even date

**For PAREKHASHAH & LODHA**  
**Chartered Accountants**  
**Firm Regn No. 107487W**

For and on behalf of the Board  
**UNION QUALITY PLASTICS LTD.**

**CA Ravindra Chaturvedi**  
(Partner)  
M. No. :048350

**Zuzar A. Kathawala**  
(Director)

**Durriya Z. Kathawala**  
(Director)

Place: Mumbai  
Date: 24th August, 2012



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

(Amount in Rs.)

Particulars	Note	As at 31st March, 2012	As at 31st March, 2011
<b>CASH FLOW FROM OPERATION ACTIVITIES :</b>			
Net Profit before tax and extraordinary items :		3,738,241	27,936,121
Adjustment for :			
Depreciation		2,671,295	2,937,133
Preliminary Expenses		101,742	33,914
Interest/Dividend received		(130,591)	(178,174)
<b>Operating Profit before Working capital changes :</b>		<b>6,380,687</b>	<b>30,728,994</b>
Adjustment for :			
Trade and Other Receivables		(10,021,521)	13,123,116
Inventories		7,570,488	(27,815,448)
Trade Payables		(6,834,408)	(11,585)
Other Current Assets		(11,375,564)	(22,193,302)
<b>Cash Generated from Operation</b>		<b>(14,280,317)</b>	<b>(6,168,225)</b>
Cash Flow Before extraordinary items		(14,280,317)	(6,168,225)
Direct Tax Paid		-	-
Other Income		-	-
Net cash from operating activities after extra ordinary items	A	(14,280,317)	(6,168,225)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(1,204,359)	(1,242,200)
Purchase of Investments		(1,688,250)	(755,000)
Interest /Dividend received		130,591	178,174
<b>Net Cash Used in Investing activities</b>	B	<b>(2,762,018)</b>	<b>(1,819,026)</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
Net Proceeds from Issue of Share Capital			12,284,174
Net Proceeds from Unsecured Loans		(5,189,178)	
Net Proceeds from Secured Loans		20,654,670	-
<b>Net Cash used in Financial Activities</b>	C	<b>15,465,492</b>	<b>12,284,174</b>
<b>Net Increase\Decrease in Cash and Cash Equivalents</b>	A+B+C	<b>(1,576,843)</b>	<b>4,296,923</b>
<b>Cash and Cash Equivalents as on 01-04-11(Opening)</b>		<b>7,713,974</b>	<b>3,417,051</b>
<b>Cash and Cash Equivalents as on 31-03-12(Closing)</b>		<b>6,137,131</b>	<b>7,713,974</b>

## AUDITORS'S CERTIFICATE

We have examined the above Cash Flow Statement of Union Quality Plastics Ltd for the year ended 31st March 2012. The Statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our Report dated 24th August, 2012 to Members of the Company

As per our report of even date  
For **PAREKH SHAH & LODHA**  
**Chartered Accountants**  
Firm Regn No. 107487W

FOR AND ON BEHALF OF BOARD  
**UNION QUALITY PLASTICS LTD.**

**CA Ravindra Chaturvedi**  
Partner  
M. No. 048350  
Date : 24/08/2012

**Z A Kathawala**  
Chairman & Managing  
Director

**D Z Kathawala**  
Director

**UNION QUALITY PLASTICS LTD.**

Regd. Off: 5th Floor, A.G.H Chambers, 379/381, Narsi Natha Street, Mumbai - 400 009.

**ATTENDANCE SLIP**

**28th Annual General Meeting: 27th September, 2012.**

Regd. Folio No./DP or Client ID

Mr. / Mrs. / Miss

(Shareholder's Name in BLOCK Letters)

Certify that I am a registered shareholder / proxy for the registered shareholders of the company.

(Member's / proxy's name and address in Block Letters to be furnished below)

hereby record my presence at the 28th Annual General Meeting of the Company to be held on Thursday, 27th September, 2012 at 11.00 am

If signed by Proxy, name should be  
Written here in BLOCK Letters

Member's / Proxy's Signature

-----  
Please fill in this attendance slip and hand it over at the Entrance of the Meeting Hall.

**UNION QUALITY PLASTICS LTD.**

Regd. Off: 5th Floor, A.G.H Chambers, 379/381, Narsi Natha Street, Mumbai - 400 009.

**Proxy Form**

**28th Annual General Meeting: 27th September, 2012.**

Regd. Folio No./DP or Client ID.....

No. of sharesheld.....

I/We.....of.....being a

member /members of Union Quality Plastics Limited here by appoint

Mr. /Mrs.....of.....failing

him /her Mr./Mrs.....of.....

..... failing him/her as my/our proxy to attend and vote for me/us and on my /our behalf at the 28th Annual General Meeting of the Compnay to beheld on Thursday, 27th September, 2012 at11.00am and at my adjournment thereof..

As witness my/our hand(s) this.....day of.....2012.

Signature .....

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company, not less than 48 hours before the time for holding the aforesaid Annual General Meeting

# **BOOK-POST**

If undelivered please return to:

**UNION QUALITY PLASTICS LTD.**

**Registered Office:**

5th Floor, A.G.H Chambers,379/381, Narsi Natha Street, Mumbai - 400 009.